

Micro-Entrepreneurs' Awareness and Registration Decisions Under the BMBE Act of 2002: A Transcendental Phenomenological Study

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Abstract

This transcendental phenomenological study examined the lived experiences of micro-entrepreneurs in Baliwag City, Bulacan regarding their awareness of and decision to register under the Barangay Micro Business Enterprises (BMBE) Act of 2002. Guided by Moustakas' phenomenological framework, the study sought to understand how awareness of the BMBE policy developed, how intentions to register were formed, and how registration decisions were made within real economic and institutional contexts. Eleven purposively selected BMBE-registered micro-entrepreneurs participated in in-depth semi-structured interviews, supplemented by art-based elicitation and document analysis to ensure methodological triangulation. Findings revealed that awareness of the BMBE Act emerged largely through fragmented, informal, and self-directed channels rather than systematic government dissemination. Micro-entrepreneurs encountered information incidentally through frontline government interactions, peer networks, social media, and online searches, requiring active verification before engagement. Intention to register was primarily driven by survival-oriented motivations, especially amid post-pandemic financial pressures. Incentives such as income tax exemption and minimum wage flexibility were perceived not as optional benefits but as critical protective mechanisms that stabilized operations and reduced business risk. Decision-making involved a rational cost-benefit evaluation, wherein bureaucratic requirements and compliance anxiety were reframed as acceptable trade-offs once tangible economic benefits became evident. Positive interactions with government personnel, digitalized renewal processes, and simplified procedures contributed to the gradual formation of institutional trust. The study contributes empirically to the limited qualitative literature on micro-enterprise formalization by highlighting how awareness, intention, and decision-making evolve as lived processes rather than linear policy outcomes. It underscores the need for proactive information dissemination, context-responsive program design, and service-oriented implementation to strengthen micro-enterprise participation in formal regulatory frameworks.

Keywords: BMBE Act of 2002, micro-entrepreneurs, business formalization, policy awareness, entrepreneurial decision-making, transcendental phenomenology, government incentives

1. Introduction

Microenterprises play a crucial role in sustaining local economic activity in the Philippines. These small ventures ranging from sari-sari stores and home-based food operations to online sellers and service-oriented businesses provide essential livelihood to many Filipino families and contribute significantly to community-level employment. Despite their importance, microentrepreneurs frequently deal with unstable income, limited financing opportunities, and a lack of access to formal business development support. These long-standing challenges hinder their capacity to operate sustainably and restrict their contribution to broader inclusive economic growth. As such, the need for government programs that can reduce financial burdens and promote enterprise development remains critical. One major government initiative designed to support this sector is the Barangay Micro-Business Enterprises (BMBE) Act of 2002, a policy created to encourage microentrepreneurs to formalize their businesses and gain access to incentives that can strengthen operations. Literature identifies several advantages offered by the Act. Macatumbas-Corpuz and Bool (2021) highlight incentives such as income tax exemption, exemption from the Minimum Wage Law, access to training programs, and eligibility for a special credit window, all intended to improve the sustainability of microenterprises. They also emphasize that to qualify, businesses must maintain assets not exceeding ₱3,000,000 and be registered with the DTI, SEC, or CDA. These provisions show that the BMBE Act was crafted to lower operational costs and make formalization more attractive to microentrepreneurs.

However, despite these potential advantages, several studies reveal a persistent lack of awareness about the BMBE program among those it intends to support. Garambas and Pinos-an (2021) found that microentrepreneurs in La Trinidad, Benguet possessed little to no knowledge of the law. Even barangay leaders and implementing units demonstrated only partial awareness, indicating a disconnect between the program's goals and its actual reach within communities. Because of this knowledge gap, many microenterprise owners continue to operate informally and fail to utilize available incentives that could improve their business operations. The existence of support mechanisms alone is not sufficient if entrepreneurs lack awareness or understanding of how to access and benefit from them. Existing studies consistently show that micro-entrepreneurs have low awareness and limited understanding of the BMBE Act, resulting in an inability to fully engage with or benefit from the program (Garambas and Pinos-an, 2021)[2]. Although prior research recognizes this awareness problem, few investigations examine how knowledge gaps shape intentions to register, how awareness develops over time, or how entrepreneurs actually experience the program in practice (Figuerola et al., 2024). Scholarship also notes that even when owners know about the incentives, many struggle to apply or maximize them due to complex processes and fragmented information (Belina-Alla et al., 2026).

This reveals a clear gap: the literature rarely explores the lived experiences, decision-making factors, and practical motivations that influence micro-entrepreneurs' choices to formalize under the BMBE program. Understanding these dimensions is timely and relevant, especially in the context of the United Nations Sustainable Development Goals (SDGs). SDG 8: Decent Work and Economic Growth emphasizes promoting entrepreneurship, innovation, and the formalization of micro, small, and medium enterprises (MSMEs). Since MSMEs make up more than 90% of businesses in the Philippines, strengthening awareness and increasing participation in programs like the BMBE Act directly contribute to inclusive economic development, improved livelihood security, and long-term community resilience. Enhancing microentrepreneurs' engagement with the BMBE program is therefore not only a local policy issue but also part of a broader commitment to achieving sustainable growth. Despite the incentives offered under

the BMBE Act of 2002 including income tax exemption, access to credit windows, and training support micro-entrepreneurs at the community level continue to show low awareness and limited understanding of the program. This lack of knowledge results in low registration rates and under-utilization of its benefits, revealing a persistent knowledge–awareness gap that restricts the law’s intended contributions to microenterprise sustainability and local employment (Republic Act No. 9178, 2002; DTI, n.d.). Empirical evidence reinforces this gap. In La Trinidad, Benguet, both micro-business owners and barangay leaders were found to be largely unaware of the BMBE Law, while implementing agencies showed only partial awareness, contributing to weak implementation and minimal uptake of incentives (Garambas and Pinosan, 2021). Further assessments also show that even registered BMBEs frequently fail to utilize the incentives, indicating that barriers persist not only before registration but also after enrollment, due to unclear procedures and insufficient guidance (Belina-Alla et al., 2026 ; Figueroa et al., 2024). Literature consistently highlights the need for stronger information dissemination and barangay-level outreach, supported by LGUs, Negosyo Centers, and implementing agencies, to build awareness both before and after registration (DTI, n.d.; Republic Act No. 9178, 2002). In addition, simplifying procedures and providing structured orientations, standardized guides, and clearer steps for accessing credit and training are essential to help beneficiaries fully use the incentives (Belina-Alla et al., 2026; Garambas and Pinosan, 2021). Lastly, studies recommend establishing localized monitoring and feedback mechanisms to track awareness, identify bottlenecks, and support micro-entrepreneurs who report never availing the benefits—addressing persistent implementation gaps observed among registered BMBEs (Belina-Alla et al., 2026; Figueroa et al., 2024). By examining how awareness develops, how incentives are actually used, and how registration decisions are shaped, the present study responds directly to these documented challenges providing the deeper, process-level understanding necessary for more effective and evidence-based policy improvements.

Theoretical Framework of the Study

This study is grounded on three theories that explain the dynamics of awareness, intention, incentives, and implementation in the context of the Barangay Micro Business Enterprise (BMBE) Act of 2002: the Theory of Planned Behavior, the Incentive Theory of Motivation, and the Policy Implementation Theory. Together, these perspectives provide a holistic understanding of how entrepreneurs respond to government policies and why outcomes vary. Despite their known limitations, these theories remain strongly aligned with the present dissertation, as they directly map onto the study’s variables and research objectives.

The Theory of Planned Behavior (TPB), proposed by Ajzen (1991), asserts that intention is the most immediate predictor of behavior and is shaped by attitudes, subjective norms, and perceived behavioral control. In the case of this study, TPB explains how awareness of the BMBE Act influences entrepreneurs’ intention to register. Once they become aware of fiscal and non-fiscal incentives such as tax exemptions, credit opportunities, and training, they form attitudes about the usefulness of registration and weigh perceived benefits against costs. TPB is highly relevant to this dissertation because it emphasizes the awareness → intention → behavior pathway. Similar applications exist in both local and foreign contexts, Figueroa et al. (2024) analyzed awareness and intention of microenterprises in Tarlac City and concluded that higher awareness significantly increased intention to register under the BMBE law. De Mel et al. (2013) also used TPB to examine Sri Lankan microenterprises and found that while awareness increased intention to formalize, bureaucratic burdens hindered behavior. The limitation of TPB is that it assumes intention always leads to action. In practice, external barriers such as bureaucracy, financial constraints, or lack of trust in government may block entrepreneurs from acting on their intentions. Despite this

limitation, TPB aligns well with the dissertation because it captures how awareness builds intention, which is central to the proposed research model.

The Incentive Theory of Motivation, rooted in Skinner's behavioral perspective (1953), suggests that individuals are motivated to act when external rewards are clear and accessible. Within the BMBE Act, fiscal incentives such as income tax exemptions and exemption from the Minimum Wage Law, alongside non-fiscal incentives such as training and easier credit access, serve as motivators for entrepreneurs to register. This theory is particularly relevant since the BMBE Act is an incentive-based policy. In the Philippine context, Bringas and Almario (2023) found that micro food enterprises in Laguna that registered under BMBE reported higher profitability due to fiscal incentives. Alera et al. (2022) likewise highlighted how entrepreneurs in Bataan availed benefits occasionally because they valued financial over non-financial incentives. International evidence also shows parallel findings, such as Kusumawardhani (2017), who reported that Indonesian entrepreneurs preferred fiscal incentives under the UMKM Law over training programs. Although this theory assumes rational decision-making purely based on rewards, while real-world decisions may also be shaped by cultural norms, perceived risks, or trust in institutions. Despite this limitation, the Incentive Theory aligns strongly with the dissertation because it captures the motivational pull of incentives, a core variable in this study.

Finally, the Policy Implementation Theory of Mazmanian and Sabatier (1983) explain that the success of a policy depends not only on its design but also on how institutions and actors carry it out. For the BMBE Act, this means that local government units (LGUs), as well as national agencies like the Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), and Cooperative Development Authority (CDA), are crucial in ensuring that entrepreneurs are informed, registered, and supported. The theory is fitting because both Philippine and international studies demonstrate uneven policy outcomes depending on local implementation. For example, Manipol (2023) found that proactive LGU efforts in Zamboanga del Norte led to stronger BMBE utilization, while Macatumbas-Corpuz and Bool (2021) observed weak promotion of the law in Ilocos Norte, limiting its reach. Similarly, De Vries et al. (2020) explained failures of SME support programs in Sub-Saharan Africa through weak bureaucratic execution. The limitation of this theory is that it focuses on institutional structures and may underplay individual-level motivations. Nonetheless, it remains highly aligned with this dissertation as it explains why a law with promising design, such as the BMBE Act, may succeed in some areas but fail in others due to uneven implementation.

By combining these three theories, the framework integrates psychological processes (TPB), motivational drivers (Incentive Theory), and institutional structures (Policy Implementation Theory). This approaches capture the full dynamics of why microenterprises may or may not register under the BMBE Act, emphasizing that awareness and intention must be reinforced not only by attractive incentives but also by effective government implementation.

2.0 MATERIAL AND METHODS

Legal and Program Anchors

The present study grounds all construct definitions, process descriptions, and benefit interpretations in the Philippines' formal BMBE legislative and regulatory architecture. Republic Act (RA) 9178 remains the primary statutory basis, defining a Barangay Micro Business Enterprise (BMBE), the Certificate of Authority, and the registration locus at the Office of the City/Municipal Treasurer. It mandates a core suite of fiscal and non-fiscal incentives, including income tax exemption for income arising from BMBE

operations, exemption from the Minimum Wage Law, access to special credit windows, and technology transfer, production/management training, and marketing assistance, alongside the option for LGUs to reduce or exempt local taxes and fees. These statutory provisions are operationalized in DTI Administrative Order No. 01 s.2003 (Implementing Rules and Regulations - IRR), while DOF Department Order 17-04 (2004) and BIR Revenue Memorandum Circular No. 40-2004 clarify the implementation of tax incentives. Labor provisions are further explained through NWPC Guidelines No. 01 (2003) and DOLE Department Order No. 45-03, which operationalize the minimum wage exemption while maintaining compliance with statutory social benefits. Non-fiscal incentives such as credit access are supported through BSP Circular No. 374, while process modernization is reinforced by the DTI BMBE-ONLINE portal aligned with RA 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018). Complementary policies including RA 10644 (Go Negosyo Act) and RA 9501 (Magna Carta for MSMEs) establish Negosyo Centers and broader MSME development mechanisms providing advisory services, mentoring, financial linkages, training, and streamlined registration support. Together, these policies form the official baseline against which field experiences of registration processes, benefit utilization, and compliance challenges are compared.

Awareness of the BMBE Act

Despite the presence of a comprehensive legal framework, Philippine studies consistently report low awareness and limited understanding of the BMBE Act. Garambas and Pinos-an (2021) found that micro-owners and barangay leaders in La Trinidad, Benguet were generally unaware of the law, while implementing agencies showed only partial awareness. Macatumbas-Corpuz and Bool (2021) reported that although some entrepreneurs in Ilocos Norte were registered under the law, many did not avail themselves of incentives due to weak promotion and lack of technical guidance. Tomas (2025) further noted that awareness in Nueva Ecija was largely limited to fiscal incentives such as tax exemptions, with little knowledge of non-fiscal provisions such as training or credit access. Evidence also shows that institutional awareness does not automatically translate into understanding service portfolios or how to navigate them (Villegas et al., 2020). Administrative data reinforce this awareness gap, as Central Luzon recorded 6,805 BMBE registrations in 2024 while Bulacan alone logged 39,605 new business name registrations in 2023. International literature shows similar patterns: Bruhn (2011) demonstrated that awareness campaigns improved registration rates in Mexico, particularly in urban areas where information was accessible, while De Mel et al. (2013) found that entrepreneurs in Sri Lanka remained hesitant to formalize despite awareness due to perceived complexity and limited short-term benefits.

Intention to Register or Formalize

Understanding why micro-entrepreneurs choose to formalize requires examining how awareness interacts with behavioral intentions and institutional contexts. Philippine research indicates that when entrepreneurs receive clearer information about laws such as the BMBE Act, the Magna Carta for MSMEs, and the Go Negosyo Act, their intention to avail of incentives increases (Figueroa et al., 2024). However, intention does not always translate into action. Experimental evidence shows that information provision alone does not significantly increase formalization unless tangible benefits outweigh perceived costs and risks (De Mel et al., 2013). The World Bank's "exit vs. exclusion" framework explains that some entrepreneurs voluntarily remain informal because formalization appears costly or irrelevant, while others face institutional barriers that prevent participation (Perry et al., 2007). Complementing this view, Elgin and Erturk (2019) emphasize that institutional quality and governance effectiveness shape entrepreneurs' expectations and trust in formal systems. These findings suggest that intention formation is influenced not

only by economic incentives but also by perceptions of fairness, administrative experiences, and the broader socio-institutional environment.

Incentives as Motivators for Formalization

Incentive structures, both fiscal and non-fiscal, play an important role in motivating micro-entrepreneurs to formalize. Evidence from Victoria, Laguna shows that BMBE-registered enterprises experienced improved profitability due to reduced labor costs and regulatory burdens (Bringas and Almario, 2023). However, other studies reveal uneven utilization of incentives. Research in Bataan indicates that incentives were “sometimes” availed of by registered firms and contributed to capitalization growth but had limited impact on profitability (Alera et al., 2023). Similarly, Macatumbas-Corpuz and Bool (2021) observed that incentives were rarely utilized in some regions, often due to unclear communication or perceived difficulty in compliance. Synthesizing these findings, Manipol (2023) noted that micro-enterprise beneficiaries generally rated the BMBE program as effective but highlighted persistent issues related to awareness, understandability, and inconsistent messaging. International evidence supports the importance of process design and incentive clarity: simplified business entry procedures in Mexico increased formal firm creation (Bruhn, 2011), while Brazil’s SIMPLES tax regime improved revenues and employment outcomes among formalized firms (Fajnzylber et al., 2011). These findings indicate that incentives are most effective when combined with simplified administrative processes and clear communication.

Decision Process and Implementation

Research on implementation highlights that entrepreneurs’ decisions to formalize are shaped not only by incentives but also by administrative experiences and institutional interactions. The BMBE-Online portal provides the official pathway for registration and renewal, with guidelines specifying that the Certificate of Authority must be issued within 15 working days when documents are complete. This digital platform reflects broader modernization efforts aimed at reducing regulatory friction and encouraging compliance among microenterprises (Philexport Cebu, 2022). However, studies indicate that procedural complexity and coordination issues across agencies continue to influence entrepreneurs’ experiences. For instance, research in Mindoro found that understanding of BMBE incentives was largely limited to tax exemptions, while credit and technology support were rarely utilized due to fragmented coordination among DTI, BIR, and LGUs (Alla et al., 2026). Human factors also play a role, as qualitative studies highlight the importance of guidance and frontline support provided through Negosyo Centers (GBMR Journal, 2023). Formal expectations for service delivery are framed by RA 11032, which mandates Business One-Stop Shops, zero-contact policies, and defined processing timelines, providing a benchmark against which entrepreneurs evaluate procedural efficiency and fairness.

Implementation Challenges and DTI Initiatives

Implementation of the BMBE Act remains uneven across regions. Macatumbas-Corpuz and Bool (2021) [1] noted that weak promotion and limited follow-up constrained program uptake in Ilocos Norte, while Manipol (2023) found that proactive LGU promotion improved program effectiveness in Zamboanga del Norte. To strengthen accessibility and awareness, the Department of Trade and Industry established Negosyo Centers nationwide and introduced the online BMBE registration portal. Despite these initiatives, participation remains relatively low. In 2024, Bulacan recorded 2,536 BMBE registrations, the highest in Central Luzon, yet the province recorded 39,605 new business name registrations in 2023. This disparity indicates that although many entrepreneurs formalize their business names, only a small proportion proceed to BMBE certification and avail of its incentives.

Integrated Thematic Synthesis and Research Gap

Across the literature, several consistent themes emerge. Awareness is necessary but insufficient to ensure registration; intention develops when entrepreneurs perceive meaningful benefits and institutional credibility; fiscal incentives are more visible and widely used than non-fiscal ones; and uneven implementation at the local government level remains a major barrier to program effectiveness. These patterns reveal a critical research gap. While existing studies discuss awareness, incentives, and implementation at national or provincial levels, limited research examines how these factors interact in rapidly developing local contexts. Addressing this gap, the present study investigates awareness and intention to register under the BMBE Act among micro trading business owners in Baliwag City, providing insights into how formalization policies operate at the community level and informing strategies to strengthen program communication, accessibility, and participation.

Research Design

This study employed a qualitative method to explore the lived experiences and meaning-making of micro-entrepreneurs registered under the BMBE Law. A qualitative design was used because it captured subjective perspectives, contextual realities, and decision-making processes that could not be quantified. It allowed the Researcher to gather rich narratives describing how entrepreneurs understood BMBE incentives, how awareness shaped their intention to register, and what factors motivated or challenged their participation an approach previously used in MSME-related studies (Figuerola et al., 2024).

To guide the inquiry, the study adopted Transcendental (Husserlian) Phenomenology based on the methods of Moustakas (1994). This design was appropriate because it sought to describe the essence of how micro-entrepreneurs experienced BMBE awareness, registration, and incentive utilization. Similar Philippine research applied phenomenological methods to understand BMBE implementation gaps (Garambas and Pinos-an, 2021), policy awareness and utilization challenges among MSMEs (Belina-Alla et al., 2026), and micro-enterprise decision-making processes (Figuerola et al., 2024), supporting its relevance. Guided by a constructivist–interpretivist paradigm, the study implemented bracketing, Horizontalization, clustering of meaning units, imaginative variation, and synthesis of textural and structural descriptions.

Through this approach, the study captured not only what micro-entrepreneurs experienced but also how and why these experiences shaped their awareness, motivations, and decisions regarding BMBE participation.

Research Locale and Sampling Procedure

The study was conducted in Baliwag City, Bulacan, a rapidly progressing urban center that was officially converted into a component city through Republic Act No. 11929, ratified in December 2022. The city spanned a land area of approximately 45.16 square kilometers, composed of 27 barangays, each contributing to a diverse mix of commercial zones, residential communities, and emerging business corridors. Its strategic location in the northeastern part of Bulacan positioned it as a gateway between provincial towns and Metro Manila, allowing it to serve as a natural trading convergence point. The landscape blended old heritage districts, bustling public markets, expanding subdivisions, and wide stretches of commercial developments, creating an environment where micro trading businesses thrived across both central and peripheral barangays. Economically, Baliwag City was recognized as one of Bulacan’s most active commercial hubs. It consistently ranked high in the Cities and Municipalities Competitiveness Index (CMCI), placing strongly in indicators such as economic dynamism, financial deepening, business registration volume, and local economy size (DTI-CMCI, 2024). The locality was

home to a growing number of micro and small trading enterprises, including retail stores, food stalls, market vendors, and home-based traders, constituting a vibrant sector that fueled local employment and grassroots entrepreneurship. The Philippine Information Agency (2024) and the Provincial Government of Bulacan (2024) also highlighted Baliwag's strong performance in ease of doing business, local governance, and MSME support programs, positioning it as a pivotal center of economic activity in the province. Given its rapid urban growth, expanding microenterprise sector, and the absence of localized research on BMBE awareness within this new component city, Baliwag offered an ideal and meaningful setting for assessing how business owners understood, perceived, and responded to the opportunities provided by the BMBE Act of 2002.

This study involved eleven (11) purposively selected micro business owners in Baliwag City, Bulacan. A qualitative-descriptive research design does not require a large sample size, as its primary emphasis is on generating rich, in-depth descriptions of participants' lived experiences rather than achieving statistical generalizability. In qualitative research, the adequacy of the sample is commonly guided by the concept of data saturation, which occurs when additional data collection no longer yields new themes or significant insights (Sandelowski, 2000). Participants were selected based on the following inclusion criteria: (a) DTI-registered micro-enterprise owners, ensuring that participants operated legally recognized businesses; (b) with total assets not exceeding ₱3,000,000.00, excluding the value of the land where the business was located, in accordance with the asset threshold prescribed under the BMBE Act of 2002; (c) employing fewer than ten (10) individuals, consistent with the definition of micro-enterprises under Philippine MSME classifications; (d) registered as BMBEs and currently enjoying or having previously experienced the benefits provided under the BMBE Act of 2002; (e) actively operating within the City of Baliwag, Bulacan, which served as the geographical scope of the study; (f) registered with the Bureau of Internal Revenue (BIR), indicating compliance with national tax registration requirements; (g) sole proprietorship as the form of business organization; (h) with at least two (2) years of business operations to ensure adequate experience with BMBE processes; and (i) willing to voluntarily participate, as evidenced by informed consent. Participants who met these criteria were considered the most appropriate and information-rich sources for the study, as they directly represented enterprises covered by the BMBE Act of 2002 and possessed actual lived experiences related to awareness, intention, and decision-making in availing the Act's benefits. According to Creswell (2013)[39], qualitative studies typically involve a relatively small number of participants, with the primary objective of obtaining deep and meaningful understanding of the phenomenon under investigation. Similarly, Mason (2010) emphasized that informational adequacy may be achieved with small samples, provided that saturation is reached. Consistent with these principles, the study initially targeted eleven (11) participants, which is deemed sufficient for a focused qualitative-descriptive inquiry, particularly when participants share common characteristics and the research questions are narrowly defined. Should new themes continue to emerge during the course of data collection, the inclusion of additional participants may be considered until data saturation is fully achieved.

This study employed purposive sampling, a non-probability sampling technique commonly used in qualitative research, wherein participants were deliberately selected based on specific characteristics that aligned with the objectives of the study. Purposive sampling allowed the Researcher to identify information-rich cases that could provide relevant and meaningful insights into the phenomenon being examined, a process consistent with Creswell's (2013) assertion that qualitative studies intentionally select participants who can best contribute to understanding the central phenomenon. Prior to data collection,

the Researcher formally requested a list of registered micro-enterprises in Baliwag City, Bulacan through written communication addressed to the Local Government Unit (LGU). Upon receiving the necessary information, the Researcher conducted initial screening to identify potential participants who met the study's inclusion criteria. Subsequently, the Researcher personally visited the identified micro-businesses to verify their eligibility, particularly their BMBE registration status and compliance with the qualifications set forth in the study. During these visits, a formal request letter was presented to the business owners, explaining the purpose of the study, the nature of their participation, and the ethical considerations involved. Qualified and willing participants were then scheduled for interviews at a mutually convenient time and place. Prior to each interview, informed consent was obtained, and participants were assured that their participation was voluntary, that all information shared would be treated with strict confidentiality, and that the data collected would be used solely for academic purposes.

Research Instrument

The study utilized *in-depth semi-structured phenomenological interviews* as the primary data collection method, consistent with Clark Moustakas' (1994) transcendental phenomenological approach. This method allowed participants to narrate their lived experiences, meanings, and reflections regarding their awareness and intention to register under the BMBE Act of 2002. The open-ended questions enabled micro-trading business owners to freely articulate how they learned about the BMBE program, how they interpreted its incentives and requirements, and how these experiences shaped their decision-making. All interviews were audio-recorded with participant consent and transcribed verbatim to support the systematic horizontalization and meaning-unit analysis required in transcendental phenomenology. Interviews were particularly appropriate for this study because they facilitated deep exploration of personal contexts, motivations, challenges, and interpretations essential to uncovering the essence of the phenomenon (Moustakas, 1994; Creswell and Poth, 2018).

To support deeper reflection and enrich the interview process, *art-based photo elicitation* was incorporated as a complementary technique. Participants were invited to create a simple visual or symbolic representation such as a sketch, timeline, diagram, or metaphorical drawing depicting their journey, perceptions, or experiences related to BMBE registration. Art-based approaches in qualitative inquiry help surface meanings that may be difficult to express verbally and promote deeper introspection. These visual outputs were not analyzed as artworks; instead, participants' explanations of their drawings served as narrative prompts and were integrated into the interview transcripts for phenomenological analysis.

The study also employed *document analysis* to review materials such as DTI BMBE guidelines, local government issuances, application and renewal forms, and informational pamphlets. Document review, as emphasized by Bowen (2009), provides contextual grounding and helps validate participant accounts in qualitative research. Examining these documents helped situate the participants' narratives within the actual processes and requirements of BMBE registration, offering a clearer understanding of how policies were interpreted and implemented at the micro-enterprise level.

By integrating interviews, art-based elicitation, and document analysis, the study applied methodological triangulation to enhance credibility, depth, and trustworthiness. The convergence of narrative data, symbolic representations, and documentary evidence provided a comprehensive understanding of the awareness, meaning-making, and decision-making processes of micro-trading business owners regarding BMBE registration. This triangulated approach mirrors the rigor of recent Philippine qualitative studies on MSMEs, policy awareness, and entrepreneurial experience (Figuroa et al., 2024; Angeles, 2021; Serrano and Habana, 2020), further strengthening the phenomenological foundation of the research.

Data Gathering, Screening and Reliability

The data collection process employed multiple methods, including in-depth interviews, art-based data, and document analysis, to gather comprehensive insights into the lived experiences, awareness, and decision-making processes of micro-trading business owners regarding the Barangay Micro Business Enterprises (BMBE) Act of 2002.

The rights, welfare, and safety of all participants remained the foremost priority throughout the conduct of the study. *Prior to initiating data collection*, the Researcher formally coordinated with the Local Government Unit (LGU) of Baliwag City and DTI Bulacan through its Go Negosyo Center in Baliwag City by sending an official request letter seeking permission to conduct the study and requesting access to the updated list of registered and potential micro-enterprises within the locality. Upon approval, the Researcher conducted *trial interviews* with two (2) business owners who met the established criteria to review and refine the interview guide questions, ensuring clarity, relevance, and appropriateness for the target participants.

After refining the interview guide questions, the Researcher contacted identified micro-business owners from the LGU-provided list to schedule an initial meeting and introduce the study. The purpose, scope, and procedures of the research were fully explained, with assurance that the interviews would not interfere with business operations and would be conducted only at a time and venue chosen by the participants. Before any data was gathered, each participant was provided with an informed consent form outlining the study's objectives, voluntary nature, confidentiality measures, and the right to withdraw at any time without consequences. Only individuals who signed and returned the consent form were included in the study, consistent with ethical research protocols (Cameron et al., 1994; Judd et al., 1991; BERA, 2004, 2018).

In-depth interviews were conducted privately, either face-to-face or online depending on participant preference, to ensure comfort and safety. Each interview lasted for approximately one hour and focused on the participants' awareness, motivations, challenges, and lived experiences concerning the BMBE Act of 2002. With explicit permission, all interviews were audio-recorded and transcribed verbatim to support accurate documentation and to meet the requirements of horizontalization and meaning-unit analysis in transcendental phenomenology.

As part of the interview process, participants were invited to engage in a simple *art-based photo activity*, such as creating a drawing, timeline, symbolic representation, or diagram reflecting their journey, understanding, or experiences related to BMBE registration and the benefits of the Act. Their explanations of these visual outputs became part of the recorded interview and were integrated into the transcripts for analysis.

For *document analysis*, participants also shared copies of relevant documents such as their Certificate of Authority as a BMBE-registered business, DTI Certificate, and BIR Certificate. These documents provided contextual confirmation of participants' narratives and supported triangulation of data. Sensitive information on legal documents was covered or redacted as agreed upon by the participants.

To protect the identity and privacy of all participants, code names were assigned and consistently used across all stages of the study data collection, transcription, analysis, and reporting. Audio recordings were stored in a secure, password-protected digital folder accessible only to the Researcher. All documents and digital files were handled following strict confidentiality protocols to ensure ethical compliance.

Data Management and Analysis

The collected data from interviews and document analysis were analyzed using Moustakas' (1994) trans-

cidental phenomenological approach to capture the lived experiences of micro-trading business owners regarding their awareness and intention to register under the Barangay Micro Business Enterprise (BMBE) Act of 2002. This analytic method was appropriate because the study sought to understand not only the information available to entrepreneurs, but also the meaning they assigned to this awareness, the motivations and barriers they encountered, and the underlying structures that shaped their registration decisions.

Epoché (Bracketing)

The analysis begins with epoché, where the Researcher deliberately sets aside personal knowledge and assumptions as a CPA, educator, and policy practitioner to avoid influencing interpretation. Bracketing is essential in this study because the Researcher is familiar with business compliance and government incentive programs. Through reflexive journaling, personal beliefs about entrepreneurship, tax incentives, and BMBE implementation will be suspended so that the experiences of micro-entrepreneurs can emerge authentically. By reading the LGU and DTI processes will further help the Researcher understand the phenomenon as experienced by the participants particularly the way they navigate registration requirements, interact with frontline offices, and interpret the incentives promised by the BMBE law.

Transcription and Immersion

All interviews with micro-entrepreneurs were transcribed verbatim and were reviewed repeatedly. Immersion in the transcripts allowed the Researcher to internalize how participants described their awareness of the BMBE Act, how they came to know about tax exemptions and benefits, and how their decision-making process evolved. Repeated reading strengthened sensitivity to emotional tones such as hesitation, distrust, hope, or frustration during registration.

Horizontalization

In this stage, each relevant statement from the transcripts was treated with equal weight. Significant statements about the BMBE law such as experiences with micro-business owners, interpretations of tax incentives, challenges in understanding requirements, perceived complexity of the process, influence of peers, or barriers such as time, cost, and lack of information were highlighted. Statements that were repetitive or irrelevant to the research questions were removed. Horizontalization ensured that no early judgment was made about what mattered most in participants' awareness and intention.

Clustering into Themes

The remaining significant statements were organized into meaning units and were clustered into broader themes. These included: Sources and pathways of BMBE awareness, Meaning of incentives such as tax exemption and minimum wage exemption, Perceived value vs. perceived burden of registration, Experiences with LGU/DTI assistance, Challenges in compliance, documents, or financial requirements, Trust or mistrust toward government programs, Motivations for formalization or reasons for staying informal.

The clustering process revealed how micro-entrepreneurs interpreted the BMBE Act in real-world contexts, and how these interpretations shaped their willingness or reluctance to register.

Textural and Structural Descriptions

A textural description was then developed, describing what participants experienced: how they learned about BMBE, what information they received, what challenges they faced, how they interacted with frontline offices, and how they reacted to incentives such as income tax exemption. Next, a structural description illustrated how they experienced the phenomenon: the situational, cultural, financial, and institutional conditions affecting their decisions such as limited awareness campaigns, busy business

schedules, bureaucratic processes, lack of trust, or previous negative experiences with government programs. Tabular coding was used to show the participants' statements, codes, categories, and themes systematically.

Synthesis of Essence

The final step combines the textural and structural descriptions to articulate the essence of the phenomenon the core meaning of how micro-trading business owners experience, interpret, and make decisions about registering under the BMBE Act. This essence captures the shared realities of entrepreneurs: that awareness is often limited or incomplete, that incentives may be attractive yet overshadowed by perceived complexity or lack of support, and that intention to register is shaped by both motivations for growth and concerns about bureaucratic burdens. This synthesis provides the central insight upon which policy recommendations and implications for local economic development will be grounded.

Trustworthiness

To ensure the rigor and quality of this transcendental phenomenological inquiry, the study employs Lincoln and Guba's (1985) four criteria of trustworthiness such as credibility, transferability, dependability, and confirmability.

Credibility is established through prolonged engagement with the participants and immersion in the field, allowing the Researcher to gain a deeper and more accurate understanding of micro-entrepreneurs' lived experiences regarding their awareness and intention to register under the BMBE Act. Member checking (*Appendix G*) will also be used, where participants review and validate the transcribed interviews and emerging thematic interpretations to ensure accuracy and authenticity of their narratives.

Transferability is enhanced by providing rich, thick descriptions of the participants, research setting, and contextual conditions in Baliwag City, enabling readers to determine the applicability of the findings to similar microenterprise environments in other localities.

Dependability is achieved through a clear and systematic documentation of the research process, including recording decisions, procedures, reflexive notes, and analytic steps. An audit trail will be maintained, containing interview guides, raw transcripts, coding outputs, thematic clustering tables, and reflections to allow external scrutiny of how the analysis evolved.

Confirmability is ensured by the Researcher's commitment to epoché and reflective bracketing, minimizing personal biases as a CPA and educator throughout data collection and analysis. The use of direct quotations, and transparent coding procedures, further strengthens the objectivity and neutrality of interpretations. Together, these strategies guarantee that the findings genuinely reflect the experiences of micro-trading business owners and not the Researcher's assumptions or preferences, thereby supporting the integrity of the phenomenological descriptions.

Reflexivity

As a Certified Public Accountant (CPA), educator, program chair, and entrepreneur, the Researcher recognizes that personal experiences and professional background may influence the interpretation of participants' narratives. Years of handling business compliance matters, mentoring SMEs, teaching taxation and business regulations, and working closely with micro-entrepreneurs have provided the Researcher with extensive familiarity with the BMBE Act and local government procedures. While this expertise offers meaningful contextual understanding, it also carries the possibility of introducing assumptions such as the belief that government incentives should naturally encourage registration or that compliance processes are objectively beneficial. To mitigate these potential biases, the Researcher

engages in ongoing reflexive practice, carefully examining personal thoughts, predispositions, and reactions throughout the research journey.

A reflexive journal is maintained to document reflections after each interview, note potential biases, and track how interpretations evolve during analysis. Through epoché, the Researcher intentionally brackets preconceived notions and prior knowledge to ensure that the essence of the micro-entrepreneurs’ lived experiences is captured authentically. Importantly, regular consultations with academic mentors and adherence to ethical research standards provide essential external guidance and oversight, helping the Researcher maintain objectivity, balance, and scholarly integrity. These consultations reinforce transparency in the analytic process and support continuous self-awareness. By practicing reflexivity, bracketing, and seeking expert guidance, the Researcher ensures that interpretations remain grounded in the participants’ voices rather than personal professional identity, thereby upholding the core principles of transcendental phenomenology.

Results, Discussion and Detailed Interpretation of Findings

This section presents the key findings that emerged from the lived experiences of micro-entrepreneurs regarding their awareness and decision making processes related to the Barangay Micro Business Enterprises (BMBE) Act of 2002. It synthesizes the essential insights drawn from their narratives, highlighting how they encountered the program, interpreted its value, navigated institutional processes, and integrated the BMBE incentives into their efforts to sustain and stabilize their businesses.

Participant’s Demographic Profile

Participant No.	Pseudonym	Business Name	Nature of Business	Years of Operations	No. of Years as BMBE	Number of Employees	Business Documents
1	Isidro	Cyrah’s Farm Store	Stall-based farm supply trading	~20 years	Since 2002 (among first registrants ; currently active)	3 regular, contractual)	(2 DTI Registratio n, Mayor’s Permit, BIR Registratio n and BMBE Certificate
2	German	Cluck and Backyard Krack Farm Eggspress	poultry (table egg production)	~9–10 years (since 2015–2016)	~8 years (since 2017)	3 workers	DTI Registratio n, Mayor’s Permit, BIR Registratio n and BMBE Certificate
3	Christian	CJP Digital and Printing Services	Digital layout, printing,	~7 years	Since 2021 (~4 years)	2 workers	DTI Registratio n, Mayor’s

			customized souvenirs				Permit, BIR Registration and BMBE Certificate
4	Alfred	Auring's Seafoods and Fish Products	Seafood trading fish products (tinapa, bagoong)	Informal and since 1980s; formalized 2022 (~3 years formal)	Since 2022 (~3 years)	~10 (~3 workers)	DTI Registration, Mayor's Permit, BIR Registration and BMBE Certificate
5	Ace	Innoborg Textile Goods Manufacturing	Textile manufacturing (foam covers, customized bags)	~30 years (since 1995)	Since 2019 (~6 years)	13 workers	DTI Registration, BIR Registration, Municipal Permit, BMBE Registration
6	Ella	Hidden Attic Clothing Boutique	Online clothing retail (ukay-ukay)	~5-6 years (since 2020)	Since 2022 (~4 years; valid until 2026)	2 staff	DTI Registration, Mayor's Permit, BIR Registration and BMBE Certificate
7	Allen	IFIX Computer and Laptop Repair Services	Electronics repair (phones, computers, consoles)	~4 years (since 2021)	Since Jan 2, 2025 (~1 year)	Owner-operated ; 1 staff	DTI Registration, Mayor's Permit, BIR Registration and BMBE Certificate
8	Mark	Kain Food Beverage Stall	Local Food and beverage retail	~6 years (since July 24, 2020)	Since 2021 (~5 years)	7 (~5 employees (2 Bustos, 5 Baliwag))	DTI Registration, Mayor's Permit, BIR

9	Allan	A's Stir N Sippin Coffees Wineshop Café	and	Coffee shop	~2 years	Since 2024 (since April 2024)	2 staff (~1 year)	DTI Registration, Mayor's Permit, BIR Registration and BMBE Certificate
10	Evilyn	Café Allegra		Coffee shop	~3–4 years	Since 2022 (since Sept 15, 2022)	3 staff (~4 years; renewed)	DTI Registration, Mayor's Permit, BIR Registration and BMBE Certificate
11	Trisha	Trisha MDJ Clothes Shop		Clothing retail	~2 years	Since 2025 (since 2024)	5 family-assisted workers (~1 year)	DTI Registration, Mayor's Permit, BIR Registration and BMBE Certificate

1. What are the lived experiences of micro-entrepreneurs regarding how they became aware of the Barangay Micro Business Enterprises (BMBE) Act of 2002 and its benefits prior to their registration as BMBEs?

Findings show that awareness of the BMBE Act emerged through fragmented, informal, and self-directed pathways rather than systematic government dissemination. Participants encountered information incidentally during BIR registration, through DTI staff, social media scrolling, peer conversations, or digital searches. This pattern suggests that policy awareness was reactive and situational, often triggered by immediate business needs rather than structured orientation programs.

This pattern is corroborated by the Document Analysis (*Appendix H*) where participants coded under T1 – Fragmented and Self-Directed Awareness / T6 – Self-Directed Verification (e.g., P1, P3, P11) show complete documentary compliance after informal discovery rather than due to prior structured orientations; their files (DTI, Mayor's, BIR 2303, BMBE – Certificate of Authority) confirm eventual registration but do not evidence an institutional awareness pathway. The Art-Based artifacts (*Appendix I*) visually echo this trajectory through question-mark motifs, arrows toward agency logos (BIR/DTI/LGU),

and captions noting confusion followed by clarification depictions most salient in P1, P3, and P11 (see Appendix G–H).

This aligns with research indicating that micro-entrepreneurs in developing economies frequently rely on informal networks and digital ecosystems for regulatory knowledge. In contexts where institutional outreach is limited, information diffusion becomes socially mediated and algorithmically filtered, potentially contributing to uneven policy awareness. Recent evidence further suggests that digital platforms increasingly function as primary information gateways for small firms, yet they require high levels of individual initiative and verification.

Thus, the study extends existing literature by demonstrating that policy awareness among micro-entrepreneurs is socially constructed through hybrid information ecosystems blending peer networks, online search behavior, and frontline government encounters. Awareness was not automatically institutional; it was actively assembled.

2. What do micro entrepreneurs attribute to their intention to avail of the BMBE Act of 2002, based on their awareness of the BMBE benefits and the specific incentives they later utilized as registered business owners?

Across narratives, intention to avail of the BMBE incentives was primarily driven by economic survival considerations. Financial strain particularly during and after the COVID-19 pandemic served as a contextual catalyst. Income tax exemption and minimum wage flexibility were framed as protective mechanisms against operational collapse rather than mere financial perks.

The survival framing is evidenced in Appendix H, where P2 (2017), P6 (2022), P10 (2022) and others show BMBE enrollment/renewal aligned with crisis or recovery years and are coded under T2 – Economic Survival Motivation, indicating a documentary trail that coincides with heightened cost pressures. Complementing this, Art-Based drawings (*Appendix I*) from P2, P6, and P10 visualize pandemic cues, steep recovery arcs, and ‘register/benefit’ prompts, rendering BMBE as a stabilizing mechanism under threat of closure.

This finding resonates strongly with crisis entrepreneurship literature, which posits that during economic shocks, entrepreneurs prioritize liquidity preservation and cost stabilization over expansionary goals. Behavioral economic perspectives similarly argue that individuals respond more strongly to policies framed as loss prevention rather than gain acquisition. In this study, BMBE incentives were constructed as a ‘shield’ against loss

reducing tax burdens and stabilizing labor costs.

Moreover, consistent with rational choice and cost–benefit theory, participants engaged in deliberate economic evaluation before formalizing. When perceived benefits particularly income tax exemption clearly outweighed compliance costs the intention strengthened. The Act’s economic salience thus functioned as the primary behavioral driver.

Importantly, beyond survival, participants also expressed aspirations for legitimacy and sustainability. Formalization was associated with credibility, access to official receipts, structured governance, and long-term growth. This supports institutional theory, which posits that entrepreneurs formalize not only for financial incentives but also to gain legitimacy within regulatory environments.

3. How do micro entrepreneurs describe the process through which they decided to avail of the Barangay Micro Business Enterprises (BMBE) Act of 2002?

The process of deciding to avail of the BMBE Act emerged as a strategic, multi-stage negotiation between autonomy and institutional structure. Participants actively verified information through peers, online

searches, DTI, BIR, and accountants. Skepticism, ‘Totoo kaya si BMBE?’ prompted cross-validation. This reflects proactive opportunity evaluation consistent with entrepreneurial cognition theory.

While bureaucratic friction was present documentary confusion, inspections, compliance anxiety participants reframed these as temporary investments toward long-term gains. This balancing of burden and benefit mirrors findings that formalization decisions hinge on perceived administrative feasibility and economic returns.

In Appendix H, participants labeled under T4 – Institutional Trust Formation (Friction ↔ Support) (e.g., P4, P7) possess complete, sequential filings (DTI → Mayor’s → BIR 2303 → BMBE) that mark successful passage through inspections and repeat submissions, signifying trust built through accomplished compliance. Parallel Art-Based outputs notably P7’s ‘roller-coaster’ and P4’s ‘staircase with obstacles’ depict affective turbulence that levels into procedural clarity with staff assistance and digital renewals, turning friction into experiential trust (see Appendix I).

Notably, participants also described positive institutional encounters characterized by procedural ease, digital renewal systems, and limited documentary requirements. Experiences of smooth processing strengthened institutional trust and reinforced continued compliance. The findings therefore suggest that institutional trust was constructed experientially. Initial skepticism gave way to confidence once benefits were realized and processes proved navigable. Trust was not assumed; it was earned through lived interaction.

Across the three research questions, a coherent and processual pattern emerges from the lived experiences of the participants. Awareness of the BMBE Act was not formed through systematic institutional dissemination but rather through fragmented, informal, and self-directed pathways. Entrepreneurs encountered information incidentally through peers, online searches, frontline government interactions, or situational business needs requiring them to actively assemble and verify knowledge before engagement. Intention to avail of the incentives was primarily survival-oriented, shaped by financial vulnerability and the immediacy of tangible economic relief. Tax exemptions and labor-related incentives were interpreted not merely as benefits but as protective mechanisms against instability, particularly in periods of constrained cash flow. The decision-making process itself involved strategic cost–benefit rationalization within negotiated institutional engagement. Participants weighed perceived administrative burdens against anticipated economic gains, navigated bureaucratic structures cautiously yet pragmatically, and ultimately formalized when benefits outweighed compliance costs.

This processual arc uncertainty → verification → relief/trust is consistently mirrored by the Document Analysis codes (T1/T2/T3/T4/T6 across participants) and the Art-Based visual metaphors of stairs, ladders, timelines, and agency-bound arrows, consolidating the themes as mutually reinforcing across textual, documentary, and visual evidence (see Appendix H–I).

Implications

Drawing from the themes derived and the synthesis made, the implications of the study highlight meaningful contributions to practice, policy, and theory in the context of micro-entrepreneurs availing the BMBE incentives. The findings show that awareness of the BMBE Act remains fragmented, reactive, and largely dependent on informal networks such as peer conversations, accidental discovery, and social media exposure. Because information is encountered incidentally, government agencies such as DTI, BIR, and LGUs must transition from passive dissemination to intentional and ecosystem-based information pathways that reach potential beneficiaries before they reach economic distress. Messaging should also shift toward framing the BMBE program as a “survival infrastructure,” since participants interpreted

incentives primarily as loss-prevention tools that reduce immediate financial risks through income tax exemption and labor cost flexibility. The findings further suggest a need for more integrated, one-stop digital systems that streamline procedures and reduce bureaucratic friction, thereby minimizing compliance anxiety.

Practical Implications

On the practical level, the study reveals that micro-entrepreneurs view the BMBE process as a strategic and survival-oriented decision influenced by thin margins, financial vulnerability, and crisis-triggered reasoning. This underscores the need for LGUs, Negosyo Centers, and MSME-support agencies to strengthen frontline assistance by simplifying renewal procedures, enhancing digital platforms, and ensuring consistent advisory support. Peer networks were shown to play a strong role in shaping awareness and intention; thus, business associations may benefit from creating peer-to-peer learning models that leverage entrepreneurs' trust in the experiences of others.

Theoretical Implications

Theoretically, the study demonstrates that formalization is not merely a legal or economic choice but a phenomenological experience shaped by fragmented awareness, verification rituals, and the gradual development of institutional trust. The findings support entrepreneurial cognition theory by showing how micro-entrepreneurs assemble policy information through self-directed validation before forming intention. They also reinforce institutional trust theory by illustrating that trust in government is earned through direct positive encounters, procedural clarity, and tangible benefits. Additionally, the findings validate principles in behavioral economics, revealing that micro-entrepreneurs exhibit survival-oriented rationality by prioritizing immediate cost shields over long-term uncertainties, consistent with loss aversion and cost-benefit framing perspectives.

Conclusion and Recommendations

This conclusion integrates the major insights drawn from the lived experiences of micro-entrepreneurs who engaged with the Barangay Micro Business Enterprises (BMBE) Act of 2002. Synthesized across interviews, document analysis, and art-based elicitation, the findings consolidate how micro-entrepreneurs became aware of the program, what shaped their intention to avail of its incentives, and how they ultimately decided to formalize under the BMBE framework. The conclusions per research question reflect the core meanings revealed by participants and highlight the practical, economic, and institutional realities that shaped their decision-making processes.

The following are the conclusion of the study.

1. The awareness of the micro-entrepreneurs in BMBE Act and its benefits prior to registration.

Micro-entrepreneurs became aware of the BMBE Act not through structured government campaigns but through fragmented, reactive, and self-directed pathways. Awareness emerged incidentally through peers, accountants, barangay officials, social media, Google searches, and frontline encounters at DTI, BIR, or LGUs rather than through systematic institutional dissemination. Document analysis (*Appendix H*) confirmed that participants completed all documentary requirements (e.g., DTI Certificate, Mayor's Permit, BIR Form 2303, Certificate of Authority) despite having no formal orientation beforehand. Their art-based outputs (*Appendix I*) visually reinforced confusion → search → clarity sequences. Thus, the study concludes that BMBE awareness is socially constructed, informally transmitted, and individually assembled, revealing a persistent knowledge-awareness gap in government outreach.

2. **Intentions to avail of the BMBE incentives based on their understanding of the benefits.** Micro-entrepreneurs' intentions to avail of BMBE incentives were anchored in economic survival and financial protection, especially during and after the COVID-19 pandemic. Income-tax exemption and labor-cost flexibility were perceived not as optional benefits but as urgent lifelines that prevented business closure, stabilized operations, and supported recovery. This intention strengthened when participants verified benefits from trusted peers, observed others' successful registration, or received clear explanations from DTI or BIR personnel. Document and art-based data (*Appendix H and I*) consistently showed participants registering at moments of financial strain, validating that survival logic not expansionary motives was the primary driver of intention. Additionally, intention was strengthened by aspirations for legitimacy, credibility, and long-term sustainability. Thus, the study concludes that micro-entrepreneurs intend to avail of BMBE primarily when verified, tangible economic benefits outweigh perceived costs and when formalization supports business continuity and legitimacy.
3. **The decision-making process in availing of the BMBE Act** unfolded as a deliberate, multi-stage evaluation shaped by verification, economic reasoning, and institutional interaction. Participants cross-checked information across peers, digital platforms, accountants, and agency staff to overcome initial skepticism (e.g., "Totoo kaya si BMBE?"). Despite experiencing confusion, inconsistent instructions, or compliance anxiety, they reframed bureaucratic friction as a necessary but temporary investment toward long-term financial relief. Document analysis (*Appendix H*) showed completed sequences of filings (DTI → Mayor's Permit → BIR Registration → Certificate of Authority), while art-based depictions (*Appendix I*) illustrated a transition from frustration to clarity with the help of staff and digital renewal systems. Thus, the study concludes that decision-making was guided by pragmatic evaluation entrepreneurs registered when institutional processes became navigable, when trust was built through positive encounters, and when benefits clearly outweighed procedural burdens.

Recommendations

Aligned with the study's demonstrated significance to local economic development and its contribution to the attainment of the United Nations Sustainable Development Goal 8 (Decent Work and Economic Growth), the following recommendations are proposed to enhance the accessibility, uptake, and long-term impact of the Barangay Micro Business Enterprises (BMBE) Act of 2002.

For Micro Business Owners

Findings show that micro-entrepreneurs often learn about the BMBE Act through fragmented, informal, and self-directed sources such as peers, social media, and incidental encounters in government offices. In response, micro business owners are encouraged to take an active role in verifying information and participating in peer-learning communities. By engaging in BMBE Success Story Networks, testimony sharing, fiscal clarity workshops, and digital information resources, entrepreneurs can strengthen their understanding of income-tax exemption, labor-cost flexibility, and non-fiscal incentives. Through intentional participation and informed decision-making, micro business owners can maximize the protective and stabilizing benefits of BMBE for business survival and growth.

For the Head of the City Economic Enterprise Affairs Office or BPLO

Key findings show that awareness of BMBE is reactive and inconsistent, and that bureaucratic friction while manageable still causes confusion. BPLO and City Economic Enterprise Affairs Offices may therefore institutionalize targeted BMBE orientations during the January Business Permit Renewal period to reach unregistered micro-entrepreneurs at their most engaged moment. Strengthening frontline advisory

support through standardized staff training, clear guidance, and solution-oriented communication will help reduce procedural ambiguity. BPLOs may also offer renewal-based promotional incentives, such as reduced fees for first-time BMBE applicants. These strategies ensure that entrepreneurs receive accurate, timely, and facilitative institutional support aligned with their lived experiences of uncertainty and self-driven verification.

For Academic Institutions

Findings indicate a persistent knowledge-awareness gap among micro-entrepreneurs, with many relying on informal sources rather than formal education or structured orientations. Academic institutions can address this gap by embedding BMBE concepts into entrepreneurship curricula, MSME development courses, and community extension programs. Through research-based lectures, training workshops, simplified infographics, and partnerships with DTI and LGUs, universities can help strengthen MSME knowledge ecosystems. Academic institutions may also conduct community-based research or consultancy initiatives focused on improving BMBE uptake, ensuring that micro-entrepreneurs receive verified, accessible, and practical guidance grounded in empirical insights.

For the National Government

The study highlights gaps between the BMBE law's intended benefits and the realities of current economic conditions. Given that the ₱3,000,000 asset ceiling and incentive structure have remained largely unchanged since 2002, policymakers are encouraged to review RA 9178 to ensure its continued relevance. Updating eligibility thresholds for inflation, refining incentive packages to support digitalization and recovery needs, and strengthening inter-agency alignment among DTI, BIR, and LGUs would help improve accessibility and predictability. Institutionalizing a periodic review mechanism would ensure that the BMBE program remains responsive to economic shifts, enabling micro-enterprises to rely on it as a genuine tool for protection and continuity.

For DTI Officers and Policy Implementers

Findings show that entrepreneurs predominantly encounter the BMBE Act through digital searches, algorithm-driven content, and peer networks rather than official government channels. DTI must therefore shift from passive information dissemination to hybrid information ecosystems that proactively reach entrepreneurs at their point of digital inquiry. This includes SEO-optimized webpages, algorithm-sensitive content, micro-videos, and targeted social media interventions. DTI Region 3 may organize a Central Luzon BMBE Peer Advocacy Summit integrating testimony sessions, peer-learning circles, policy booths, and BMBE-Online registration assistance. Communication strategies should frame BMBE as policy-as-a-shield—reflecting how entrepreneurs naturally interpret the law as a survival and stability mechanism. Strengthening non-fiscal supports especially credit pathways, digital skill training, and market access will further expand the law's developmental reach.

For Future Researchers

The study finds that awareness, intention, and decision-making regarding BMBE are shaped by informal networks, survival logic, and experiential trust-building. Future Researchers may explore the experiences of micro-entrepreneurs who did not apply for BMBE to uncover deeper barriers. Comparative studies across regions, quantitative impact measurements on profitability and survival, and research on algorithm-driven policy awareness can further enrich understanding. Scholars may also evaluate the usability, accessibility, and behavioral influence of the BMBE-Online System. These directions will help generate evidence-based insights that refine program implementation and support future policy evolution.

Limitations

Despite the rigor of the transcendental phenomenological approach, the study is subject to several limitations that contextualize its findings. The research was conducted solely among micro-entrepreneurs in Baliwag, Bulacan, which may limit the transferability of results to other regions where LGU support systems, economic conditions, and policy implementation practices differ. While the sample size of eleven participants is appropriate for phenomenological inquiry, it is not intended for broad generalization across all micro-enterprise contexts. The study relied on self-reported narratives, which may involve recall bias, selective memory, and social desirability, particularly when participants spoke about interactions with government personnel. Additionally, government processes and digital systems evolve over time, meaning that some experiences captured in this study may change with future policy revisions or technological upgrades. The study also lacked quantitative triangulation, as it did not incorporate documentary analysis of tax savings, revenue changes before and after BMBE registration, or time–cost calculations related to compliance. Including such metrics would have strengthened the economic assessment of the BMBE program. Furthermore, the study did not include the perspectives of institutional stakeholders such as LGU staff, BIR officers, or accountants, whose viewpoints could have provided additional depth and triangulation.

6. Declarations

6.1. Ethical considerations

This study was conducted in full compliance with internationally recognized ethical standards for research involving human participants. Ethical clearance was granted by the New Era University Ethics Review Committee, New Era University, Philippines, under Protocol No. NEU-ERC-2024-BMBE-017. All research procedures adhered to the ethical principles outlined in the Declaration of Helsinki.

Participation in the study was voluntary. Prior to data collection, all micro-entrepreneur participants were provided with clear and comprehensive information regarding the objectives of the research, the nature of their involvement, and their rights as participants. Written informed consent was obtained from each participant before interviews, art-based elicitation, and document validation were conducted. Participants were informed of their right to decline answers to specific questions or withdraw from the study at any time without consequence.

Confidentiality and anonymity were strictly maintained throughout the research process. Pseudonyms were assigned to all participants, and no identifying business information was disclosed in the reporting of findings. Audio recordings, transcripts, and documentary materials were securely stored in password-protected files accessible only to the researcher. All data were used solely for academic and scholarly purposes.

6.2. Use of artificial intelligence (AI)

“The authors declare that the generative artificial intelligence (AI) tool [ChatGPT] was used exclusively for language editing and/or grammatical improvement. The use of AI did not influence the scientific content, study design, data analysis, data interpretation, results, or conclusions of the manuscript. Full responsibility for the content remains with the authors.”

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