

# GREAT Women Project



## Surveying Women Microentrepreneurs Highlights of the Baseline Study of Women Microentrepreneurs and Women Workers in PPALMA Alliance



Philippine  
Commission  
on Women

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## Highlights of the Baseline Study on Women Microentrepreneurs and Women Workers in PALMA Alliance

### *Organizing the Baseline Study Team*

In August 2007, in view of implementing the GREAT Women Project, the Philippine Commission on Women (PCW) assigned a research team and consultant to work with PALMA Alliance in drafting a research proposal and the data collection tools for the baselines. They recommended the engagement of an academic institution for conducting baselines. They also provided learning sessions on baseline study conduct, and encouraged PALMA to conduct initial mapping activities to identify baselines and resources for economic and enterprise development.

The baseline studies were conducted by the Integrated Development Services (IDS), which took on the local enabling environment for women's economic empowerment component of the research, and the Social Research, Training and Development Office of the Ateneo de Davao University (AdDU), for the women microentrepreneurs (WME) and women workers in microenterprises (WWME) component. For the WME/WWME component of the research, feminist descriptive research was used as the research methodology of AdDU, mainly using triangulation of data collection methods (quantitative and qualitative), and sources of information (women entrepreneurs and women workers).

### *Developing the Baseline Tools and Methodologies*

The baseline studies for WMEs/ WWMEs profiled women engaged in microenterprises in terms of their background, characteristics of their spouses, household structure and composition, family planning practice, place of origin of parents and migration, housing facilities, household possessions and properties, and organizational involvement. It similarly determined the characteristics of women's enterprises in terms of enterprise type, sources of household income, their income/savings/capital, and environmental issues faced in the enterprise and employment conditions of their workers. It also tried to present the level of awareness of women in microenterprises on government policies, programs and services in enterprise development. More importantly, it took account of the working conditions and needs of women in microenterprises (including workload, access to loans, support of the household members, social protection, constraints in business, future plans and expected support from government).

Data collection was made through a triangulation method of survey, focus group discussions (FGDs) and in-depth interviews (See Table 1). PALMA hired two field supervisors and 12 local interviewers on a full-time basis to perform the survey from the period of October to November 2007. The field supervisors were full-time faculty members of the university, with experience in research, teaching, capacity building, and advocacy for women empowerment and gender equality. Survey tools were translated in *Ilonggo*, one of the major dialects in PALMA and pretested for adequacy among 24 respondents. Out of 153 barangays within PALMA Alliance, 45 barangays (29%) and 501 microentrepreneurs and women workers were surveyed.

#### Footnote:

<sup>1</sup> At the time of the baseline studies, PALMA Alliance was composed of the five municipalities of Pigcawayan, Aleosan, Libungan, Midsayap and Alamada. Pikit joined the alliance after the conduct of the baseline studies.

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FGDs and in-depth interviews were made from January to February 2008. FGDs were used as a method to validate survey results and to analyze and explore other issues and concerns related to women's conditions in microenterprise. Four (4) FGDs, which include two separate FGDs among Muslims and another for *lumad* (indigenous) women in microenterprises, were conducted and participated in by a total of 41 participants. In-depth interviews, on the other hand, provided more detailed documentation of women's experiences in various microenterprises. Respondents were selected on different characteristics such as type of microenterprise, size of enterprise, female headship of enterprise, leadership in government and NGOs, age, ethnicity and religion; 13 women were covered in the in-depth interviews.

Table 1. Sample Population (2007)

Area	Microentrepreneurs					Workers
	Total Number of Barangays	Sample Number of Barangays	Sample Population			
			Survey	FGD	In-depth Interview	
Pigcawayan	40	10	121	7	3	24
Alamada	17	7	61	5	2	14
Libungan	20	8	90	4	2	17
Midsayap	57	15	175	12	4	39
Aleoson	19	5	54	12	2	6
Total	153	45	501	41	13	100

*Gathering the Baseline Study Results*

After the conduct of all data gathering activities, the following were findings of the baseline studies for women owners and managers of microenterprises:

- Women microentrepreneurs were within 40 to 49 years of age, married, achieved high school level, Catholics, and local permanent residents. Their spouses were about two years older than their wives, had a higher level of education and were mainly farmers.
- Women belonged to a predominantly nuclear household structure with an average size of five. One-third of the respondents have very young children aged 0-4 years old. One in four respondents had a household member working in other parts of the country, while one in eight respondents had a household member working abroad.
- Majority owned houses with sanitation facilities.

*Findings on Women Owners and Managers of Microenterprises*

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- Majority were engaged in livestock and agricultural production, and owned land.
- Enterprises were on retail (small variety stores, meat and produce vending), services (operating eateries, beauty parlors, and selling cellphone prepaid service cards) and manufacturing (including meat processing, native delicacies, handicrafts). Half the women were home-based workers, and on the average been in microenterprise for eight years. Two-fifths were assisted by household members, mainly the spouse, daughter and son.
- Women did not practice regular recording of their business transactions nor allocate payment for their own labor. They earned low net returns, and could hardly save. They worked for very long hours, with 'mul-

### Long Hours Spent By Women for Housework and Income-Earning Activities

During the focus group discussions, the researchers validated the survey results regarding the long hours of work spent by the women entrepreneurs in doing housework and income-earning activities. Women agreed with the findings and shared details of their workload. The following experiences were parts of interviews during focus group discussions and in-depth interviews:

"I wake up at 4:00am to cook. Then I go to my garden to harvest the vegetables. Then I go to the market to "jambol (buy and sale of produce in the market). My beauty parlor is near my vegetable stall and this is where my clients who need my services for bone setting, pregnancy massage would wait. When there are no customers, I rush to my vegetable stand. I just move around my shops. Then I gather wilted vegetables and cook this at night to feed to my pigs. I sleep at two in the morning. If I don't do any sideline, we can hardly survive because earnings are quite minimal," Mila related. (*Trained traditional birth attendant Mila moonlights in two other jobs as vegetable vendor and beauty parlor operator-attendant, Libungan.*)

"I sell vegetables from 4:00 p.m. to 9:00 p.m. I buy them early in the morning. After marketing, I clean up the house, wash clothes, cook food and prepare my chil-

dren for schooling, then I cook again for their lunch)," smoked fish vendor Edna of Libungan said.

Most market vendors like vegetable vendors stay in the market the whole day. They start at four in the morning so they can choose quality, fresh and cheaper produce straight from the farms. They go home at ten in the evening when most of their vegetables are disposed and customers are fewer.

"Early in the morning I start buying and selling ("jambol") of vegetables, hogs, produce and anything especially if it is market day like Thursday and Sunday. In the afternoon I sell broiled bananas ("ginanggang") with an additional slice so it's more saleable. If earnings are low, I do laundry. One has to be good in sales talk to convince customers to buy, WME Tita from Midsayap said.

"I take motorcycle with my husband and we go to the mountainous rural areas to sell handkerchiefs, notebooks, soap, Colgate, bracelets and other items. I used to sell this on foot but there were drunkards. I raise hogs as well assisted by my husband. My children do not help. We feed them with *kangkong* because feeds are expensive," WME Weena of Midsayap said.

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tiple burden' as the most-mentioned work-related concern. Very few allocated a small percentage of social protection such as Social Security System and PhilHealth.

- Women are constrained by unusually high interest rates to informal lenders in the marketplace. They also found it difficult to pay their loans regularly. They complained about clients not paying credit on time. They are likewise hampered by the lack of infrastructure such as farm-to-market roads and electricity especially for those in the remote areas, lack of capital and training.

### Sources of Capital of Women Microentrepreneurs

Women microentrepreneurs in PALMA Alliance depended on small loans from informal sources. Some women took up multiple loans, and at times, used money borrowed from one lender to pay other loans (credit pollution). Consequently, women go into a cycle of debt which constrain them from growing their businesses. In a focus group discussion, some common lending schemes of informal sources were as follows:

- Some lenders deduct some charges from the principal (e.g. P250), then ask borrowers to make daily payments of equal amount for not more than 30 days (23 to 28 days) with a declared interest of 12% to 15%.
- Emergency loan is at 10% interest where the borrower pays the principal plus interest on a daily basis for ten days. The first payment starts on the day the loan is released.
- The borrower gets only P700 for every P1,000 borrowed. The principal has to be paid in full after 4 to 5 days, when the WME's produce (e.g. fruits) is expected to be fully disposed.
- Some exorbitant lenders were also known to confiscate the borrower's household appliances when unable to pay the loan.

"5-6 is usurious but the borrower, especially the "jambolero" (a person engaged in buy and sale within the market), badly needs it thinking that profits

can be earned quickly. Sometimes one earns a jackpot, other times it is all loss. For instance, there was one who bought a piglet who had a hard time disposing it so she brought it home; the next day, the piglet died. It is a headache how she could pay the emergency loan. It is bad record if one cannot pay on time which means she cannot get emergency loan the next time she needs it), a woman microentrepreneur from Midsayap shared.

When borrowing from informal lenders, women say they prefer female collectors because male collectors can be very strict.

On the other hand, most women in the focus group discussions shared that they usually did not access loans from banks. Banks are required by law to allocate 10 percent of their capital for loans to small and microentrepreneurs (SMEs). These formal financial institutions, however, do not seem to reach the small women entrepreneurs who expressed great need for financial assistance. Its transaction costs in terms of waiting time and effort are likewise high for women. Relatedly, Muslim women respondents did not avail of loans from banks because they cannot afford weekly payments. They are also constrained by other requirements such as membership fees and other charges.

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While the findings showed that majority of the microentrepreneurs were under adverse cultural and economic conditions, they reported various positive impact out of their engagement in economic activities: improved purchasing power for basic household needs especially for children's education, enhanced skills in business, self-confidence, leadership, decision-making within the household, sense of pride by spouse and children for their economic contribution to the household as well as being able to contribute to their locality through the provision of goods and services.

### *Findings on Women Workers in Microenterprises*

The following, on the other hand, are the findings for the women workers in microenterprises:

- Out of 100 workers in the sample, workers were predominantly 24 years old or below. Twelve workers were below 17. Majority was single, reached high school and long-time residents. More than one-third of the workers were out-of-school.
- Workers received very low salaries where one-fifth are paid P1,000 or less, while more than half received P1,000 to P3,000 or an average of P2,558 a month.
- Workers worked beyond the regular hours without extra pay. About half worked up to 9 to 12 hours per day.
- Three-fourths of the respondents did not have Social Security System (SSS) and PhilHealth premium coverage.
- They expected government assistance such as the following: financial assistance to start their own business, scholarships, employment opportunities, laws that would increase their salaries in the informal sector, trainings and social security. However, only a small percentage availed of work-related trainings.

### *Recommendations for Local Governments of PPALMA Alliance*

Given the baseline study findings, the research team of AdDU suggested several recommendations for the local governments of PALMA Alliance to support and promote women's economic empowerment. Among these were:

- To review and regulate, to a certain extent, high-interest credit by formal and informal moneylenders so that women will access affordable savings, credit mechanisms and institutions.
- To open a separate window for such type of clients addressing their preferences: simplified requirements, quick release, daily collection of payment at shorter duration and female collectors, redesigned loan procedures suited for the informal sector, and complementary non-financial services (i.e., social security and health insurance schemes).
- To conduct gender sensitization activities for existing financial institutions, which lead to the development of services responsive to female microentrepreneurs' needs.
- To strengthen women-led organizations (including Rural Improvement Clubs) in the areas of entrepreneurship, gender sensitivity, leadership and communication.
- To create or improve participatory mechanisms for women to have a voice in development agenda setting and decision making.

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- To initiate activities to involve private sector and women organizations in boosting business productivity. It should look into possible incentives stimulating growth for small enterprises. It should strongly exhort business owners to provide their workers with Social Security System (SSS) and Philhealth coverage, and augment workers' income.
- To initiate sustainable, rights and gender-based, strategic development planning. With that, PPALMA can reexamine how the One Town, One Product (OTOP) approach can be further enhanced to increase the value added into the local production process, and to provide more valuable commodities that can command better pricing in the market. PPALMA Alliance can also look into an integrated rural development approach for equitable distribution of resources, and rationalize infrastructure development program.
- To continually strengthen capacities for gender-responsive governance.

### Selected Statistical Tables from the Baseline Studies

**Table 2. Type of Enterprise by Municipality**

Municipality	Type of enterprise									
	Sari-sari (variety store)		Buy and Sell		Services		Manufacturing		Total	
	f	%	f	%	f	%	F	%	f	%
Pigcawayan	71	56.8	23	18.4	23	18.4	8	6.4	125	100
Alamada	19	30.6	23	37.1	18	29.0	2	3.2	62	100
Libungan	44	48.9	20	22.2	13	14.4	13	14.4	90	100
Midsayap	28	53.8	8	15.4	12	23.1	4	7.7	52	100
Aleoson	64	37.6	58	34.1	32	18.8	16	9.4	170	100
Total	226	45.3	132	26.5	98	19.6	43	8.6	499	100

*Types of Enterprises by Municipality.* Women were engaged in various types of enterprises: retail (*sari-sari* store, buy and sell such as dry goods, vegetable and spices, fish, fruits, meat, pharmacy, hardware, "*ukay-ukay*"), services (such as *carenderia* or eatery, manicure, barbershop/beauty parlor, E-load, dressmaking, billiards, rise and corn milling, swimming pool), and manufacturing (such as food processing, native delicacies, bakery and handicrafts). Animals raised were hogs, poultry, goats and cattle.

**Table 3. Registration of Business Among WMEs (2007)**

Whether business was registered in 2007	Frequency	Percentage
Yes	336	67.1
No	163	32.5
NR	2	.4
Total	501	100.0
Location of registration		
Municipal Hall	180	53.6
Barangay Hall	147	43.8
Others	6	1.8
NR	3	.9
Total	336	100.0

**Registration of Business.** Majority of the respondents (67.1%) reported that they registered their business in 2007. More than half of them (53.6%) were registered in the municipal government while another significant percentage (43.8%) in the barangay. This shows that local governments hold formal record of these enterprises, which are granted legitimate business licenses and imposed with taxes.

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**Sex.** Ninety-nine percent of respondents (498 respondents) were females, while one percent (three respondents) were male.

**Age.** The age range of the respondents reveals significant implications on their productive and reproductive/domestic roles. The respondents were largely within their late reproductive years, with a mean age of 43.21 years. Most of them (31.5%) were within the age range of 40-49 years, followed by one-fourth of them (25.7%) who were within the age range of 30 -39 years. More than one-fourth were beyond 50 years old while the smallest percentage belonged to those below 30 (13.6%). The average age is 43, with the youngest at 16 and the oldest at 90. This age structure implies that the greater percentage did not have very young children which would constrain them from participating in productive work.

**Civil Status.** Majority of the respondents (83.0%) were married. This means that these respondents have definite dependents relying on their support. It also shows how crucial women enterprises were for the sustenance of their family.

<b>Main Occupation</b>		
Wholesale and retail	438	87.4
Services	30	6.0
Wage, employed	16	3.2
Manufacturing	13	2.6
Farming	4	.8
<b>Current Schooling status</b>		
Out of school	5	1.0
NAP	496	99.0
<b>Highest Grade Completed</b>		
NONE	10	2.0
Pre school	17	3.4
Grade 1-Grade 4	70	14.0
Grade 5-Grade 6	57	11.0
High School undergraduate	133	26.5
High School graduate	71	14.2
College undergraduate	115	23.0
College undergraduate	116	23.2

**Table 4. Background Characteristics of Respondents (2007)**

Sex	Frequency	Percentage
N= 501	501	100
Female	498	99.4
Male	3	0.6
<b>Age range</b>		
16-19	4	.8
20-29	64	12.8
30-39	129	25.7
40-49	158	31.5
50-59	97	19.4
60-69	37	7.4
70 and up	12	2.4
<b>Civil Status</b>		
Married	416	83.0
Widowed	37	7.4
Single	35	7.0
Separated	11	2.2
Living-in with partner	2	.4

**Main Occupation.** An overwhelming majority of the respondents (87.4%) were into retail. Only a small percentage, comprising 3.2% considered their wage employment as main occupation. This implies that their business is the main source of their livelihood.

**Highest Grade Completed.** Forty percent of the respondents reached high school (first to third year is 26.5 % and fourth year, 14.0 %) and a significant percentage (23.2%) reached college. This data show that respondents have basic educational preparation to run a business. Among the 116 respondents who reached college, one fourth took up courses in Bachelor of Science in Commerce and Bachelor of Science in Education (25.9% and 23.3% respectively). On the whole, the results show that the respondents are quite diverse in terms of tertiary level courses even if they did not finish those courses.



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**Table 5. Services Availed by WMEs Within The Past One Year (2007)**

Services Availed Within The Past One Year	Frequency	Percentage
Child Care Center	97	19.4
Family Planning	111	22.2
Health Services	332	66.3
Health Insurance	109	21.8
Literacy	8	1.6
Trainings	56	11.2
Livelihood	45	9.0

**Services Availed.** Aside from the usual health services availed by the respondents (66.3%), the other basic services were availed only by a small percentage: family planning (22.2%), health insurance (21.8%) and child care center (19.4%). A small percentage mentioned trainings (11.2%) and literacy (1.6%).

## About The Project

The Gender Responsive Economic Actions for the Transformation of Women (GREAT Women) Project is a governance and capacity development project that aims to promote and support a gender-responsive enabling environment for women's economic empowerment, particularly those in microenterprises.

The Philippine Commission on Women (PCW), the national machinery for the advancement of women in the Philippines, is the lead executing agency for the Project.

The Commission forged partnership with key national government agencies involved in micro-, small- and medium-scale enterprise (MSME) development and select local government units to create a gender-responsive enabling environment for women's economic empowerment. This project receives technical and financial support from the Canadian International Development Agency (CIDA).

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