

RESEARCH ARTICLE

ASSESSMENT ON THE IMPLEMENTATION OF BARANGAY MICRO BUSINESS ENTERPRISES ACT OF 2002 RELATIVE TO THE PROFITABILITY OF FOOD BUSINESSES IN VICTORIA, LAGUNA

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ABSTRACT

Barangay Micro Business Enterprise (BMBE) law was enacted in 2002 in the Philippines to promote the growth of small and micro-enterprises in the food industry by providing tax incentives and simplified business registration procedures. This study aimed to analyze the effectiveness of BMBE implementation in the food industry, its impact on business profitability, and identify areas for improvement. A survey was conducted on 30 BMBE-registered sole proprietor food businesses in Victoria, Laguna, using a quantitative research method. The findings showed that the BMBE Act of 2002 has benefited micro-enterprises in the food industry, helping them reduce labor costs, comply with regulations, improve their financial status, and allocate more resources for economic expansion and growth. The study highlights the importance of government support for small businesses and suggests targeted interventions or support programs. The researcher recommends further research and promotion of BMBE registration, consistent and effective implementation, and guidelines for monitoring and evaluation.

KEYWORDS

Barangay Micro Business Enterprise (BMBE) law; Small and micro-enterprises; Profitability; Tax incentives; BMBE Implementation.

1. INTRODUCTION

The Barangay Micro Business Enterprise (BMBE) law was enacted in the Philippines in 2002 to stimulate the establishment of small and micro-enterprises (Department of Trade and Industry, 2021). For firms with less than 3 million Philippine pesos in assets, the BMBE law provides tax breaks and simplifies business registration procedures (Department of Trade and Industry, 2021). The food industry is important to the Philippine economy since it creates jobs, generates profits, and contributes to the country's overall economic development (Bangko Sentral ng Pilipinas, 2022).

The BMBE law's execution is critical to the growth of MSME food businesses in the Philippines. Small and micro food firms are critical for job creation, revenue generation, and economic development in the country. BMBE advantages can help small and micro food businesses enhance their competitiveness, sales, and profitability. It has the potential to lead to the growth and expansion of these businesses, thereby contributing to the Philippines' overall economic development.

The study's purpose is to fill a gap in the literature by assessing the evaluation of the BMBE law's implementation and its impact on the profitability of food firms in Victoria, Laguna. In response to these issues, the Philippine government adopted the BMBE Act in 2002, which provides incentives and benefits to MSMEs with assets valued at less than Php 3 million. The BMBE Act intends to encourage the growth of MSME, particularly in rural areas where the majority of these firms are situated, by exempting them from paying income tax and giving additional benefits like as exemption from municipal taxes, streamlined business registration, and easier access to loans.

2. LITERATURE REVIEW

2.1 BMBE Incentives

Research has been conducted to examine the effect of BMBE benefits on food businesses in the Philippines. Garambas analyzed the effect of BMBE incentives on the growth of food businesses in the Philippines (Garambas, 2021). The researchers used a quantitative research design and surveyed 50 small food business owners who registered as BMBEs. The findings revealed that the majority of the respondents were able to expand their businesses and increase their revenues because of the incentives provided by the BMBE law. The tax exemption benefit was identified as the most significant incentive, allowing the small food businesses to save money that could be invested in the growth of their businesses. Furthermore, the respondents reported that they were able to access financing from government programs and that the technical assistance provided by the government helped them improve their product quality and marketing strategies.

Moreover, according to BMBE incentives have a significant impact on the profitability and long-term viability of food operations (Alera et al., 2023). According to their poll, registered BMBE food enterprises benefit from lower tax rates, easier financing availability, and simplified registration procedures, all of which help them compete and grow. Macatumbas-Corpuz and Bool discovered that registered BMBE food enterprises raised their net revenue and profitability after obtaining BMBE incentives (Macatumbas-Corpuz and Bool, 2021). The study discovered that the tax exemption and credit availability provided by the BMBE statute allowed food firms to reinvest their savings back into their operations, resulting in higher output and sales.

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2.2 Profitability

The COVID-19 outbreak has harmed businesses all throughout the world, including BMBE-registered food establishments. According to the findings of Tecson BMBE-registered food firms were among the most affected by the pandemic since they rely mostly on foot traffic and face-to-face interactions (Tecson, 2022). According to the survey, as a result of the pandemic's constraints and lower client demand, many registered BMBE food firms suffered a significant loss in sales and revenue (Tecson, 2022).

In any business, particularly the food industry, profitability is critical. Profitability measures a company's capacity to generate income in proportion to its expenses and expenditures. According to Dioha profitability can be quantified using ROA, which is calculated by dividing net income by total assets (Dioha, 2018). Profitability is positively related to business size and age, but negatively related to leverage and liquidity.

Return on Assets (ROA) is a financial metric that compares a company's net income to its total assets to determine its profitability. A high ROA indicates that a company is making good use of its assets to generate profits. According to İşik research, the ROA is positively associated to firm size, liquidity, and leverage, while it is negatively related to asset tangibility (İşik, 2017). Unfortunately, there has been little research on the ROA of BMBE food enterprises.

2.3 Monitoring and Evaluation

Monitoring and evaluation (M&E) is an essential component of business management since it allows entrepreneurs to assess their progress, identify barriers, and make educated decisions. The purpose of this study is to offer an overview of monitoring and assessment practices in registered BMBE food enterprises. Indeed, they are critical for the growth and sustainability of BMBE food businesses. Mostiero discovered that monitoring and evaluation are essential for improving the performance

and competitiveness of registered BMBE food firms (Mostiero, 2022). According to the study's findings, M&E enables entrepreneurs to identify their strengths and weaknesses and make necessary modifications to their operations.

While monitoring and evaluation are crucial for the success of BMBE food operations, they are challenging to implement. A fundamental difficulty for many BMBE food firms, according to Solina is a lack of technical knowledge and resources to install M&E systems (Solina, 2021). Many entrepreneurs, according to the survey, lack the necessary knowledge and ability to efficiently obtain and assess data.

2.4 Theoretical Framework

The system approach to management theory guides this research (Kiran, 2017). The theory views organizations as complex systems of interdependent parts that interact to achieve a common goal. The framework is utilized for evaluating the execution of the BMBE Act of 2002 and its influence on the financial gains of food enterprises. Applying systems theory to this assessment, the BMBE Act of 2002 may be seen as a subsystem of the more extensive economic system influenced by various factors such as government policies. The food businesses that the BMBE Act covers may be viewed as subsystems within the economic system, which are also influenced by various internal and external factors (Schneider et al., 2017).

By using systems theory to assess the implementation of the BMBE Act of 2002, it may be possible to identify areas for improvement and opportunities to enhance the profitability of food businesses. This could include identifying gaps in the regulatory framework, exploring new support mechanisms, or addressing challenges related to the broader business environment. Ultimately, by taking a systems perspective, it may be possible to create a more holistic and practical approach to supporting the profitability of food businesses under the BMBE Act of 2002.

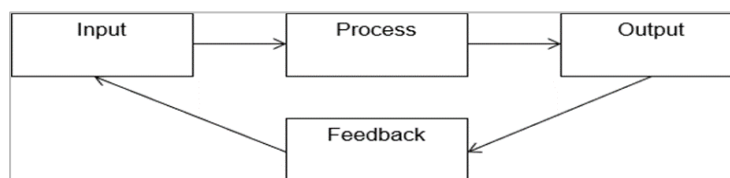


Figure 1: System Approach to Management Theory

3. METHODOLOGY

3.1 Research Methodology and Design

The researcher utilized the descriptive-correlational research approach to assess how the Barangay Micro Business Enterprises Act of 2002 impacted the profitability of food businesses in Victoria, Laguna. The study employed a quantitative research methodology as the primary means of data collection and analysis. In quantitative research, each respondent is usually asked the same questions to enable a comprehensive examination of the entire data sample.

3.2 Respondents of the Study

The study took place in Victoria, Laguna, with the target respondents being BMBE registered sole proprietor Food Business Micro Enterprises. Respondents were given a researcher made questionnaire in order to analyze and evaluate the assessment on the implementation of BMBE incentives, which was serve as the foundation for profitability in MSME's in Victoria, Laguna. The researcher considered 30 survey questionnaire respondents. The food industry in Victoria, Laguna has been growing in recent years, and this growth is expected to continue in the future. Studying food businesses in Victoria, Laguna can provide insights into how businesses can thrive in a rapidly changing industry. That is why food business owners were chosen as respondents for this study.

3.3 Sampling Technique

There are 30 sole proprietorship food businesses registered under BMBE of Victoria, Laguna, from 2017-2022. The researcher used a purposive sampling technique. When adopting the quantitative approach, researchers focus on a specific population or sampling frame. This group consists of individuals who share common characteristics that can be identified and studied by the researcher. This aims to produce a sample that can be generally assumed to be the whole population.

3.4 Research Instrument

The primary instrument that the researcher used in gathering data in this

study is a researcher made questionnaire in the form of online survey to get the assessment of implementation of BMBE Act of 2002 relative to the profitability of food businesses in Victoria, Laguna. To ensure the consistency and correctness of the questionnaire, the researcher presented the questionnaire to the thesis adviser and other members of the panels for correction as well as suggestions for improvement.

Similarly, the researcher had the questionnaire pilot tested, and the data from this activity was treated with Cronbach's Alpha to ensure internal consistency. In the study, a survey questionnaire was used as a quantitative tool. The questionnaire is divided into four sections, each of which provides the researcher with the following information: business profile, owner assessment of BMBE Act of 2002 incentives in terms of Minimum Wage Law exemption with Cronbach's alpha value of 0.92, Income Tax Exemption with Cronbach's alpha value of 0.93, Training assistance with Cronbach's alpha value of 0.94, Priority to a special Credit Window with Cronbach's alpha value of 0.94. Cronbach's alpha value of 0.91 is used to measure the profitability of a food business company with the use of BMBE incentives, and Cronbach's alpha value of 0.96 is used to measure the level of profitability in terms of ROA and ROI. The questionnaire used a four-point Likert scale, with 1 representing strongly disagree and 4 signifying strongly agree. An online poll was used to collect the data.

3.5 Data Collection and Analysis

The researcher followed specific procedures in the conduct of this study. Related literature and studies were gathered, which formed the source for formulating the survey questionnaire. Prior to collecting data, the researcher wrote a letter requesting permission from the DTI Provincial Director. Letters requesting the respondent's participation and approval are also drafted. Following approval, the researcher distributed the survey questionnaire via Google Forms to the micro-enterprises through digital channels such as email, Viber, and Facebook Messenger applications, for safety protocol compliance due to the Covid-19 pandemic. The researcher seeks the statistician's guidance and aid to tabulate, analyze, and interpret the acquired data.

3.6 Statistical Treatment of Data

Both descriptive and inferential statistics were used in the investigation. The demographic profile of the respondents was described using frequency and percentage. The mean and four-point Likert Scale are used to determine the assessment of the Barangay Micro Business Enterprises Act of 2002's implementation to food enterprises in Victoria, Laguna. Similarly, the data was processed with the Kruskal-Wallis H test to determine the difference in profitability impact of the BMBE incentives and benefits to Food Business Enterprises. Spearman's rho (ρ) was also employed to establish a strong association between the appraisal of the implementation of BMBE incentives relative to its profitability effect on MSMEs, notably food firms. The statistical treatment of data provided a thorough analysis of the study's data, allowing the researcher to draw meaningful conclusions about the impact of the Barangay Micro Business Enterprises Act of 2002 on the profitability of food businesses in Victoria, Laguna.

4. FINDINGS AND DISCUSSION

4.1 Assessment of BMBE Act of 2002 to the Micro Enterprises

The table summarizes the findings of an evaluation of the Barangay Micro Business firms (BMBE) Act of 2002 in terms of its influence on the minimum wage law exemption for micro firms. According to the findings, respondents strongly agree that the BMBE Act has a beneficial influence

on their micro firms. All five indicators had mean scores greater than 3.7, indicating a high level of agreement. Respondents highly agree that the BMBE Law's minimum wage exemptions have greatly lowered their labor costs in their food industry (mean score of 3.97). This means that the exemption enabled them to pay lesser wages to their employees while still complying with labor rules.

Furthermore, respondents strongly agree that the exemption helps them to devote more resources to the economic expansion and growth of their food business (mean score of 3.83) and improves their financial performance as a food business owner (mean score of 3.83). This suggests that the exemption has supplied them with greater revenue to let them expand their firm and earn more money. According to Macatumbas-Corpuz and Bool, the BMBE Act of 2002 has assisted MSMEs in the Philippines in lowering labor expenses and improving financial performance (Macatumbas-Corpuz and Bool, 2022). According to the report, the act has allowed micro businesses to hire more people and pay lower wages without breaching labor regulations. The authors also stated that the act has increased microenterprise access to credit and financial services, allowing them to develop their operations and raise their income.

Overall, the findings indicate that the BMBE Act of 2002 benefited micro enterprises, particularly those in the food industry, by assisting them in lowering labor costs, complying with labor regulations, improving their financial standing, and allocating more resources for business economic expansion and growth.

Table 1: Assessment of BMBE Act of 2002 to the Micro Enterprises in terms of Minimum Wage Law Exemption

Indicators	$\bar{x}$	Verbal Interpretation
The Minimum Wage Law Exemptions under the BMBE Law...		
1. have significantly reduced my labor costs in my food business.	3.97	Strongly Agree
2. improves my financial status.	3.73	Strongly Agree
3. complies with labor regulations for my food business.	3.87	Strongly Agree
4. allows me to allocate more resources to the economic expansion and growth of my food business.	3.83	Strongly Agree
5. have a positive impact on my financial performance as a food business owner.	3.83	Strongly Agree

Table 2: Assessment of BMBE Act of 2002 to the Micro Enterprises in terms of Income Tax Exemption

Indicators	$\bar{x}$	Verbal Interpretation
The Income Tax Exemptions under the BMBE Law...		
1. have significantly reduced your tax burden as a food business owner	3.70	Strongly Agree
2. improves my financial status	3.73	Strongly Agree
3. complies with tax regulations for my food business	3.80	Strongly Agree
4. allows me to allocate more resources to the economic expansion and growth of my food business.	3.83	Strongly Agree
5. have a positive impact on my financial performance as a food business owner.	3.83	Strongly Agree

The table represents the average responses of micro-enterprise food business owners to an assessment of the BMBE Act of 2002 in terms of Income Tax Exemption. The respondents were asked to rate their agreement or disagreement with five indicators on a Likert scale, ranging from strongly disagree (1) to strongly agree (4). The results show that the respondents strongly agree with all five indicators related to the Income Tax Exemptions under the BMBE Law. The average score for each indicator is above 3.7, which indicates that the respondents are satisfied with the benefits of the law.

The findings of the study supported the results of Daniel and Faustin (2019) about tax incentives. They found out that income tax exemptions, can be a powerful tool for promoting the economic expansion and growth of businesses. The authors argue that tax incentives can provide small businesses with much-needed financial resources to invest in new equipment, hire more employees, or expand their operations. Additionally, tax incentives can also help small businesses comply with tax regulations and reduce their tax burden, allowing them to allocate more resources to other areas of their business.

Another study, conducted by looked at the influence of tax incentives on the performance of SMEs (Liu et al., 2022). The authors discovered that tax

incentives, such as income tax exemptions, improved SMEs' profitability, investment, and employment. Overall, the results suggest that micro-enterprise food business owners are generally satisfied with the benefits of the Income Tax Exemptions under the BMBE Act of 2002. The law appears to have reduced their tax burden, improved their financial status, helped them comply with tax regulations, and allowed them to allocate more resources to the economic expansion and growth of their business.

This table presented the results of an assessment of the BMBE Act of 2002 in terms of its impact on micro enterprises' ability to access training assistance. The assessment is based on the responses of a sample of food business owners who participated in the training program provided under the BMBE Law.

The table showed that the mean score for all five indicators is above 3, with a range of 3.53 to 3.70. This suggests that the respondents strongly agree that the training assistance provided under the BMBE Law has significantly improved their ability to run their food business, allows them to expand their business offerings and services, improves their management and operations skills as a food business owner, improves the competitiveness of small food businesses in general, and has a positive influence on the economic expansion and growth of their food business.

Table 3: Assessment of BMBE Act of 2002 to the Micro Enterprises in Terms of Trainings

Indicators	$\bar{x}$	Verbal Interpretation
The Training Assistance under BMBE Law...		
1. has significantly improved my ability to run my food business.	3.53	Strongly Agree
2. allows me to expand my business offerings and services.	3.60	Strongly Agree
3. improves my management and operations skills as a food business owner.	3.70	Strongly Agree
4. improves the competitiveness of small food businesses in general.	3.63	Strongly Agree
5. has a positive impact on the economic expansion and growth of my food business.	3.57	Strongly Agree

Table 4: Assessment of BMBE Act of 2002 to the Micro Enterprises in terms of Priority to a Special Credit Window

Indicators	$\bar{x}$	Verbal Interpretation
The Priority to Special Credit Window under BMBE Law...		
1. has significantly improved my ability to finance my food business.	3.60	Strongly Agree
2. secures financing for my food business.	3.53	Strongly Agree
3. provides me with access to financing options that were not previously available to me.	3.80	Strongly Agree
4. allows me to expand my business offerings and services.	3.67	Strongly Agree
5. have a positive impact on the economic expansion and growth of my food business.	3.77	Strongly Agree

These encouraging results suggest that the BMBE Law's training assistance program has had a positive influence on food industry microbusinesses. The high mean scores for all five indicators suggest that respondents viewed the training program as effective in addressing their business requirements and enhancing their skills as business owners. Yousafzai stated the impact of training and development on the performance of small and medium-sized enterprises (Yousafzai, 2014). The results indicate that training and development programs have a positive effect on the performance of SMEs, including increased productivity, enhanced product and service quality, and improved employee skills. These findings suggest that the BMBE Law's training assistance program is a useful tool for assisting microbusinesses in the food industry and can contribute to the economic expansion and development of small businesses in general.

The results of the survey indicate that the micro-enterprises strongly agree that the BMBE Act of 2002 has significantly improved their ability to finance their food business ($\bar{x}$ =3.60), secures financing for their food business ($\bar{x}$ =3.53), provides them with access to financing options that were not previously available ($\bar{x}$ =3.80), allows them to expand their business offerings and services ($\bar{x}$ =3.67), and have a positive impact on the economic expansion and growth of their food business ($\bar{x}$ =3.77).

The findings of the study supported the results of Figueroa, he found out that the BMBE Act of 2002 has had a favorable impact on the economic expansion and growth of microenterprises in the Philippines (Figueroa, 2018). Based on his study, micro-enterprises that had access to the law's

special credit window were more likely to expand their firms and create job prospects. According to the study, the special credit window established by the BMBE Act of 2002 has played an important role in fostering the economic expansion and growth, of the microenterprise sector in the Philippines.

Overall, the data shows a positive impact of the BMBE Act of 2002 on the micro-enterprises in the food business sector, as it has provided them with access to much-needed financing, which has helped them to grow and develop their businesses.

4.2 Status of Profitability of the Food Businesses

The food business owners strongly agree that the BMBE incentives have significantly increased their profitability (x = 3.83), given them a competitive advantage over non-BMBE registered food businesses (x = 3.57), and are recommended to other small food business owners seeking to increase their profitability (x = 3.70). They also firmly agree that the incentives have helped improve the financial stability and sustainability of small food businesses in general (x = 3.77). The high mean scores for all indicators suggested that the BMBE incentives positively affect the profitability of food enterprises. Strong agreement with the statements indicates that the business owners view the incentives as effective in enhancing their profitability and overall financial stability. The results indicate that the BMBE incentives are a valuable tool for supporting and promoting the economic expansion and development of small food businesses.

Table 5: Status of Profitability of the Food Businesses in terms of assistance of BMBE incentives.

Indicators	$\bar{x}$	Verbal Interpretation
The assistance of BMBE incentives under BMBE Law...		
1. have significantly improved my profitability as a food business owner.	3.83	Strongly Agree
2. has provided me with a competitive advantage over non-BMBE registered food businesses.	3.57	Strongly Agree
3. is recommended to other small food business owners looking to improve their profitability.	3.70	Strongly Agree
4. has allowed me to allocate more resources to the profitability and development of my food business.	3.67	Strongly Agree
5. has helped improve the financial stability and sustainability of small food businesses in general.	3.77	Strongly Agree

Studies have demonstrated that microenterprise incentives can have a positive effect on the profitability of small businesses. For instance, Bodhanwala and Bodhanwala, discovered that microenterprise incentives provided by the Indian government, such as tax breaks and subsidies, increased the profitability of small enterprises in the country (Bodhanwala, and Bodhanwala, 2018). Similarly, Delius discovered that microenterprise development programs in Kenya, such as business training and financial assistance, increased the profitability of small enterprises in the country (Delius, 2020).

In the context of the BMBE Law, studies have also revealed that the law's incentives have a positive effect on the profitability of small businesses. According to a study by Quingco and Leonoras the tax exemptions provided by the BMBE Law increased the profitability of small enterprises registered in the Philippines (Leonoras, 2019). According to the business owners who have received assistance, the BMBE incentives have had a

positive impact on the profitability and sustainability of small food enterprises.

The results indicate that the majority of respondents strongly agreed (rating of 4 or 5) that the BMBE incentives had a positive impact on their profitability. Respondents reported a significant increase in their ROA/ROI, enhanced resource allocation to maximize profits, enhanced asset and investment efficiency, and a substantial contribution to overall profitability. The average rating for all indicators was greater than 3.4, indicating that BMBE incentives have a substantial positive impact on the profitability of food enterprises.

The effect of government incentives on the profitability of small and medium-sized enterprises (SMEs) was discussed (Sarah, 2017). The findings indicate that government aid in the form of tax incentives, grants, and subsidies has a positive effect on the profitability of small and medium-sized enterprises (SMEs).

Table 6: Status of Profitability of the Food Businesses in terms of Return on Asset (ROA)/Return on Investment (ROI)

Indicators	$\bar{x}$	Verbal Interpretation
The assistance of BMBE incentives under BMBE Law...		
1. resulted in a significant increase in my ROA/ROI?	3.43	Strongly Agree
2. helped me to allocate your resources more effectively to maximize profits.	3.63	Strongly Agree
3. helped in increasing the efficiency of my assets and investments.	3.70	Strongly Agree
4. made a significant contribution to the overall profitability of my enterprise.	3.67	Strongly Agree
5. influenced my overall business ROA/ROI in terms of profitability.	3.73	Strongly Agree

SMEs) development and profitability. The findings indicate that government incentives such as tax exemptions, grants, and subsidized credit have a significant positive impact on the profitability and growth of small and medium-sized enterprises (SMEs).

These results indicate that the BMBE Law and its incentives are effective in promoting the expansion and profitability of micro and small businesses in the food industry. The results also emphasize the

significance of government assistance for small businesses, which can assist them in overcoming the obstacles of limited resources and market competition.

4.3 Difference on the Perceived Assessment on the Implementation of BMBE Act of 2002

The table presents the results of a Kruskal-Wallis test of difference on the

assessment of the implementation of the BMBE Act of 2002, grouped according to years of business. The table shows four variables being tested: Minimum Wage Law Exemption, Income Tax Exemption, Trainings, and Priority to a Special Credit Window.

In this table, all p-values are greater than 0.05, indicating that there is no significant difference in the assessment of the implementation of the BMBE Act of 2002 across different years of business for any of the four

variables tested. Therefore, the verbal interpretation for all variables is "not significant."

Alera conducted a survey to BMBE owners in the Philippines to evaluate their awareness and utilization of the benefits provided by the BMBE Act (Alera, 2022). He found that while most BMBE owners are aware of the benefits, there is still low utilization, indicating a need for better information dissemination and advocacy.

Table 7: Test of Difference on the Assessment on the Implementation of BMBE Act of 2002 when grouped according to Years of Business

Variables	Kruskal-Wallis H	p-value	Verbal Interpretation
Minimum Wage Law Exemption	2.175	0.704	Not significant
Income Tax Exemption	1.302	0.861	Not significant
Trainings	3.168	0.530	Not significant
Priority to a Special Credit Window	6.550	0.162	Not significant

Legend: p<0.05 significant

The findings of the study supported the results of Singh, who found out the impact of the implementation of the BMBE Act on microenterprises did not significantly affect the performance and growth of microenterprises, particularly in terms of access to finance and business expansion (Singh, 2018).

The results suggest that the implementation of the BMBE Act of 2002 has been assessed similarly across businesses of different years of operation for the variables tested in this study. However, it is important to note that this analysis only considers the four variables tested in this study and may not represent the overall assessment of the implementation of the BMBE Act of 2002 across all possible variables.

The table presents the results of a Kruskal-Wallis test that was conducted to evaluate the difference in the assessment of the implementation of the Barangay Micro Business Enterprise (BMBE) Act of 2002 across different

years registered under BMBE, based on four variables: minimum wage law exemption, income tax exemption, trainings, and priority to a special credit window.

The lack of significant differences in the assessment of the implementation of the BMBE Act of 2002 across different years registered under BMBE could be attributed to the consistency of the Act's provisions over time. The BMBE Act provides specific guidelines and incentives for micro businesses, regardless of when they were registered, which could result in similar levels of implementation and outcomes across different years (Del Pilar et al., 2019). Furthermore, the lack of significant differences could also suggest that the Act's implementation may be more influenced by other factors, such as the government's capacity to enforce and promote the Act, rather than the length of time a business has been registered under BMBE (Miranda & Miranda 2018).

Table 8: Test of Difference on the Assessment on the Implementation of BMBE Act of 2002 when grouped according to Years registered under BMBE

Variables	Kruskal-Wallis H	p-value	Verbal Interpretation
Minimum Wage Law Exemption	4.771	0.312	Not significant
Income Tax Exemption	8.682	0.070	Not significant
Trainings	5.528	0.237	Not significant
Priority to a Special Credit Window	8.526	0.074	Not significant

Legend: p<0.05 significant

Therefore, it can be concluded that the implementation of the BMBE Act of 2002 does not vary significantly across different years registered under BMBE, based on the four variables included in the analysis. However, it should be noted that the results only apply to the specific sample and context of the study, and generalization to other populations or contexts should be done with caution.

5. CONCLUSION

Based on the findings, the followings are concluded:

The study focused on assessing the implementation of the Barangay Micro Business Enterprise (BMBE) Act of 2002 and its impact on small food businesses in Victoria, Laguna. The study's profile of respondents showed that the majority of small food business owners in Victoria, Laguna have been in business for 5 years and have been registered under BMBE for 2-4 years.

The study's assessment of the BMBE Act of 2002 found that it has been beneficial for micro enterprises in the food industry. Respondents strongly agreed with all five indicators related to the Income Tax Exemptions under the BMBE Law, suggesting that the law has had a positive impact on their financial situation, compliance with tax regulations, and ability to allocate resources to the economic expansion and growth of their business.

The study found that training assistance provided under the BMBE Law has significantly improved small food business owners' ability to run their businesses, expand their offerings and services, improve their management and operations skills, and improve the competitiveness of small food businesses in general. Small food business owners also strongly agreed that the BMBE incentives have significantly improved their profitability, provided them with a competitive advantage, allowed them to allocate more resources to their business, and helped improve the financial stability and sustainability of small food businesses in general.

The study's evaluation of the execution of the BMBE Act of 2002 found that there is no substantial variation in the perceived assessment of the execution of the BMBE Act of 2002 across different years of operation and years registered under BMBE. This suggests that the effectiveness of the

BMBE incentives is consistent across different years of operation and years registered under BMBE.

Based on the result, the study concludes that BMBE Law and its incentives are effective in supporting the expansion and profitability of MSMEs in the food industry. The study highlights the importance of government support for small businesses and suggests that targeted interventions or support programs can be designed based on the experience level and needs of small business owners to further improve their growth and profitability. The study's findings have implications for policymakers and small business owners and can inform the design of targeted interventions or support programs to further improve the growth and profitability of small businesses in the area.

As a result, there is no significant difference between the perceived assessment on the implementation of BMBE Act of 2002 when group according to years of business and years registered under BMBE. Therefore, the null hypothesis is sustained.

RECOMMENDATION

Based on the conclusion laid, the following suggestions are offered by the researcher:

Conduct further research. While this analysis provided some insight into the effectiveness of the BMBE Act incentives, further research is advised to fully assess the impact of the incentives on small businesses in a larger scale. Future research may include a larger sample size or a different methodology to test the relationship between profitability and the effectiveness of the incentives and also to identify other factors that could impact the implementation of the BMBE Act of 2002 and to develop more specific recommendations for improving the Act's effectiveness.

Encourage small food business owners who have not yet registered under BMBE to register under the Barangay Micro Business Enterprise (BMBE) Act of 2002 to take advantage of its incentives such as income tax exemptions, minimum wage law exemptions, training and development assistance and priority access to a special credit window. This can help improve their financial stability and sustainability in the long run.

Policymakers may continue to promote the implementation of the BMBE Act of 2002 and its incentives to support micro and small enterprises in the food industry. This can be achieved through various initiatives such as awareness campaigns and providing easy access to information and registration processes.

Small food business owners who have registered under BMBE may take advantage of the training assistance provided under the law to improve their management and operations skills. This can help them expand their offerings and services, improve their profitability, and provide them with a competitive advantage in the market.

Policymakers may ensure consistent and effective implementation of the BMBE Act of 2002 across all years of operation and years registered under BMBE. This can help maintain the effectiveness of the incentives provided under the law in supporting the expansion and profitability of MSMEs in the food industry.

Evaluate the overall effectiveness: Proposed guidelines for Monitoring and evaluation to policy makers to ensure the effectiveness of the act. Policymakers should develop such guidelines to continuously improve the support provided to small businesses.

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