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Entrepreneurship-Driven Economic Upliftment: Assessing Micro-Small Business Initiatives in Guiuan

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Index Terms:

entrepreneurship, economic upliftment, MSME's, business, local economic development, community livelihood, government support, micro-small business

Abstract. This study examines the role of micro- and small-scale enterprises (MSEs) in promoting entrepreneurship-driven economic upliftment in Guiuan, Eastern Samar. Anchored on Schumpeter's Theory of Innovation, the Endogenous Growth Theory, the Sustainable Livelihood Framework, and the Social Capital Theory, the research explores how innovation, human capital, social networks, and institutional support contribute to local economic development. Guided by a convergent parallel mixed-methods design, the study gathered data from 168 micro and small business owners through a structured survey and ten in-depth interviews. Quantitative data were analyzed using descriptive statistics, while qualitative responses underwent thematic analysis to reveal patterns of experience, motivation, and challenge among entrepreneurs.Findings revealed that MSEs significantly contribute to household income stability, personal development, and community resilience. However, their capacity for employment generation and expansion remains limited due to persistent constraints such as inadequate access to capital, weak institutional linkages, and insufficient government support. Respondents expressed strong willingness to expand their enterprises but identified the need for training, mentorship, and networking opportunities. The integration of quantitative and qualitative results confirmed that entrepreneurship enhances livelihood security yet requires stronger systemic and policy backing to achieve sustainable growth.The study concludes that strengthening local entrepreneurial ecosystems through targeted support programs, financial inclusion, and capacity-building initiatives can enhance MSE sustainability and inclusivity. Policy implications emphasize aligning municipal development strategies with Sustainable Development Goals (SDGs) 8 and 9, fostering decent work, innovation, and resilient industry.

Introduction

Entrepreneurship has long been regarded as a critical driver of economic progress and inclusive development. In recent years, global discourse has increasingly emphasized the role of micro and small enterprises (MSEs) in promoting economic resilience, poverty alleviation, and sustainable livelihoods, especially in developing economies (OECD, 2019; UNDP, 2021). These businesses constitute a substantial portion of the private sector in many countries and are widely acknowledged for their capacity to generate employment, foster innovation, and enhance community welfare (World Bank, 2020; ILO, 2020).

Micro and small business initiatives often serve as the foundation of grassroots economic empowerment. According to the International Trade Centre (2021), MSEs account for over 90% of businesses globally and provide 60–70% of employment. In low-income and middle-income countries, they are instrumental in enabling the informal sector to transition toward formal economic participation. However, despite their significance, these enterprises often operate under challenging

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conditions such as limited access to finance, inadequate entrepreneurial training, weak institutional support, and unfavorable policy environments (IFC, 2020; UNCTAD, 2022).

In the wake of the COVID-19 pandemic, international efforts have intensified to support entrepreneurship through emergency funds, digitization initiatives, and policy reform. Reports from the OECD (2021) and Asian Development Bank (2021) indicate that MSEs served as economic shock absorbers during the crisis, demonstrating resilience through business model adaptation and digital transformation. These global trends reflect a broader push to reimagine entrepreneurship not just as an economic activity, but as a strategic pillar for social and environmental sustainability (Alvarez et al., 2022; Kritikos, 2020).

At the national level, the Philippines recognizes the vital role of micro, small, and medium enterprises (MSMEs) in economic development. As of 2022, MSMEs made up 99.5% of all registered businesses in the country and employed around 63% of the total workforce (Department of Trade and Industry [DTI], 2022). Government policies such as the Magna Carta for MSMEs, Republic Act 9501, and support from agencies like the DTI and Department of Science and Technology (DOST) highlight the state's commitment to nurturing entrepreneurial development. Additionally, financial and technical support from institutions like the Small Business Corporation (SB Corp) and access to microfinance have improved, aiming to close gaps in funding and capacity-building (International Finance Corporation [IFC], 2020; UNCTAD, 2022).

Despite national support, challenges remain in ensuring equitable access to resources, especially for women, youth, and rural entrepreneurs. Programs like Kapatid Mentor ME and Go Negosyo have gained traction, but disparities in reach and sustainability remain evident (ILO, 2020). Strengthening the entrepreneurial ecosystem thus requires more inclusive and region-sensitive interventions.

At the regional and local levels, entrepreneurship becomes even more critical as a tool for community empowerment and localized development. In economically disadvantaged provinces and barangays, small enterprises are often the primary source of income and employment. Local government units (LGUs), civil society organizations, and cooperatives play a key role in implementing livelihood programs, market linkages, and enterprise capacity-building (Tambunan, 2019; ADB, 2021). However, MSEs in rural areas often encounter barriers such as poor infrastructure, limited market access, low digital literacy, and inadequate policy implementation (GSMA, 2022).

Despite the increasing attention on entrepreneurship and MSMEs at various governance levels, a significant research gap exists in assessing the actual impact and effectiveness of micro and small business initiatives at the local level, particularly within specific regional or barangay contexts. Existing studies often focus on national statistics, urban business environments, or generalized entrepreneurship trends (OECD, 2019; Herrington et al., 2022), leaving a gap in localized evaluations that examine how small-scale initiatives influence community-level economic upliftment. Furthermore, while programs exist to assist MSMEs, there is limited empirical evidence on their long-term sustainability, integration with local economies, and alignment with international development goals (UNDP, 2021; DTI, 2022).

This study aims to bridge that gap by examining the actual experiences, challenges, and outcomes of micro-small business initiatives in a specific local setting. By focusing on how such initiatives contribute to economic resilience and community development from the bottom up, the research will provide localized insights that complement national strategies and global development frameworks.

Methodology

Examining the actual experiences, challenges, and outcomes of micro-small business initiatives in the Municipality of Guiuan, Eastern Samar is the primary goal of this study. Specifically, it assessed the perceived impact of micro and small-business initiatives on individual livelihood and local economic development.

Research Design

This study uses a convergent parallel mixed-method research design to assess the role of micro and small business initiatives in promoting entrepreneurship-driven economic upliftment in Guiuan. The design integrates both quantitative and qualitative approaches to obtain a comprehensive and validated understanding of the entrepreneurial landscape and its economic impact on local communities.

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The quantitative component assesses the entrepreneur profiles, business characteristics, and perceived economic upliftment. Meanwhile, the qualitative strand explored entrepreneurs' experiences through semi-structured interviews, revealing insights on motivations, challenges, success factors, and perceived impacts on livelihood and community development. Quantitative and qualitative data was collected simultaneously, and findings were integrated during the interpretation phase to identify areas of confirmation, expansion, or divergence. Integrating both sets of findings ensures that both the breadth and depth of analysis are considered, leading to a more holistic understanding of how small-micro business initiatives influence economic upliftment, community development, and entrepreneurial resilience in Guiuan.

Sample

The participants of this study were composed of 169 respondents (Quantitative) and 10 participants (Qualitative) micro and small business owners and operators in the municipality of Guiuan, Eastern Samar. They are selected as key respondents due to their direct involvement in entrepreneurial activities that potentially contributed to household income and local economic upliftment. Data were obtained through a questionnaire for the 169 respondents. While for the 10 participants it was obtained through online and offline interview.

Research Instrument

This study utilized two primary instruments developed and adapted to align with the convergent parallel mixed-methods approach: a structured survey questionnaire and a semi-structured interview guide. Both instruments are designed to gather data relevant to assessing the role of micro and small business initiatives in promoting entrepreneurship-driven economic upliftment in Guiuan.

The quantitative part utilized a structured questionnaire that is developed specifically for micro and small enterprise (MSE) owners in Guiuan. It was divided into three major parts: Entrepreneur Profile, Business Profile, and the perceived economic upliftment. These indicators are adapted from empirical studies and development literature, including Roxas & Azmat (2018), Torres & Casas (2020), Llanto (2019), and OECD (2018), ensuring alignment with recognized entrepreneurial impact dimensions. Meanwhile, for the qualitative part, it utilized a semi-structured interview guide used to explore in-depth experiences. Questions addressed the lived experiences, motivations, challenges, and business aspirations of the entrepreneurs. This guide will provide flexibility while remaining focused on the core objectives of the study.

The adapted questionnaire underwent both face and content validation by a panel of experts in entrepreneurship, local development, and research methods. Revisions were made based on expert feedback to ensure clarity, cultural relevance, and alignment with the study objectives.

Data Analysis

In this study, data analysis was conducted following the procedures of the convergent parallel mixed-method design, where both quantitative and qualitative data were analyzed separately and then integrated. Quantitative data collected through structured survey questionnaires were analyzed using descriptive statistics such as frequency, percentage, and average to summarize the respondents' demographic profiles and assess their perceptions of the impact of micro and small business initiatives. Meanwhile, qualitative data obtained from in-depth interviews were transcribed verbatim and analyzed using thematic analysis. This involved systematically coding the narratives to identify recurring themes, categories, and patterns related to the lived experiences of micro and small business owners.

After the independent analysis, the researcher will now perform triangulation by comparing and integrating the results from both data sets. This process aimed to identify points of convergence, where both data sources supported similar findings; divergence, where results differed or conflicted; and complementarity, where qualitative insights helped explain or deepen the quantitative trends. By merging the findings, the researcher was able to develop a more comprehensive and nuanced understanding of how micro and small business initiatives contribute to entrepreneurship-driven economic upliftment in Guiuan, thereby enhancing the validity and credibility of the study's conclusions.

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Results and Discussion

Demographic Characteristics (Respondents Profile)

The distribution shows a relatively balanced participation across the different age categories, ranging from young adults to those aged 56 and above, highlighting the inclusiveness of the study sample. Mostly, female respondents (71.4%) and educational attainment are concentrated in the secondary and tertiary levels, with the highest number achieving college degrees (31.5%). This distribution underscores a generally well-educated participant pool, which may have implications for the depth of insights and perspectives they contributed to the study.

Demographic Characteristics (Business Profile)

It implies that Entrepreneurial activities are concentrated in retail and services (36.9%), reflecting the community's reliance on accessible and demand-driven businesses. It also reflects the presence of newly established (25.6%), developing, and long-standing enterprises (25.6%) that collectively sustain the local economy. It is largely composed of small-scale enterprises (46.4%), and is characterized by modest earnings, with most entrepreneurs generating low to moderate income (31.0%), highlighting the need for support to improve business profitability and sustainability.

Triangulation of the Assessed Impact of Micro and Small Businesses

This study assessed the role of micro- and small-scale enterprises (MSEs) in the economic upliftment of households and communities in Guiuan by triangulating quantitative survey results with qualitative narratives of entrepreneurs. Findings revealed that MSEs significantly enhance household financial stability, provide for daily needs, and contribute to the personal growth of entrepreneurs through skill development, self-reliance, and resilience.

Confirmation

Confirmation was evident in several areas. Both survey and interview results affirmed that micro- and small-scale enterprises (MSEs) contribute significantly to household financial stability. Entrepreneurs consistently reported that their ventures sustain family income, cover school-related expenses, and provide for basic needs, which aligns with the quantitative mean score of 3.56. Another confirmation from both data sources was in terms of personal development, such as improvement in managerial skills, resilience, and independence (M=3.58). In addition, another confirmation lies in the area of employment generation (M=2.88), and qualitative findings concede that most enterprises remain self- or family-operated, offering minimal external employment opportunities. Moreover, findings on access to capital and financial support (M=3.24), highlight a persistent barrier to starting up and sustaining the business. Qualitative data enrich the findings by describing coping strategies, such as reliance on lending companies and help from family.
Lastly, in terms of institutional and strategic support (M=2.56), align with qualitative accounts confirming that the lack of consistent government support, difficulty in accessing programs and training, as well as mentorship not related to their existing ventures.

Expansion

Expansion is also evident in some areas where qualitative narratives enriched the numerical data. And based on the findings, one of these was that while quantitative findings showed lower confidence in participating in local economic forums (M=3.00), qualitative accounts explained this by citing barriers such as limited exposure, lack of networks, and minimal access to decision-making spaces. Similarly, although community and social impact scored modestly in terms of partnerships and networks (M=2.86), interviews elaborated that weak collaboration stems from competition among small businesses and limited institutional support for collective activities. Narratives also expanded on coping strategies, revealing how entrepreneurs rely on borrowing, product innovation, adjusting to environmental and infrastructural issues, and customer relations, factors not directly captured by survey instruments.

Divergence

Divergence emerged in perceptions of government support. While survey responses reflected some level of awareness of programs (M=2.63), qualitative findings emphasized the absence of felt impact, citing bureaucratic hurdles, lack of relevant

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training, and reliance on private or NGO assistance. This divergence suggests a gap between policy availability and actual accessibility at the community level.

Overall, the triangulation highlights the strength of MSEs in household economic upliftment and personal growth, while also exposing systemic challenges in institutional support, capital access, and community participation. These integrated findings underscore the importance of both quantitative breadth and qualitative depth in capturing the lived realities of entrepreneurs in Guiuan.

Conclusion and Recommendations

The study concludes that micro- and small-scale enterprises (MSEs) in Guiuan play an important role in sustaining household income and fostering personal development, as confirmed by both quantitative and qualitative results. Entrepreneurs reported that their businesses provide financial stability, cover basic needs, and build resilience and self-reliance. However, the ability of these enterprises to generate employment remains minimal, as most are family-run and micro in scale.

Findings further highlight persistent barriers that affect the growth of MSEs. Capital access, institutional support, and community participation were identified as recurring concerns. While government programs are recognized, their impact is weakly felt at the grassroots level, revealing a gap between policy intent and implementation.

In terms of limitations, this study is limited to businesses that are legally operating and recognized within the locality at the time of data collection. It does not include large-scale enterprises, informal vendors with no permanent business operations, or businesses located outside Guiuan. Moreover, the study is restricted to self-reported data, which may be subject to personal biases or limitations in recall. It also does not intend to measure the macroeconomic impact of entrepreneurship on a provincial or national scale but is confined to localized experiences and perceptions.

To comprehensively understand the effects of entrepreneurship on the local setting, further studies should be directed towards comparative and longitudinal studies not only in Guiuan but across municipalities to examine best practices and assess the long-term effects of entrepreneurship support programs. Exploring themes such as digital entrepreneurship, youth-led initiatives, and green enterprises may further provide new insights for sustaining economic growth in Guiuan.

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Competing Interests Statement

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this article.

Data Availability Statement

Data sharing is not applicable to this article as no new data were created or analyzed in this study; all data used were obtained from previously published sources as cited in the reference list.

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Appendices

No appendices are attached to this study.

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