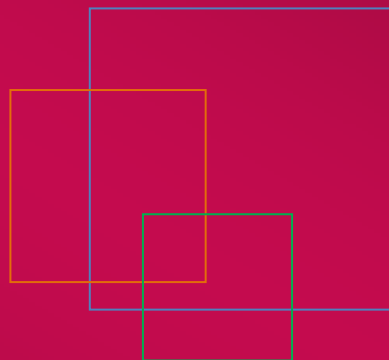




Assessment of entrepreneurship potentials of disadvantaged youth in Masbate, Antique, Maguindanao and Agusan del Sur

Wilbert San Pedro



Department of Labor and Employment

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Foreword

We are confronted today with a high number of people at risk of facing employment difficulties. In 2011, data from the Philippine government's National Statistics Office (NSO) indicated that youth unemployment at 1.4 million was more than twice the national average level. Of equal or greater concern are young people trapped in poverty and vulnerable forms of employment. Nearly 2.3 million youth are engaged in vulnerable forms of employment. They are forced to create or accept whatever work is available in order to survive.

The youth employment challenge is a call for society's immediate action. In partnership with the Government of Spain, the *MDG Fund Joint Programme on Alternatives to Migration: Decent Jobs for Filipino Youth* initiated programmes to meet the challenges of building a better future for young people through decent and productive work. The Joint Programme aims to improve, among others, the employment situation of young women and men in the country and initially covered four pilot provinces—Antique, Masbate, Agusan del Sur and Maguindanao.

A strategy adopted under the labour-market responsive entrepreneurship training component of the Joint Programme is the promotion of youth employment through entrepreneurship training and post-training services. In concrete terms, this includes training of the youth using ILO's Generate Your Business Idea (GYB) and Start Your Business (SYB) training modules of the Start and Improve Your Business (SIYB) training programme.

The ILO believes that the provision of entrepreneurship training and post-training services is a strategy with high potential for promoting youth employment. Youth entrepreneurship brings with it practical consequences that benefit not only the youth but society as whole. Among these are the widening of the sphere of young people's choice in earning a living outside of wage employment and the provision of decent work.

There is a need for a greater understanding of the status of entrepreneurship and the local business climate in the four pilot provinces when embarking on such interventions. This study was commissioned by the International Labour Organization (ILO) to assist local governments and other stakeholders, including the youth, in taking stock of the current situation of entrepreneurship in the four provinces and the potentials and opportunities that needs to be taken advantage of to promote entrepreneurship at the local level. Although the assessment focused only on the provinces of Masbate, Antique, Maguindanao and Agusan del Sur, this should not limit other local government units and policymakers from benefitting from the findings.

With the support of local governments in partnership with other stakeholders, we firmly believe that entrepreneurship promotion will contribute to achieving sustained and inclusive growth through decent and productive work. In the end, young women and men who form the bulk of jobseekers will no longer be forced to leave their places of origin and greater opportunity for landing decent jobs locally will become a reality.

Lawrence Jeff Johnson
Director
ILO Country Office for the Philippines

Preface

To promote inclusive growth through decent and productive work is at the heart of the thrust of the Department of Labor and Employment (DOLE) in assuring that favorable economic and labour conditions are established and maintained eventually leading to the inclusiveness principle as an accepted practice in the Philippine labour market.

This is a principle concretized in the Philippine Labor and Employment Plan 2011-2016 which is a pro-poor sectoral plan in consultation with multi-stakeholder that include workers, employers, government, business and civil society organizations. In the next five years, we will be seeing the fulfillment of the Department's commitments in achieving the President's Medium Term Philippine Development Plan (MTPDP) 2011-2016 through various strategies which center on the concept of inclusive growth. As defined in the MTPDP, inclusive growth is "sustained growth that massively creates jobs, draws the vast majority into the economic and social mainstream, and continuously reduces mass poverty."

The fundamental requisite, therefore, to addressing the challenge of inclusive growth is employment growth. Understanding this framework explains the necessity of harnessing other forms of employment, aside from wage employment, which have the capacity to touch base with the greatest number of people with emphasis on the vulnerably unemployed and the youth. This is the reason why the DOLE has consistently advocated for the promotion of entrepreneurship as an alternative means of livelihood.

As a partner of the *MDG Fund Joint Programme on Alternatives to Migration: Decent Jobs for Filipino Youth*, the DOLE is pleased that the labour market-responsive entrepreneurship training component of the Joint Programme not only focuses on training alone but adopts a holistic approach that covers pre-training and post-training activities for the youth. This strategy increases the potential for greater impact of the Joint Programme especially as it relates to the employment situation of young people.

Initially, it is essential to explore the local situation in which entrepreneurship operates in the four pilot provinces of the Joint Programme. The present assessment provides an analysis backed up by primary data that could provide programme planners and implementers with appropriate strategies that takes into consideration local nuances and characteristics of youth. Also, greater understanding of the dynamics of entrepreneurship and the local business climate in the four provinces ensures that the interventions adopted are indeed the correct one.

The DOLE hopes that the assessment will be useful not only to the provinces of Masbate, Antique, Agusan del Sur and Maguindanao but also to local government units outside of the four provinces. It is anticipated that a better appreciation of the challenges of youth entrepreneurship will lead to the adoption of effective policies and measures that ultimately addresses the broader challenge of youth unemployment.

Rosalinda Dimapilis-Baldoz
Secretary
Department of Labor and Employment

The MDG Fund Joint Programme

The Spanish-funded MDG Fund Joint Programme on Alternatives to Migration: Decent Jobs for Filipino Youth is a three-year project (July 2009-July 2012) implemented by UN Country Team agencies including the International Labour Organization (ILO), International Organization for Migration (IOM), United Nations Children's Fund (UNICEF), and United Nations Population Fund (UNFPA), respectively to support the Philippine Government's vision of a productive and competitive youth sector.

The overarching goal of the Joint Programme is to improve the employment situation of young women and men in the country by improving policy coherence and public-private partnerships through full stakeholder participation. The Joint Programme also contributes to the initiatives of the Government of the Philippines to attain Millennium Development Goals (MDGs) on eradicating extreme poverty and hunger (MDG 1), promoting gender equality and empowering women (MDG 3), and developing a global partnership for development (MDG 8).

Providing direct services in the poorest regions of the country, the Joint Programme focuses on four provinces with high incidences of out-of-school and poor youth, low enrolment rates, and high drop-out rates and disadvantaged youth. The four provinces are Masbate in Region V, Antique in Region VI, Maguindanao in the Autonomous Region in Muslim Mindanao (ARMM), and Agusan del Sur in Caraga Region.

The Joint Programme banks on the multi-stakeholder participation approach. The stakeholders of the Programme include national government agencies led by the Department of Labor and Employment (DOLE), Department of Education (DepEd), Technical Education and Skills Development Authority (TESDA), Department of Trade and Industry (DTI), Philippine Commission on Women (PCW), National Youth Commission (NYC), ARMM, the Provincial Governments of Agusan del Sur, Antique, Masbate, and Maguindanao, the private sector (employers organizations and chambers of commerce or business association), non-governmental organizations (NGOs), worker organizations, and youth organizations.

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List of acronyms

ADF	Antique Development Foundation
ADSCCIFI	Agusan del Sur Chamber of Commerce and Industry Foundation Inc
AFCCUI	Antique Federation of Cooperatives
AFON	Antique Federation of NGOs
AHDP	Antique Human Development Program
ASHI	Ahon Sa Hirap Inc
AKELCO	Aklan Electric Cooperative
ANTECO	Antique Electric Cooperative
ASERBAC	Agusan del Sur Economic Research and Business Assistance Center
ARMM	Autonomous Region for Muslim Mindanao
ATI	Agricultural Training Institute
BAS	Bureau of Agricultural Statistics
BDS	Barangay Defense System
BFAR	Bureau of Fisheries and Aquatic Resources
BOI	Board of Investments
BPO	Business Process Outsourcing
CARD	Center for Agriculture and Rural Development
CBMS ADS	Community Based Monitoring System Agusan del Sur
CDA	Cooperative Development Authority
CGA	Central Gold Asia Ltd
CPI	Consumer Price Index
DA	Department of Agriculture
DBM	Department of Budget and Management
DBP	Development Bank of the Philippines
DENR	Department of Environment and Natural Resources
DepEd	Department of Education
DFA	Department of Foreign Affairs
DOLE	Department of Labor and Employment
DOST	Department of Science and Technology
DPWH	Department of Public Works and Highways
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
EQuALLS-2	Education Quality and Access for Learning and Livelihood Skills-2
FGD	Focus Group Discussion
FIDA	Fiber Industry Development Authority
FMC	Filminera Resource Corporation
FPPI	Filipinas Palm Oil Plantation Inc
FTM	Farm to Market
GDP	Gross Domestic Product
GEM-2	Growth with Equity in Mindanao-2
GSKP	General S. K. Pendatun
GYB	Generate Your Business Idea
HIC-HE	Hatigue Igcabuhi Center-Hublag Evelio
ILO	International Labour Organization
INSOL	Insol Development Foundation

IRA	Internal Revenue Allotment
JP YEM	Joint Programme Youth, Employment, and Migration
KEG	Key Employment Generator
LBP	Land Bank of the Philippines
LGU	Local Government Unit
MFI	Micro-Finance Institution
MT	Metric Tonne
NEA	National Electrification Administration
NEDA	National Economic and Development Authority
NGO	Non-Government Organization
NIA	National Irrigation Authority
NSCB	National Statistics Coordination Board
NSO	National Statistics Office
OFW	Overseas Filipino Worker
OSY	Out-of-School Youth
OTOP	One-Town One-Product
PACAP	Philippines Australia Community Assistance Program
PBIDC	Philippine Bamboo Industry Development Council
PCA	Philippine Coconut Authority
PCDO	Provincial Cooperative Development Office
PENRO	Provincial Environment and Natural Resources Office
PHP	Philippine Peso
PNB	Philippine National Bank
PPDO	Provincial Planning and Development Office
PPP	Purchasing Power of the Peso
PPSA	Palanan-awon Pangkauswagan Sang Antique
PSWDO	Provincial Social Welfare Development Office
PYAP	Pagasa Youth Association of the Philippines
RCBC	Rizal Commercial Banking Corporation
RDC	Regional Development Council
RO-RO	Roll-On Roll-Off
SDMP	Social Development and Management Program
SIAP	Seaweed Industry Association of the Philippines
SIYB	Start and Improve Your Business
SYB	Start Your Business
SK	Sangguniang Kabataan
TESDA	Technical Education and Skills Development Authority
TSKI	Taytay Sa Kauswagan Inc
TLE	Technology and Livelihood Enhancement
TVET	Technical-Vocational Education and Training
UP ISSI	University of the Philippines Institute for Small Scale Industries
USAID	United States Agency for International Development

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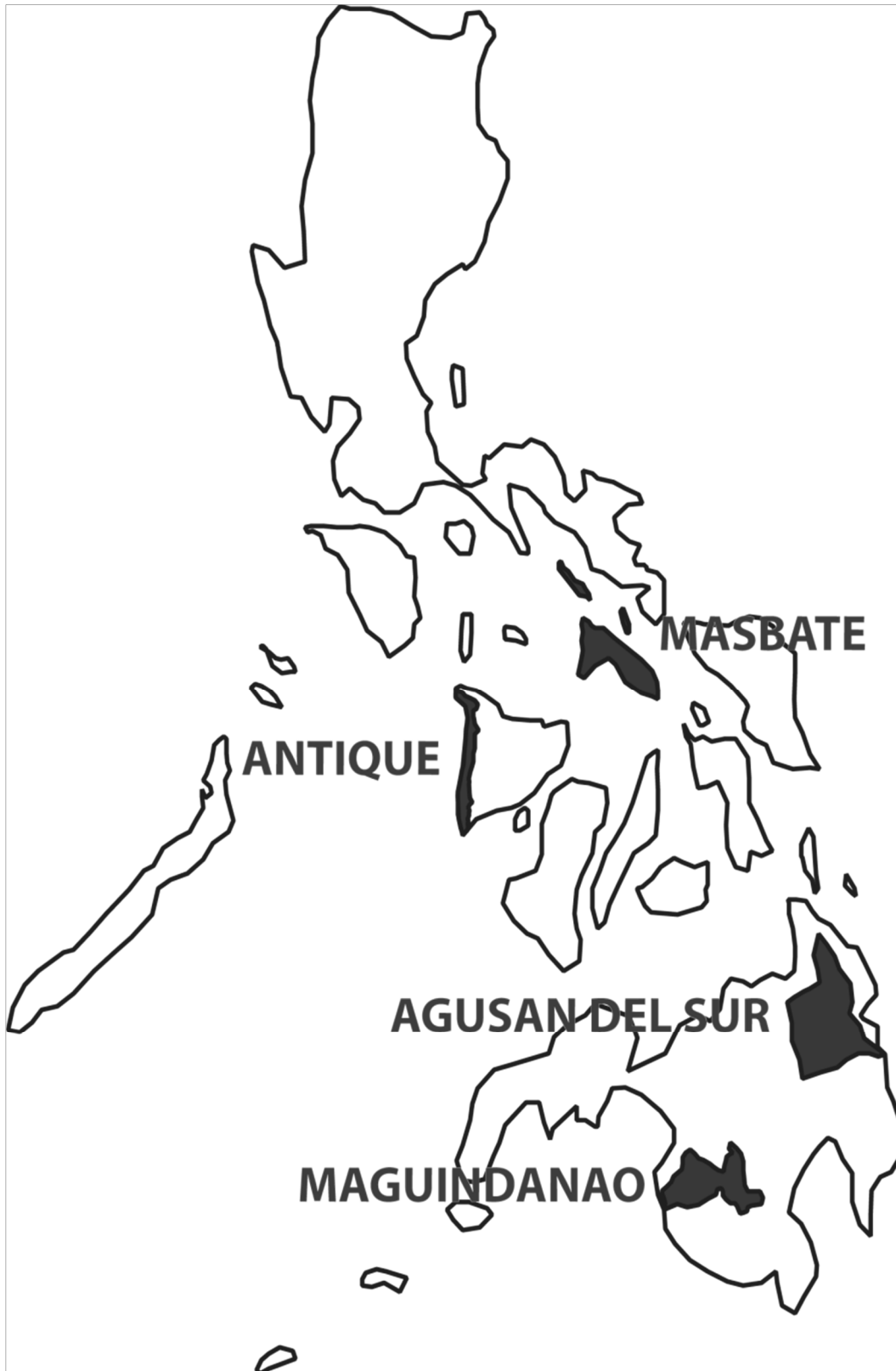
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Map of the Philippines showing the four project sites

Assessment of entrepreneurship potentials of disadvantaged youth in Masbate, Antique, Maguindanao and Agusan del Sur

by

Wilbert San Pedro

Executive summary

Entrepreneurship is one option that is on top of everybody's list when it comes to recommendations for stimulating employment in an otherwise job-starved environment. In four provinces highlighted in the study, youth entrepreneurship is still a frontier's land and this is very much evident when describing the situation of disadvantaged youth.

This study is meant to explore the current situation of disadvantaged youth in four provinces (Masbate, Antique, Maguindanao and Agusan del Sur) and serve as an initial guide on potentials for entrepreneurship including the local business climate and its impact on entrepreneurship.

According to the results, a high number of disadvantaged youth respondents (66.3 per cent) prefer self-employment (entrepreneurship) over wage employment. Setting up their own business crops up as an aspiration in majority of cases (60 per cent). Also, the majority of 67.1 per cent are not satisfied with their current economic situation and many (65.1 per cent) have a pro-business attitude. They believe business is a necessary activity that, on the overall, is beneficial to society.

Education is highly valued and there is a general perception among disadvantaged youth that higher education is the primary tool that will get them out of poverty. However, not all can realistically be given college scholarships nor can they, by themselves, continue their schooling due to financial reasons. Thus, the function of higher education as a status symbol can be de-emphasized by promoting and strengthening TVET and basic education up to the high school level.

Only a small number of respondents are aware of TVET (28.3 per cent) and entrepreneurship (23.9 per cent) training opportunities offered in their locality. A sustained campaign to promote both should be undertaken as alternatives to tertiary education. There is receptivity to technology in the form of an increasing trend in usage of cell phones and computers. Majority of respondents know how to use the cell phone (80.5 per cent) although only a smaller number (31.2 per cent) know how to use the computer and the internet. This is brought about by the unavailability of computers in localities and the expense associated with renting computers in internet cafes. What this indicates is that disadvantaged youth have the capacity to march in step with progress in technology. Stepping up training in technological fields is encouraged.

Many disadvantaged youth, if given the chance, want training in different aspects of entrepreneurship management. Concerned agencies could be able to fill in this felt need by providing basic entrepreneurship training and intensifying training on micro-enterprise management.

The respondents, taken as a whole, have an average entrepreneurship potential of 67.0 per cent. Equipped with such scores, there is a need for the disadvantaged youth to hone on individual entrepreneurship attributes to qualify for inclusion in the Start Your Business (SYB) training of ILO. As a general rule, only participants with a score over 75 in the entrepreneurship potential assessment are permitted to participate in the training.

Based on their entrepreneurship potential profile, many disadvantaged youth need to build up on their social, networking, and negotiation skills. Training programmes geared toward the youth should be able to address this concern. Many of them also need to build up on their

competitiveness. This could be done by giving incentives to disadvantaged youth and their parents to provide them a nurturing environment that will help them excel in school or even outside of the classroom. Values formation is an important element in equipping disadvantaged youth gain a competitive edge.

On commitment to business, the youth as a group are at a transition stage where they are still searching for what they want to do for the rest of their life in terms of a career. To turn them into serious entrepreneurs, it is important to inculcate in them values that promote commitment to business. This would include values of hard work and patience. Many youth believe that owning one's business is an easy job compared to working for a boss. This misperception should be corrected and training should emphasize the hard work that a business necessitates, especially in the start-up phase.

Disadvantaged youth with higher educational attainment tend to have higher potential for entrepreneurship. The implication is that education enriches entrepreneurship potential and that disadvantaged youth should be encouraged to stay in school rather than drop out. If needed, incentives should be provided to both parents and students through grants or conditional cash transfers.

Entrepreneurship potential also tends to be related with age. Those who are older and more experienced tend to have higher entrepreneurship potential. Meanwhile, girls tend to have higher entrepreneurship potential compared to boys. The implication is that for group-based livelihood projects, girls could be given positions of responsibility. Conversely, ways need to be found to upgrade the entrepreneurship potentials of boys. Taking the cue from the relationship between educational attainment and entrepreneurship potential, incentives should be in place to help boys catch up with girls in education. Since boys tend to drop out of school more often in part due to their being used as helpers in family farms, a concentrated effort should be undertaken to help boys stay in school and finish their degree through stricter child labour laws and policies which discourage the demand for children by parents for purely economic motives.

Moving on, those with direct participation in a current family micro-enterprise tend to have higher entrepreneurship potential compared to those without. The implication is that practical experience in a micro-enterprise enriches entrepreneurship potential. Also, those who had direct participation in a micro-enterprise in childhood have higher entrepreneurship potential compared to those without. This implies that practical experience in childhood is a foundation for entrepreneurship in adulthood.

The prospects of out-of-school youth going back to school to continue their education is small. It is thus important to raise the quality of education at the basic level (elementary to high school) to ensure that disadvantaged youth (who would most probably not be moving on to college) are equipped with life skills and technical vocational skills upon graduation from high school.

Many disadvantaged youth are not fully aware of the range of career options available to youth with limited education. There is a need for career guidance and planning for youth on existing training opportunities and alternative career pathways. Stereotypes of TVET careers continue to be traditional so that there is a need for awareness and information on the increasing trend and opportunities for women in traditional male-oriented TVET skills and occupations and vice versa.

Social and cultural values of youth transmitted to them by the family and community have an impact on entrepreneurship. Values which clash with optimal business practices should be discouraged. The economic aim of profit maximization often faces difficulty when faced with societal values of family cohesiveness and other Filipino cultural values. Training must be able to address these concerns. Values reorientation to help youth become more successful entrepreneurs is therefore a must.

The problem of lack of access to markets is not limited to youth-run enterprises. It pertains to enterprises in general in the provinces. This is a direct effect of the business climate. Being agricultural economies, there is seasonality of employment. On the provincial macro-level, government must be able to attract more investments to create jobs through easier ways of doing

business in the provinces and incentives for would-be investors. Product development and quality control of home-made and backyard products should be targeted by local governments if they are intent on improving the competitiveness of local products.

An area of growth is microfinance services for micro-enterprises. The poor have a demand for productive credit just like people in higher income brackets. Only a small number of disadvantaged youth respondents are able to regularly save (27.6 per cent) and majority do not have experience in formal credit. It would be advisable to enjoin the youth to become members of local credit cooperatives inasmuch as these entities are the vehicle that will hone skills in financial and resource mobilization.

Most disadvantaged youth are also not fully aware of the range of entrepreneurship opportunities in their locality. Concerned agencies must provide information and link up with youth organizations and groups regarding existing entrepreneurship opportunities including training on identification of said opportunities. Career counseling would be helpful.

Many entrepreneurship opportunities have been identified in the key informant interviews, FGDs, and validation exercises conducted in the four provinces. The following, in no particular order, are the best of those identified and have the most chances of succeeding inasmuch as they respond to the current abundance of raw materials in specific localities in the provinces and a ready market exists for them—fish and sea products processing (dried fish, smoked fish, frozen fish, and fish meal), seaweed culture, aquaculture, bamboo nurseries and bamboo ware, oil palm, abaca ware, value-adding traditional agricultural crops, high value alternative crops and food processing (muscovado sugar, banana chips, fruit-bearing trees, vegetables, cut flowers, and organically-raised crops), livestock and fowl, trading (including buy and sell activities of agricultural commodities and dry goods), internet services in localities where such services are still not present, tourism and ecotourism, wood products, and native arts and crafts.

1. Introduction

1.1 Background and rationale

The United Nations has defined the youth as people belonging to the 15-24 age group. In the Philippines, this age group comprises 20 per cent of total population at the national level. However, lower ratio of youth to total population is a trend observed in such provinces as Masbate, Antique, Maguindanao and Agusan del Sur. In 2007, share of youth to total population in Antique was 17.7 per cent; in Masbate, 15.8 per cent; 19.7 per cent in Agusan del Sur and 18.8 per cent in Maguindanao. One reason for the smaller share of youth in these provinces is out-migration. Many local youth migrate for work to Manila and other urban areas as well as abroad.

Those who migrate for work carry with them human capital—both brain and brawn. This has positive and negative consequences. On the plus side, labour supply-rich provinces get to send manpower to where it earns a premium that is over and above what it would have earned locally.¹ Labour mobility also eases the pressure on local employment and money remittances from migrant workers fuel stagnant local economies. On the minus side, there is talk of a brain drain, undesired or unintended consequences of remittances including deepening of the culture of dependency, and the social cost of long distance family relationships.

¹ Nobel laureate Gary Becker is perhaps the best known proponent of human capital theory (see for example his book of the same title, 1964's *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education*). The theory suggests that education, training, and health initiatives go beyond being consumption goods and can be deemed as capital investments on the human person with the expectation of higher future streams of income for its owner. As is the case with other forms of capital which are employed to their best possible use, it is important that persons are allowed by the State freedom in employment mobility so as to enable human capital to reach its maximum utility. From an economic perspective, restricting people's mobility would intrinsically mean lowering their human capital from its optimal output.

Weighing social cost against economic gain, it would seem that economic gain weighs heavier on individual decisions. Latest figures show that in 2010 and 2011 alone, total remittances to the Philippines of overseas Filipino workers were worth US\$18.76 billion and \$20.12 billion, respectively.² The contribution to the Philippine economy of OFWs cannot be undermined since OFW remittances constitute around 10 per cent of the country's GDP. As a rationalization effort, it has been brought up that the Filipino extended family system is a proxy for children with absent parents working as OFWs. As for the brain drain issue, remittances from abroad have the potential to become the tool for family members of OFWs left behind in the country to train in skills and occupations needed in the local market.

The jury is still out on the net effect of out-migration. Suffice it to say that the government's policy on labour export, originally meant as a temporary stopgap measure, has lingered on for some four decades. In the mid 1990s, the passage of Republic Act 8042 (Migrant Workers Act of 1995) signaled the shift in government policy on overseas employment. Although originally seen in the past as a temporary measure to ease local unemployment, government has since acknowledged that it has responsibility in managing the outflow of labour and providing assistance to current and returning OFWs. With that said, there is a need to provide the youth in provinces with heavy out-migration certain incentives for them to be able to afford to stay in their home provinces instead of joining the number of young people migrating for work. There is also the need to widen the scope of their choices so that this may practicably include the desirable end of engaging in profitable economic activities in their hometown and in so doing, contributing to local economic development.

Entrepreneurship is one option that is on top of everybody's list. Youth entrepreneurship is still a frontier's land in the Philippines and this analogy suits the situation of disadvantaged youth best. Thus, the rationale of this study is to explore the current situation of youth in four provinces—Masbate, Antique, Maguindanao and Agusan del Sur. This will serve as an initial guide on potentials for entrepreneurship of disadvantaged youth including the local business climate of the provinces and impact on entrepreneurship.

1.2 Objectives of the study

The study has the following objectives, namely:

- a) To assess the entrepreneurship potentials of disadvantaged youth;
- b) To conduct training needs assessment of disadvantaged youth;
- c) To determine business climate including existing entrepreneurship opportunities, institutional opportunities and support capacity in the provinces;
- d) To provide inputs in the design of a labour market-responsive entrepreneurship training programme.

All four objectives are preliminaries to the conduct of appropriate interventions to promoting youth entrepreneurship at the provincial level.

1.3 Research methodology

The following research methods were used for the study:

- a) Desk research of secondary data from government offices and other institutions;
- b) Quantitative survey;
- c) Focus group discussions (FGDs) with the youth sector;

² Data are based on figures from the Bangko Sentral ng Pilipinas.

- d) Interview of key informants from youth groups and organizations, local government units (LGUs), local chambers of commerce, training institutions and non-government organizations (NGOs);
- e) Training needs assessment of the youth;
- f) Entrepreneurship potential profile administered to the youth.

For the quantitative survey, training needs assessment, and entrepreneurship potential profile, a questionnaire was administered to 410 disadvantaged youth in Masbate, Antique, Maguindanao and Agusan del Sur, of which 238 are male and 172 are female. The survey was conducted in August to September 2010 in coordination with local government units (PPDO, PESO, DOLE provincial offices, municipal governments) and youth groups from the four provinces. The same entities assisted in the selection of respondents based on local government records and knowledge base of youth who are currently disadvantaged in their localities (see definition of terms in next section). To underline the participatory nature of the research process, qualified youth from active local youth groups were trained and fielded as enumerators.

In Antique, the respondents include disadvantaged youth from Bantayan, Marina, San Fernando and Gobierno in the capital town of San Jose de Buenavista; Poblacion, Batangan, Bia-an, Caridad, Igbical and Malandog in Hamtic; Cubay and Tagudtod in Bugasong; Poblacion, Butuan, Salvacion and Talisayan in Anini-y; Oloc and Lawaan in Laua-an; Lapac in San Remigio and Poblacion in Barbaza.

Meanwhile, respondents from the youth sector in Masbate are from the following barangays: Espinosa, Bagumbayan, Bapor, Pating, Nursery, Palocawin and Kalipay in Masbate City; Nabangig in the town of Palanas; Poblacion, Nadawisan and Curvada in Cataingan town; and Cayabon in Milagros, Masbate.

In Agusan del Sur, disadvantaged youth respondents participating in the survey are from the barangays of Bah-bah and Poblacion in Prosperidad; Barangays 1 and 2 Poblacion and Alegria in San Francisco; Poblacion and Guinobatan in Veruela; Poblacion, San Jose, Sayon, Angas, Dao, Sta Isabel, Awao, Tapaz and Patrocinio in Santa Josefa ; and Poblacion, Sinai and Ilinan in Sibagat, Agusan del Sur.

Lastly, the Maguindanao respondents include disadvantaged youth from Maslaben in Buluan; Domalipao in Mangudadatu; Upper Lasangan and Kaladtudan in General SK Pendatun (GSKP); Poblacion, Puya, Malala, Manindolo, Mangadeg, Purok Bago and Damawato in Datu Paglas; and Gaduggan, Kabuling, Kimalong, Dungguan and Pingguaman in Sultan sa Barongis.

For the FGDs and key informant interviews, the following organizations participated:

In Antique–DOLE Antique, DTI Antique, PPDO Antique, Advance Central College, PSWDO Antique, PYAP Antique, Provincial PESO of Antique, San Jose PESO, TESDA Antique, AFON, ASHI, Taytay sa Kauswagan, Municipality of Barbaza, Municipality of Hamtic, Municipality of Anini-y, youth representatives, and the Provincial Government of Antique;

In Masbate–DOLE Masbate, TESDA Masbate, DTI Masbate, PSWDO Masbate, Plan International, PPDO Masbate, Liacod Inc, Provincial PESO of Masbate, DA Masbate, 4-H Club Masbate, youth representatives, and the Provincial Government of Masbate;

In Agusan del Sur–DOLE Agusan del Sur, PPDO Agusan del Sur, ASERBAC, Agusan del Sur Chamber of Commerce and Industry Foundation Inc, Provincial PESO of Agusan del Sur, PSWDO Agusan del Sur, DA Agusan del Sur, Municipality of Sibagat, Municipality of Veruela, Municipality of Santa Josefa, youth representatives, and the Provincial Government of Agusan del Sur;

In Maguindanao—DOLE ARMM, DOLE Satellite Office Buluan, PPDO Buluan, Maguindanao Chamber of Commerce and Industry, TESDA ARMM, TESDA Maguindanao, youth representatives, and the Provincial Government of Maguindanao.

To validate the findings, a validation workshop was held in each of the four provinces between November and December 2010. Research findings were presented in these workshops with participation from a cross-section of local youth, government agencies, NGOs, and other stakeholders. In sum, the results of the study were confirmed and enriched by these validation exercises.

1.4 Scope and limitation of the study

The assessment covers only four geographical areas in the Philippines—Masbate, Antique, Maguindanao and Agusan del Sur. Also, the limited sample can only provide us with a snapshot of the condition in the four provinces at one particular point in time which is at the time that the data was collected. The findings and conclusions of the assessment may therefore not necessarily apply to the general situation of disadvantaged youth in the entire Philippines. The reason also is that the four sites taken as a whole do not constitute a representative sample for the whole country. For one, the four provinces are at the bottom list when it comes to development indicators such as earning capacity of local governments.

On the obverse side, they are at the top list of indicators pertaining to poverty incidence and school dropout rates of youth, to mention two. Second, no highly urbanized areas are found in these localities although the rural-urban transition for traditional areas of commerce is happening very fast. It is precisely because of the lag in development, based on available economic indicators and statistics, that the pilot sites were selected as targets for intervention.

1.5 Definition of terms

Virtanen (1997)³ defines entrepreneurship as a dynamic process created and managed by an individual (the entrepreneur), which strives to exploit economic innovation to create new value in the market. The present study adopts a definition that is more prosaic but still retains the spirit of the previous definition. Thus, an entrepreneur is someone who owns an enterprise; who assumes the risks and accepts full responsibility for the outcome. This is a person who combines labour and capital to create and market goods and services (UP ISSI). The activity undertaken by an entrepreneur is called entrepreneurship and the organization that he creates to realize his goal is called an enterprise.

Entrepreneurship potential is defined as the readiness, receptiveness, and inherent behavior, traits, competencies and skills set of people that predispose them toward entrepreneurship. It is also the probability of people's being successful in entrepreneurial activities should they decide to become entrepreneurs.

As set forth in Republic Act No. 9501, also known as the Magna Carta for Micro, Small and Medium Enterprises, the Philippines has at least four official business classifications by size of enterprise. They are:

- a) Micro-enterprise—a business with a capitalization of up to PhP3 million;
- b) Small enterprise—a business with a capitalization of over PhP3 million up to PhP15 million;
- c) Medium enterprise—a business with a capitalization of over PhP15 million up to PhP100 million;

³ Virtanen, Markku. *The Role of Different Theories in Explaining Entrepreneurship*. US Association for Small Business and Entrepreneurship (1997).

- d) Large enterprise—a business with a capitalization of over PhP100 million.

Based on the preceding, the type of entrepreneurship that the study is concerned with refers only to the first level, that is, on micro-enterprises.

In the context of the Joint Programme, disadvantaged youth are classified as people with ages ranging from 15 to 24 who belong to one of the following categories:

- a) poor youth;
- b) out-of-school youth;
- c) high school graduates who do not have technical or vocational skills;
- d) unemployed youth;
- e) returned or returning youth overseas Filipino workers (OFWs); and
- f) youth left behind by OFWs.

Other disadvantaged youth include youth displaced by armed conflict, victims of trafficking, youth in early pregnancy, and youth in dysfunctional family. The assessment focused on OSYs, referring to persons aged 15-24 years, not enrolled, not employed, and not a tertiary level graduate (NSCB definition).

1.6 A short review of related studies on entrepreneurial behavior

There is a rich source in the literature as well as wide interest among scholars regarding the entrepreneurial archetype. This represents the ideal configuration of traits, skills, attributes, attitudes, and values of the entrepreneur. Most research on entrepreneurship rest on the assumption that there are distinct personality characteristics and types, which can be identified, and used as a basis for indicating potential for entrepreneurship. However, an opposing school of thought criticizes this approach as difficult to operationalize.

As contained in Mueller and Thomas (2000)⁴, Hisrich (1990)⁵ summarized the literature on entrepreneurial behavior with the following most mentioned characteristics of the entrepreneur—initiative and creative thinking, ability to organize social and economic mechanisms to turn resources and situations to practical account, and acceptance of risk and failure. Brockhaus (1982)⁶, in his own review, highlighted three attributes consistently correlated with entrepreneurial behavior—the need for achievement, locus of control, and risk taking.

One early reference to entrepreneurship is Joseph Schumpeter's concept of the entrepreneur as innovator (1934)⁷. In Schumpeter's scheme of things, it is the entrepreneur who introduces new combinations of products, methods, sources of supply and markets which supplant existing ones. This "creative destruction" is the impetus that brings an economy from a previous state of equilibrium to a new, and presumably, better one. In a word, the entrepreneur is the source of economic change.

Kirzner (1979)⁸ put prime emphasis on the concept of alertness to opportunities for making a profit. Thus, the mark of an entrepreneur is having the natural or innate ability, or alertness, to distinguish those new products, technologies, and processes with the potential for making money.

⁴ See Mueller, Stephen and Anisya Thomas. *Culture and Entrepreneurial Potential: A Nine Country Study of Locus of Control and Innovativeness* in *Journal of Business Venturing* Volume 16: 51-75 (2000).

⁵ In Hisrich, R.D. Entrepreneurship/Intrapreneurship in *American Psychologist*, 45(2): 209-222 (1990).

⁶ See Brockhaus, R.H. The Psychology of the Entrepreneur in C.A. Kent, D.L. Sexton, & K.H. Vesper (eds.) *Encyclopedia of Entrepreneurship*. Englewood Cliffs, New Jersey: Prentice Hall (1982).

⁷ In Schumpeter, Joseph. *The Theory of Economic Development*. Cambridge, Massachusetts: Harvard Press (1934).

⁸ See Kirzner, I. M. *Perception, Opportunity and Profit: Studies in the Theory of Entrepreneurship*. Chicago: University of Chicago Press (1979).

A different theoretical strand prefers to analyze entrepreneurial behavior in terms of expectations, motives, and incentives. Ajzen's theory of planned behavior (1991)⁹ relies on intention—whose own predictors include attitude toward the act, social norm, and perceived behavioral control—as the best predictor of behavior.

According to the literature, the psychological bases or motivations for self-employment as a career choice include the need for achievement, the need for independence, and the need for power or control. Research indicates that not all people go into business for the monetary reward alone, although this of course is an important motivator. In *The Achieving Society*, McClelland (1961)¹⁰ enumerates the traits of achievement motivation, preference for novel activity, assuming personal responsibility for success or failure, and risk taking as hallmarks of entrepreneurial behavior.

Subsequently, empirical research by McClelland identified nine key competencies which are needed for entrepreneurial success¹¹.

The need for independence constantly figures in the response of small business owners and would-be entrepreneurs and is translated in more concrete terms as the need “to be their own boss”. The need for power or control categorizes entrepreneurs and small business owners as preferring to be placed into situations where they can gain influence and exercise control. Similarly, locus of control theories conclude that a strong internal locus of control—the belief in the self's capability to initiate and complete projects through one's own volition—is the defining characteristic of the entrepreneur.¹²

One relevant question in this regard is “why would someone start a micro-enterprise compared to, say, working as an employee?” As a general rule, so-called necessity entrepreneurship takes place in low-income countries where people at the lower income bracket are usually struggling with economic survival and are likely to be unemployed. Entrepreneurship is seen as an opportunity to gain a reasonable living, if not an escape from hunger. Some say there is a thin line between necessity entrepreneurship and the other kind, opportunity entrepreneurship. According to theorists, opportunity entrepreneurship occurs more often in high and middle income countries where people are not forced to go into entrepreneurship as a last resort.

There are also those who say that entrepreneurship is as much a social as an economic phenomenon; that cultural differences play a part¹³. Amidst all these, most practical people would simply classify entrepreneurship as self-employment as opposed to working for a wage.

⁹ See Ajzen, I. The Theory of Planned Behavior in *Organizational and Human Decision Processes*, 50: 179-211 (1991).

¹⁰ See McClelland, David. *The Achieving Society*. Princeton, New Jersey: Van Nostrand Reinhold (1961).

¹¹ The nine competencies are (a) competencies on pro-activity including (i) initiative and (ii) assertiveness; (b) competencies on achievement orientation including (iii) ability to see and act on opportunities (iv) efficiency orientation (v) high quality work (vi) systematic planning (vii) monitoring; and (c) competencies related to commitment to others including (viii) commitment to the work contract (ix) importance of business relationships. See McClelland, D.C. “Characteristics of Successful Entrepreneurs” in *Journal of Creative Behavior*, 21 (3): 219-33 (1987).

¹² See for instance Mueller, Stephen and Anisya Thomas. Culture and Entrepreneurial Potential: A Nine Country Study of Locus of Control and Innovativeness in *Journal of Business Venturing* Volume 16: 51-75 (2000) and Begley, T.M. and D.P. Boyd. Psychological Characteristics Associated with Performance in Entrepreneurial Firms and Smaller Businesses in *Journal of Business Venturing* 2: 79-93 (1987).

¹³ Geert Hofstede (in Hofstede, G. *Culture's Consequence: International Differences in Work Related Values*, Newbury Park, California: Sage, 1980) wrote that within any society people face a number of common problems and how these are dealt with. These dimensions of national culture, according to Hofstede, are (1) Power distance (how a society deals with the issue of authority relations); the question is how long or short are the hierarchies of authority relations; in Western industrialized countries, the trend is flattened hierarchies; Western cultures tend to be highly individualistic while Eastern cultures tend to be collective; (2) Individualism (how a society deals with the relationship between the individual and society); (3) Gender (the society's concepts of masculinity and femininity); very clear distinctions are made between the role of men and women in Eastern cultures and Moslem society but not in the West; (4) Uncertainty; (5) Short term long term (the balance of a society's values toward the past, present, and future); a short term perspective concerns a past and present focus on more static values such as unqualified respect for traditions, for social and status obligations, and small savings and investments; a long term perspective is concerned more with the future and values associated are more dynamic. In Chell, E. *Entrepreneurship: Globalization, Innovation and Development*. Thomson Learning (2001).

However, the problem with this definition is that not all who enter self-employment can be considered as entrepreneurs since, as discussed in this section, entrepreneurs are marked by certain characteristics and personalities that may be absent in those who are simply owner-managers.

This brings us to the problem of categorizing all people who venture into self-employment as a homogenous group of entrepreneurs. This is not a valid assumption according to cross-cultural studies.¹⁴ Small business proprietors and owner-managers have different expectations of particular outcomes for their business. Some seek growth. Others are content to maintain their business at levels that are sufficient to maintain their current lifestyle. Others still are occupied with survival in less than ideal environments. The business owner whose preoccupation is to ensure that his enterprise survive under an uncertain business climate may behave in ways different from one in a growth-oriented enterprise. Also, the business owner whose aspiration it is to maintain the business at present levels will only be concerned with satisficing goals. This includes a sufficient income from the business to sustain a comfortable lifestyle and a level of business development with which they can easily cope.

Under this scenario, it is only a proportion of the owner-managers—that is, those owner-managers being motivated by the desire to grow their business—who will be alert to opportunities which they can exploit, continuing on Kirzner's emphasis on alertness to opportunities with potential for profits as the hallmark of the entrepreneurial personality. It is these owner-managers who bring to the situation their experience, skills, competencies, abilities, and personality characteristics which can be termed as entrepreneurial. Hence, of the three sets of owner-managers, this is the population that may only be called entrepreneurial in the truest sense of the word.

The challenge, therefore, of any intervention to promote entrepreneurship in the context of the Joint Programme, would be to reach out to all three types of owner-managers or would-be owner-managers at the micro-enterprise level and assist them in developing skills, competencies, abilities, attitudes, and personality characteristics that raise the probability of entrepreneurial success with the specific goal of growing these micro-enterprises into businesses that optimize their resources for long-term growth.

1.7 Conceptual framework

The study proceeds on the generalization that there are at least three initial conditions which need to be satisfied by the potential entrepreneur wanting to set up a micro-enterprise to ensure high probability of success in the venture.¹⁵ These are (1) readiness for entrepreneurship, (2) receptiveness to entrepreneurship, and (3) personality and behavioral orientation.

1.7.1 Readiness for entrepreneurship

First, the availability of a set of basic skills is essential for the entrepreneur to accomplish the day-to-day routine of records keeping and cost calculation. Functional reading, writing, and number skills are therefore basic requirements. Second, the readiness of a person going into a micro-enterprise is boosted by physical and emotional stamina, existing skills, and innate talents. Thus, practical skills and talents embodied in the person that may be present from birth or honed through schooling or training are potential capital that could be the seed for an enterprise. Third, previous experience, exposure, or direct participation in entrepreneurial activities is a source of advantage. This is always a plus since it enables people embarking on entrepreneurship as a career to enter the field already prepared rather than learn on the job. Prior exposure may include family-based businesses such as sari-sari store or self-employment through petty selling of consumer goods.

¹⁴ As an example, see Begley, T. M. and W. Tan. The Socio-Cultural Environment for Entrepreneurship: A Comparison between East Asian and Anglo-Saxon Countries in *Journal of International Business Studies* 32(3), 537 (2001).

¹⁵ Take note that at this stage, we are not yet concerned with the technical and financial necessities of the entrepreneurial venture, which are important elements, and that we are only concentrating on the entrepreneur.

1.7.2 Receptiveness to entrepreneurship

Receptiveness to entrepreneurship of one who is embarking on an enterprise is of paramount importance. A person who is only half-convinced that he is in fact in the right career as an entrepreneur will not go far. There should be strong determination that entrepreneurship is a viable career option and that it is in fact a desirable alternative to wage employment.

Corollary to this, we enter the realm of attitudes and perceptions. People can only be unconditionally receptive to entrepreneurship if the attitudes and values they hold are in consonance with the values associated with entrepreneurship. The cultural, religious, and community values inculcated in the individual and transmitted especially through the family have a substantial impact on how entrepreneurship is viewed (that is, whether negatively or positively, or, as something to be embraced or something to be tolerated only).

Ideally, as inferred by international studies, the person seeking to be an entrepreneur should possess attitudes that incline toward self-sufficiency versus family dependence, a time preference for future consumption (through current assets and savings that are invested in whatever form to yield higher future incomes) as against instant gratification, a penchant for risk taking (some studies would say judicious risk taking) versus risk aversion, a drive for initiative taking and innovation versus a “follow the crowd” mentality, and a partiality toward new trends and technology that have the potential to generate an earnings surplus for new entrants in a budding market.

1.7.3 Personality and behavioral orientation

Personality and behavioral orientation, which are products of the interplay between genetic and environmental factors, would include at least eight general topics touched upon in detail in Chapter 3. They are (1) commitment to business, (2) emotional resilience and ability to deal with crisis, (3) motivation and initiative, (4) risk taking and opportunity seeking, (5) competitiveness, (6) ability to reconcile family, culture, and business, (7) autonomy and locus of control, and (8) social, networking, and negotiation skills.

2. The environment for entrepreneurship

2.1 Socio-economic profile

The average age of youth respondents in the four provinces—both male and female—is 19.2 years old (at the time of data collection from August to September 2010). There is a predominance of single people largely dependent economically on parents and at the same time living with them in the same household.

By gender, 29.7 per cent of females and 9.2 per cent of males have children. Key informants talk about the phenomenon of early marriages and pregnancies. Many children are born out of wedlock due to practical considerations. Young people are postponing marriage and are opting to live in instead until such time that they have the money to afford a proper wedding. Average household size per family is 6.3 persons, composed of nuclear members including father, mother, and children. In certain instances, households may include extended relatives like grandparents, cousins, in-laws, and grandchildren (Table 1-a).

Comparing the data by province, the average age of youth respondents per province is not far off 19.5 which is the midpoint between 15 and 24 (Table 1-b). Majority of the youth are single, which is to be expected, although Maguindanao youth respondents showed a pronounced disposition for early marriage (28.9 per cent) compared to 4.2 per cent for Antique, 0.7 per cent for Agusan del Sur,

and 11 per cent for Masbate respondents. Key informants in Maguindanao say that premarital sex is frowned upon by religion and custom leading to parents marrying off their children in situations where pregnancy has occurred. 23.2 per cent of youth respondents in Masbate and 22.2 per cent in Maguindanao already have children compared to 13.5 per cent in Antique, and 14.8 per cent in Agusan del Sur (Table 1-b).

Table 1-a: Youth respondent profile, all provinces

Profile	Male (n=238)	Female (n=172)	All (n=410)
Average age	19.1	19.3	19.2
Civil status (in per cent)			
<i>Single</i>	94.1	83.1	89.5
<i>Others</i>	5.9	16.9	10.5
Living arrangement (in per cent)			
<i>Live with parents</i>	86.6	76.2	82.2
<i>Others</i>	13.4	23.8	17.5
Economic status (in per cent)			
<i>Dependent on parents</i>	71.8	64.5	68.8
<i>Not dependent on parents</i>	23.5	30.8	26.6
<i>No answer</i>	4.6	4.7	4.6
Family status (in per cent)			
<i>With children</i>	9.2	29.7	17.8
<i>Without children</i>	86.1	69.2	79.0
<i>No answer</i>	4.6	1.2	3.2
Average household size	6.1	6.4	6.3

Source: Primary data

Table 1-b: Youth respondent profile, by province

Profile	Antique (n=96)	Masbate (n=82)	Agusan del Sur (n=142)	Maguindanao (n=90)
Average age	19.0	18.6	19.4	19.3
Civil status (in per cent)				
<i>Single</i>	95.8	89.0	99.3	71.1
<i>Others</i>	4.2	11.0	0.7	28.9
Living arrangement (in per cent)				
<i>Live with parents</i>	92.7	70.7	84.5	77.8
<i>Others</i>	7.3	29.3	15.4	22.2
Economic status (in per cent)				
<i>Dependent on parents</i>	69.8	65.9	69.0	70.0
<i>Not dependent on parents</i>	24.0	34.1	24.6	25.6
<i>No answer</i>	6.2	0.0	6.3	4.4
Family status (in per cent)				
<i>With children</i>	13.5	23.2	14.8	22.2
<i>Without children</i>	78.1	77.8	81.7	77.8
<i>No answer</i>	8.3	0.0	3.5	0.0
Average household size	5.9	6.3	6.1	6.5

Source: Primary data

2.2 Educational attainment

Some 39.7 per cent of all youth respondents were high school graduates, at the time of data collection, but 47.2 per cent were not (lumped in this category are elementary undergraduates at 11.1 per cent, elementary graduates at 9.5 per cent, and high school undergraduates at 26.6 per cent).

More males have reached only the elementary level (11.7 per cent of which were elementary undergraduates and another 11.7 per cent were elementary graduates) compared to females (10.2 per cent of which were elementary undergraduate and 6.6 per cent were elementary graduates). More females (32.9 per cent) listed the high school undergraduate level as highest educational attainment compared to males (22.1 per cent). Also, more males (14.7 per cent) have started, but not completed, short-term post high school courses compared to females (10.8 per cent). These data are reflected in Table 2-a.

According to most of the youth respondents, it is no longer possible for them to go back to school because they are already over-aged, financially constrained, or have other priorities foremost of which is earning a living or tending to their children, for those with children.

By province, Maguindanao has the highest number of youth respondents with limited education compared to the other three provinces. Thus, 30.4 per cent of Maguindanao respondents reported their highest education as below elementary, 19.0 per cent as elementary graduate, 31.6 per cent as high school undergraduate and 19.0 per cent as high school graduate. In contrast, 55.2 per cent of Antique respondents said they finished high school while 45.8 per cent from Agusan del Sur and 30.5 per cent from Masbate reported having graduated from high school (Table 2-b).

Agusan del Sur respondents reported the highest rate (at 21.8 per cent) of youth reaching, but not finishing, post high school training. These youth usually enroll in vocational schools or community colleges but are able to stay in school for a year or less due to financial constraint. Notice also that there were no respondents who reached post high school in Maguindanao corroborating the observation that the paucity of education is more pronounced in this province compared to the rest.

Table 2-a: Highest educational attainment, all provinces (in per cent)

Highest education	Male	Female	All
Elementary undergraduate	11.7	10.2	11.1
Elementary graduate	11.7	6.6	9.5
High school undergraduate	22.1	32.9	26.6
High school graduate	39.8	39.5	39.7
Some post high school*	14.7	10.8	13.1

*Note: this classification covers respondents who entered but did not finish post high school training.

Average stay in post high school by the respondents is less than one year.

Source: Primary data

Table 2-b: Highest educational attainment, by province (in per cent)

Highest education	Antique	Masbate	Agusan del Sur	Maguindanao
Elementary undergraduate	10.4	8.5	2.1	30.4
Elementary graduate	8.3	12.2	3.5	19.0
High school undergraduate	10.4	41.5	26.1	31.6
High school graduate	55.2	30.5	45.8	19.0
Some post high school*	15.6	7.3	21.8	0.0

*Note: this classification covers respondents who entered but did not finish post high school training.

Average stay in post high school by the respondents is less than one year

Source: Primary data

2.3 Work status

About two-third (66.3 per cent) of all youth respondents experience unemployment difficulties while 31.0 per cent are engaged in some form of work, either part-time or full-time (Figure 1). More females reported having no work (74.4 per cent) compared to males (60.5 per cent). Based on the key informant interviews and FGDs, paid work is usually found in the capital cities and towns of the provinces. Most disadvantaged youth end up as helper or assistants in retail stores in the services sector.

Outside of towns and cities, the main forms of employment for youth are fishing and farming. Habal-habal, a motorcycle used to ferry passengers, is also a source of income for male youth and able-bodied young men find work as labourers. Raising domestic pigs, goats, and chicken and selling them when they are fat enough to command a good price are also popular. Employment has a tendency to be seasonal or on-a-need basis.

Chronic underemployment is acknowledged as a problem, during the FGDs, and many without regular employ join their families in small informal micro-enterprises including tending the sari-sari store, catching fish and selling it in the neighborhood, and helping in the small family farm. Comparatively speaking, disadvantaged youth without work are highest in Maguindanao at 71.1 per cent and Agusan del Sur at 69.0 per cent (Table 3).

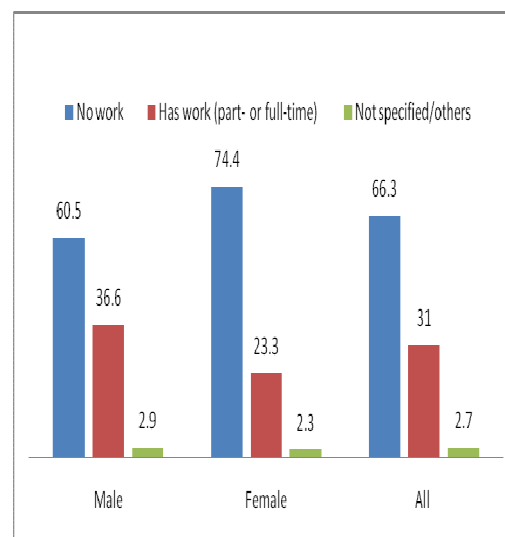


Figure 1: Work status, all provinces (in per cent)

Table 3: Work status, by province (in per cent)

Work status	Antique	Masbate	Agusan del Sur	Maguindanao
No work	54.2	54.9	69.0	71.1
Has work (part- or full-time)	41.6	25.6	28.2	23.3
Not specified/others	4.2	19.5	2.8	5.6

Source: Primary data

There are disadvantaged youth with special concerns in the four provinces. In Antique, this includes the sacadas. They are concentrated in central Antique and considered “poorest of the poor”. Sacadas, usually in the age bracket 15 to 24, are recruited as seasonal farm workers during the sugar harvest season in Iloilo and Negros. They have a handler, called a cabo, which advances money (called intersepto or antisepo) to the sacadas during the lean months when they are without work. Reports of exploitation exist between handler and sacada although these reports conflict.

There is a perception among local key informants that the handlers exploit the sacadas as a result of the fact that sugar plantation owners deal directly with the handlers and pay money due to the sacadas to their handlers. This situation may be rife for abuse with the handlers charging exorbitant fees to the sacada. On the other hand, other key informants claim that the sacadas have grown street smart themselves. For the lean months that they rely on the handler for money advances, they are always within the local vicinity. But when harvest season comes and their services are needed in the plantations, some disappear and abscond on work.

In Agusan del Sur, indigenous youth from the Manobo, Higaonon, Kamayo, Mandaya, Talaandig, and Banwaon have concerns related to livelihood, education, and ancestral domain.¹⁶ In Maguindanao, youth displaced by armed conflict and those recruited for armed conflict have special issues that need to be addressed, including education and livelihood. Throughout the four provinces, there have been anecdotal reports of human trafficking of youth. The youth themselves are concerned with the phenomenon of early marriages (or live-in relationships) and the concomitant problem of early pregnancies.

2.4 Attitude on work migration

Majority of all youth respondents (79.0 per cent) say they would like to work outside of their hometown but within the Philippines (Figure 2). By province, highest number who reported wanting to work outside of their hometown was recorded in Antique, at 84.4 per cent (Table 4).

The data is consistent across the four provinces on the ratio of those who want to leave their hometown for work elsewhere in the country as against those who want to stay put. The most common planned destination is the capital, Manila. Others consider working in nearby regional centers. For Antique youth, this includes Iloilo and Boracay. For Masbate, Cebu is a choice among many. For Agusan del Sur, the youth wants to work in Davao, Butuan and Cagayan de Oro. For Maguindanao, the choice includes Cotabato City and Davao. Invariably, the reason given for wanting to get out of their hometown is the absence of work opportunities available locally. Also, it is perceived that remuneration for work in Manila is higher than similar work found locally. Another major concern is the need to help their family. Obviously, working in their hometown for a pittance is no contest to working in Manila for a high salary, or at the very least, a decent wage which they can send home to help in family expenses. Key informants said that the desire for adventure, that is, seeing and experiencing other places, also figures in the choice.

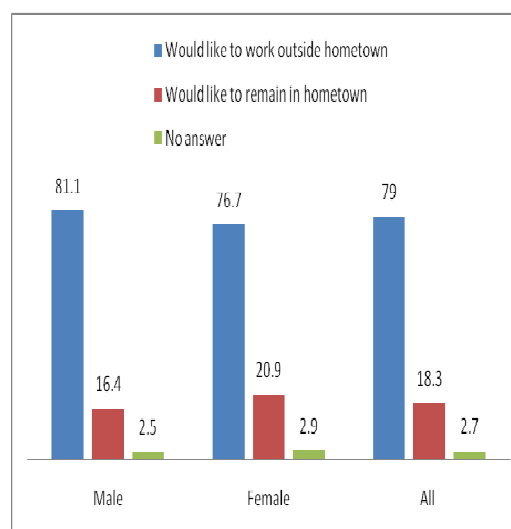


Figure 2: Attitude on domestic work migration, all provinces (in per cent)

Table 4: Attitude on domestic work migration, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Would like to work outside hometown	84.4	72.0	82.4	74.4
Would like to remain in hometown	12.5	24.4	14.1	25.6
No answer	3.1	3.6	3.5	0.0

Source: Primary data

In terms of overseas work migration, 54.9 per cent of all respondents would like to try it out abroad, if given the chance (Figure 3). Most are motivated by money. Opinion is that earnings abroad are higher compared with work of the same nature in the Philippines. High earnings mean they can save and send money to help their families back home. The FGDs validated the fact that the family is the prime motivator for disadvantaged youth. Those who would like to remain in the Philippines, instead of working abroad, cite not wanting to be separated from their families as the main reason.

¹⁶ The province's Community-based Monitoring System (CBMS) reports that Agusan del Sur's indigenous people comprised 28 per cent of total population in the province.

Comparing the figures for those who want to work abroad and those who want to work locally outside of their hometowns, there is a need to explain the higher number (79.0 per cent) of those who would like to work outside of their hometowns but within the Philippines compared to the lower 54.9 per cent who would like to work abroad. Probably, respondents wanting to work outside of their hometown but still within the country are more numerous because of the psychological assurance that one can always go home at short notice. The same cannot be said of working in another country. Those who express the desire to work abroad are highest in Maguindanao at 67.8 per cent (Table 5).

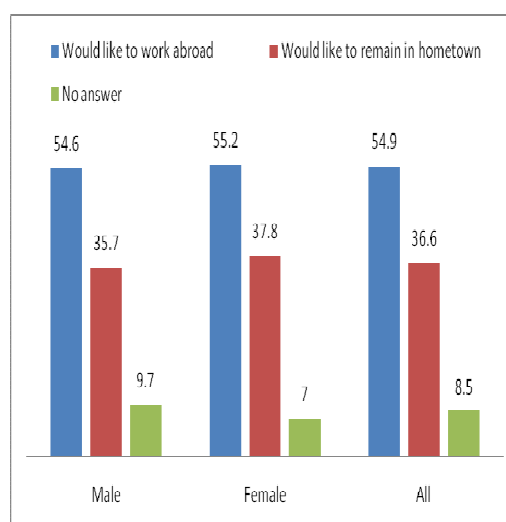


Figure 3: Attitude on overseas work migration, all provinces (in per cent)

Table 5: Attitude on overseas work migration, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Would like to work abroad	40.6	46.3	61.3	67.8
Would like to remain in hometown	49.0	41.5	31.0	27.8
No answer	10.4	12.2	7.7	4.4

Source: Primary data

2.5 Attitude on wage versus self-employment

Two-third (66.3 per cent) of the youth respondents would like to start their own business (self-employment) as opposed to working for a wage (Figure 4). Preference for self-employment is highest among Maguindanao youth respondents (74.4 per cent) compared to respondents in the other provinces (Table 6). The preference is a logical response for people in this age bracket and socio-economic status. First, the respondents are in the prime of youth. Their response when asked why they wanted to start a micro-enterprise is that it gives them independence and they do not like to work for a boss.

Another common response is that they are not slaves. It is a fact that youth lack practical experience (if only because they have less, in terms of years, than their adult counterpart). An interesting thought experiment would be to interview the same set of youth ten years later and see if their views are still the same or if their life experiences in the intervening years have changed their perspective. For now, the youth respondents might be thinking that setting up a micro-enterprise is the hard part and all would be smooth sailing henceforth. It would seem that the most compelling reason why majority of respondents would like to start a micro-enterprise instead of working for a wage is that due to limited education (as they have assessed correctly in the FGDs), they are not able to command the wage they desire in the local labour market. Considering that it is a buyer's market—and it is expected to remain this way until problems such as

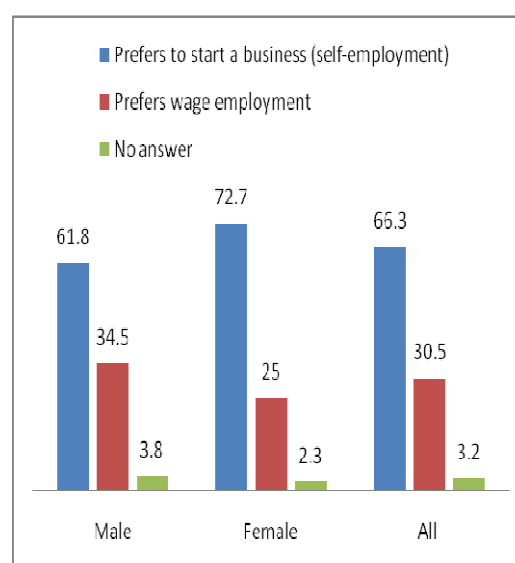


Figure 4: Attitude on wage versus self-employment, all provinces (in per cent)

labour excess have been properly addressed—they can only expect minimum wages, most times even lower than this rate, at best. In such a situation, the optimal thing to do is start a micro-enterprise (if financing is readily available) because there is always the chance of earning more compared to working for minimum wages.

Table 6: Attitude on wage versus self-employment, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Prefers to start a business (self-employment)	69.8	67.1	58.5	74.4
Prefers wage employment	30.2	29.3	37.3	21.1
No answer	0.0	3.6	4.2	4.4

Source: Primary data

2.6 Perception on parent's aspiration for youth

On perception of youth respondents to the question of what kind of work they believe their parents want for them when they enter the world of work, 43.2 per cent of all respondents believe their parents want them to get a good job in a successful company. On the other hand, 52.2 per cent believe their parents want them to start their own business and be successful in it (Figure 5). By province, 60 per cent of Maguindanao respondents believe their parents want them to own a business compared to 36.7 per cent who said their parents want them to get a salaried job (Table 7).

A third parental aspiration, as perceived by the respondents, is that they should finish their studies. This answer is closely related to getting a good job with a company. Parents want their children to finish their studies because of the perception that this is the passport for a job with a company. Not having finished school is not a roadblock to becoming an entrepreneur but it is a major hindrance to people wanting to become employees in companies in the formal sector.

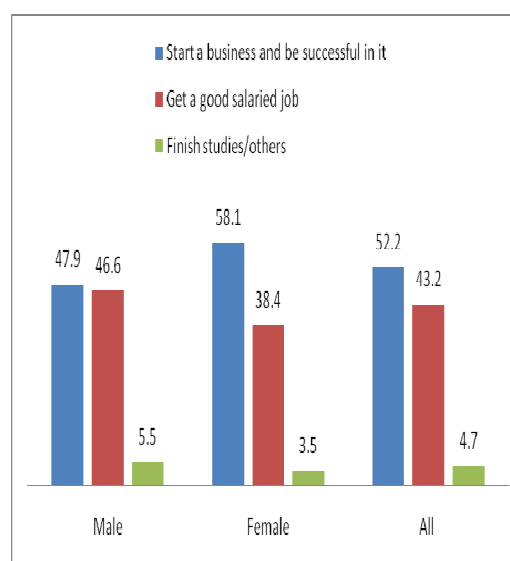


Figure 5: Perception on parent's aspiration for youth, all provinces (in per cent)

Table 7: Perception on parent's aspiration for youth, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Start a business and be successful in it	45.8	53.7	50.7	60.0
Get a good salaried job	42.7	41.5	48.6	36.7
Finish studies/others	11.5	4.8	0.7	3.3

Source: Primary data

2.7 Aspiration for self

60.0 per cent of all youth respondents want to start a business (a micro-enterprise) and be successful in it while 36.6 per cent said they want to get a good job as an employee in a successful company (Figure 6). By province, Maguindanao youth respondents showed a higher preference for starting a business and owning a micro-enterprise (66.7 per cent). The trend is consistent across provinces (Table 8).

A third aspiration of the respondents is to finish their studies and go to college. This is very important to many youth and a major source of frustration to disadvantaged young people who have the mental aptitude but lack the financial capacity to sustain schooling.

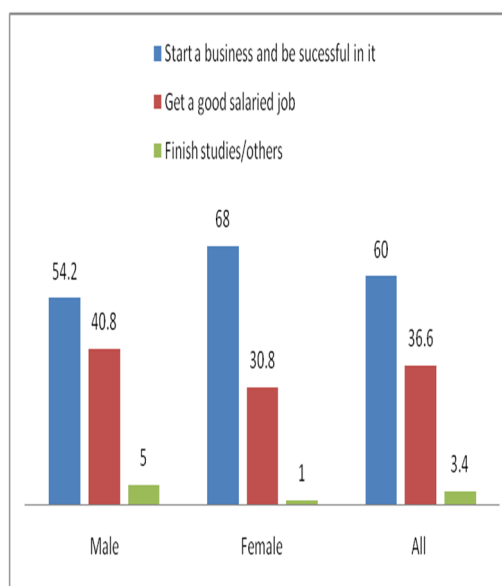


Figure 6: Aspiration for self, all provinces (in per cent)

Table 8: Aspiration for self, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Start a business and be successful in it	59.3	62.2	55.6	66.7
Get a good salaried job	32.3	36.6	43.0	31.1
Finish studies/others	8.4	1.2	4.4	2.2

Source: Primary data

2.8 Aspiration for children

On the overall, more than one-half (or 51.5 per cent) of youth respondents claim that their aspiration for their children or would-be children (for those without) is to land a good job in a successful company (Figure 7). On the other hand, 43.4 per cent say they want them to start a business and be successful in it.

The trend by province is not consistent (see Table 9). In Antique, more youth respondents prefer salaried employment for their children in the future (66.7 per cent) compared to self-employment (33.3 per cent). The same trend was observed in Agusan del Sur. In Masbate and Maguindanao, the opposite trend was observed. The percentages are not big enough, however, in favor of one or the other.

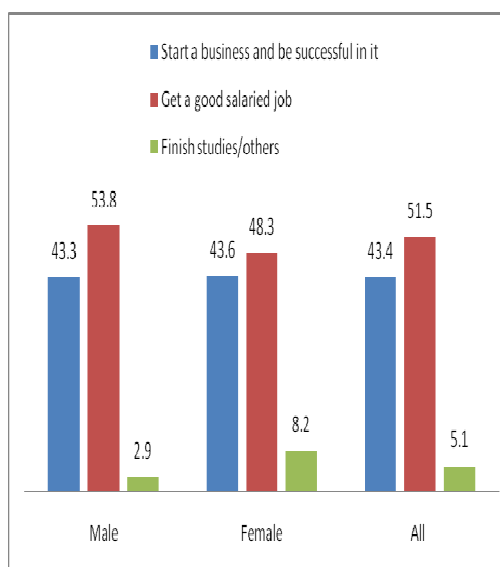


Figure 7: Aspiration for children, all provinces (in per cent)

For respondents who chose self-employment for themselves but salaried employment for their children in the future, the reasoning is that at this stage in their life (being young and inexperienced) there is optimism that they will be able to provide their children the educational preparation required to land a good job. This goes to show that deep down inside their psyches, there is the desire for the stability brought about by salaried employment.

As for the youth respondents' majority choice of self-employment as against salaried employment for themselves (as reflected in the previous figure on aspiration for self), the reasoning is that it may be too late for them to aspire finishing their studies and landing a good job. The prospect of going back to school is small and it is time to face reality. The second best option for them, therefore, is to perhaps start a micro-enterprise. What is left is the transference of aspiration. If things were not too good for them, they can always aspire for better things for their children.

Table 9: Aspiration for children, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Start a business and be successful in it	33.3	50.0	40.8	52.2
Get a good salaried job	66.7	41.5	54.2	40.0
Finish studies/others	0.0	8.5	4.9	7.8

Source: Primary data

2.9 Other aspirations for self

The most mentioned aspirations relating to a career are going back to school and finishing their studies (84.9 per cent), finding work in the local job market (69.0 per cent), and finding work abroad (63.7 per cent), as highlighted in Figure 8. As to the wish to go back to school and finish one's studies, this too is connected with the problem of work because wanting to get back to school is a necessary step in getting a good job later on.

Across all provinces, the aspiration to go back to school and finish one's studies is strong (Table 10) although the aspiration to participate in the local job market is also comparatively strong in Antique and Masbate as compared to Agusan del Sur and Maguindanao.

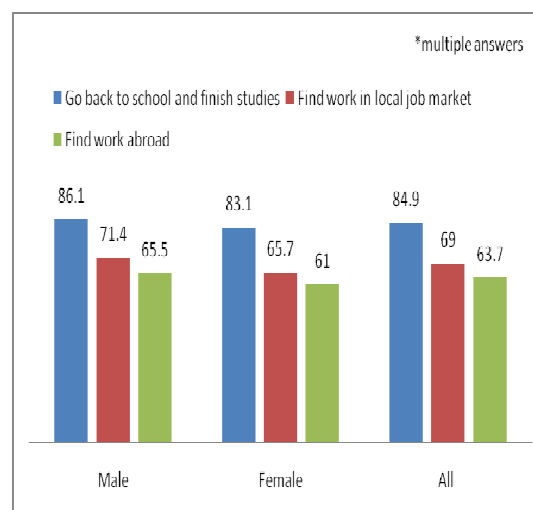


Figure 8: Other aspirations for self, all provinces (in per cent)

Table 10: Other aspirations for self, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Go back to school and finish studies	84.4	82.9	76.1	70.0
Find work in local job market	72.9	69.5	51.4	36.7
Find work abroad	54.2	43.9	42.3	26.7

Note: multiple answers

Source: Primary data

2.10 Awareness of local TVET and entrepreneurship training

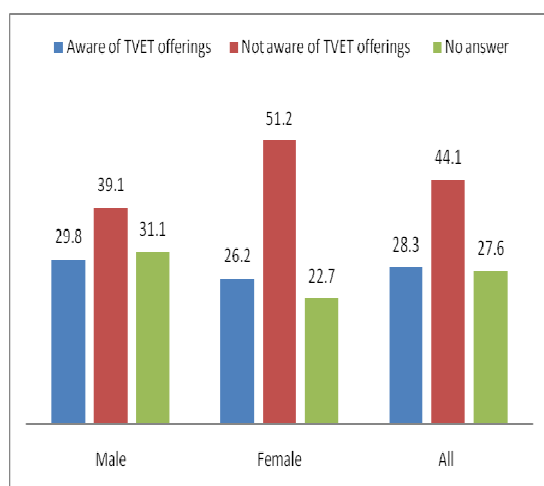


Figure 9: Awareness of local TVET, all provinces (in per cent)

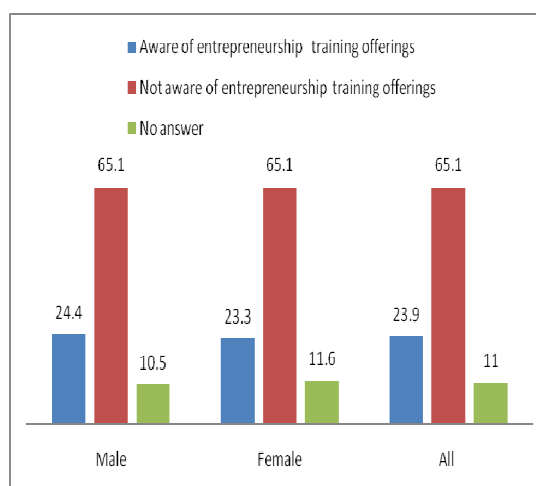


Figure 10: Awareness of local entrepreneurship training, all provinces (in per cent)

Awareness of entrepreneurship and TVET training opportunities is low (Figures 9 and 10). Overall, only 28.3 per cent of all youth respondents are aware of TVET offerings in their area while only 23.9 per cent are aware of trainings on entrepreneurship. The majority are either unaware or do not have an answer, which could be another way of saying that they are not aware. This is an indication that much needs to be done in improving awareness of disadvantaged youth on training opportunities and career options available for people on the brink of adulthood and with limited education. By province, awareness of local TVET is lowest in Maguindanao and highest in Agusan del Sur (Table 11). For local entrepreneurship training, only 7.8 per cent are aware of such in Maguindanao (Table 12).

Table 11: Awareness of local TVET, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Aware of TVET offerings	31.3	30.5	47.9	25.6
Not aware of TVET offerings	68.7	63.4	49.3	65.6
No answer	0.0	6.1	2.8	8.9

Source: Primary data

Table 12: Awareness of local entrepreneurship training, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Aware of entrepreneurship training offerings	44.8	26.8	18.3	7.8
Not aware of entrepreneurship training offerings	55.2	62.1	71.8	70.0
No answer	0.0	11.0	9.9	22.2

Source: Primary data

2.11 Current life satisfaction

More than two-third or 67.1 per cent of all respondents say they are not satisfied with their current life situation (Figure 11). The source of dissatisfaction includes not having work and not being able to continue their schooling due to financial constraint. Conversely, 26.3 per cent are satisfied with their current life situation.

Those who are satisfied are philosophical about it. They are content despite financial difficulties and the absence of permanent work because they are able to eat three times a day and they have the freedom to do as they please. Also, and more importantly, they are with their family and friends. By province, there is a consistent trend toward dissatisfaction in current life situation. Dissatisfaction in their current life is highest among Agusan del Sur youth at 78.9 per cent and Maguindanao youth at 63.3 per cent (see Table 13).

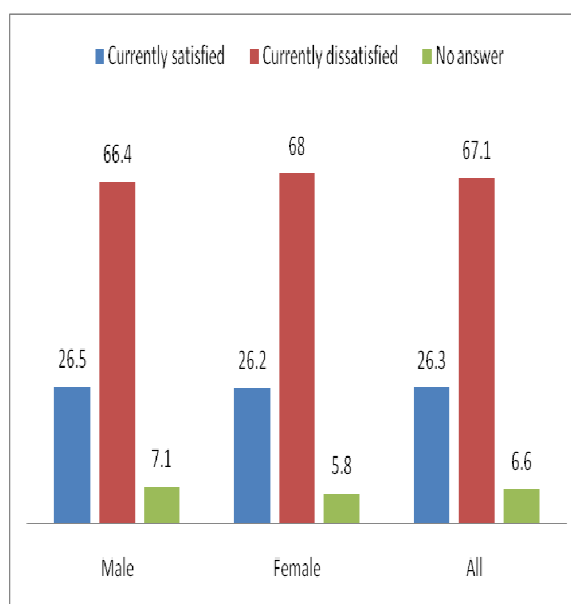


Figure 11: Current life satisfaction, all provinces (in per cent)

Table 13: Current life satisfaction, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Currently satisfied	39.6	31.7	16.2	23.3
Currently dissatisfied	60.4	58.5	78.9	63.3
No answer	0.0	9.8	4.9	13.3

Source: Primary data

2.12 Attitude toward technology

Currently, the most popular technologies to be found in the four provinces are the computer and the cell phone. Use of the internet is still low, particularly in Maguindanao. Less than one-third (31.2 per cent) of all respondents know how to use the internet (Figure 12). Those who have know-how on the internet use it for research, connecting with loved ones here and abroad, and interacting socially on such sites as Facebook. The use of the internet is proxy for knowledge of the use of a computer. One needs to know about basic computer stuff to be able to connect to the internet.

Males have more knowledge about the use of the internet (35.7 per cent) compared with 25.0 per cent for females (Figure 12). Those who do not use the internet list the following reasons: no computer facilities and internet cafes in their localities and no budget to rent in computer shops.

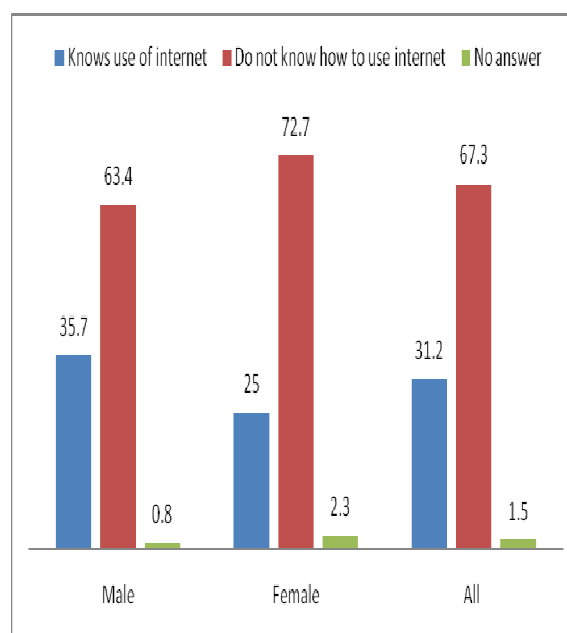


Figure 12: Use of the internet, all provinces (in per cent)

Data by province suggest that less than one-half of all youth respondents have knowledge of internet usage. The situation is direst in Maguindanao where an internet usage of only 3.3 per cent is reported for disadvantaged youth. The majority of 94.4 per cent of Maguindanao respondents do not know how to use the internet (see Table 14). Meanwhile, the highest usage across the four provinces is reported in Agusan del Sur at 44.4 per cent.

Table 14: Use of the internet, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Knows use of internet	32.3	40.2	44.4	3.3
Do not know how to use internet	67.7	58.5	54.9	94.4
No answer	0.0	1.2	0.7	2.2

Source: Primary data

As for cell phones, this gadget is gaining popularity among youth in the provinces. Even disadvantaged youth have means to access a cell phone. Majority, or 80.5 per cent, acknowledges that they know how to use a cell phone (Figure 13). Lowest cell phone usage is recorded in the province of Maguindanao.

According to informants, many low-priced cell phones, China-made and second-hand ones, are in the local market. Many can be bought for less than PhP1,000. Youth are able to ask their folks for small amounts which they save until there is enough to buy a cell phone. They may also save part of their baon (allowance). Needless to say, texting is the most popular activity connected with the cell phone. This is done to contact family and friends and for social networking.

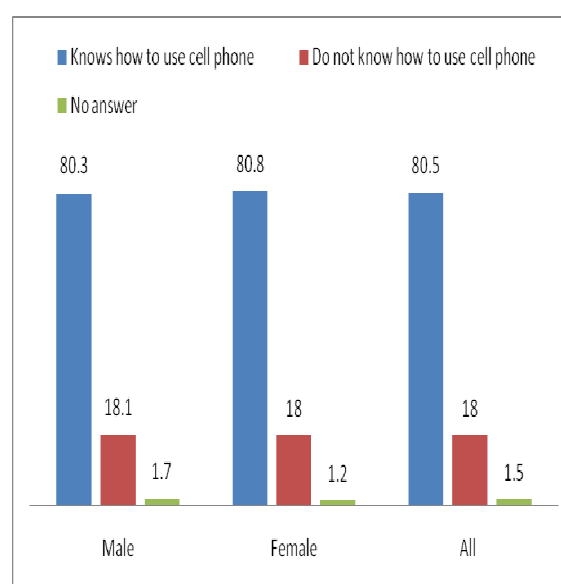


Figure 13: Use of cell phone, all provinces (in per cent)

Data by province show that majority of youth respondents know how to use a cell phone although the Maguindanao data buck the trend. Knowledge of cell phone usage is highest in Agusan del Sur (92.3 per cent) and lowest in Maguindanao at 46.7 per cent (Table 15).

Table 15: Use of cell phone, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Knows how to use cell phone	87.5	89.0	92.3	46.7
Don't know how to use cell phone	12.5	8.5	7.7	48.9
No answer	0.0	2.5	0.0	4.4

Source: Primary data

2.13 Values relating to entrepreneurship

The chances of winning the Philippine national lottery or lotto, are slim. The approximate odds of winning the 6/42 draw are one in 5 million; the 6/45 draw, one in 8 million; and the 6/48 draw, one in 12 million. Winning the lotto and what one will do with the money becomes an excellent proxy for probing into a person's wish fulfillment. It also provides a clue of the subliminal values shared by certain groups of people. When asked the top five things they are going to do if they win the lotto, the top answer given by 88.5 per cent of all respondents is set up a business (Table 16-a) followed by buy house and land (78.0 per cent). About two-third (65.6 per cent) say they are going to

help their family. Other top answers are: go back to school (60.7 per cent), open a bank account (55.1 per cent), buy a car (52.2 per cent) and give to charity (45.4 per cent).

By province, the list of things the youth respondents aspire for, if they have the money, are very much consistent (Table 16-b). Setting up one's own business tops this list followed by a house and land, and the desire to help one's family financially.

The top two answers—set up a business and buy a house and land—are materialistic values. Simplistically, this is good for entrepreneurship because greater economic transactions and exchanges stimulate the pace of the economy and lead to people desiring more consumer items. A house and lot is an ultimate consumer item and fulfills many of a person's needs including security, prestige, comfort and shelter. Setting up one's own business is also a materialistic value since its main purpose is to earn individual profits which enable entrepreneurs to invest, which create value in the form of equipment, buildings, and jobs. It also reflects the value of independence and autonomy—the need for control over what happens in one's life and not having to depend on an employer to sustain one's basic needs.

Table 16-a: Wish list, all provinces (in per cent)

	Male	Female	All
Set up own business	88.2	89.0	88.5
House and land	77.3	79.1	78.0
Help family financially	64.3	67.4	65.6
Money in the bank	56.3	53.5	55.1
Go back to school	62.2	58.7	60.7
Car	55.9	47.1	52.2
Give to charity	45.8	44.8	45.4

Note: Multiple answers

Source: Primary data

As surfaced in the FGDs with the youth sector, family orientation of the youth means money is simply a tool for family members to help siblings get to school. Being on low incomes and having many children, parents are not able to send their children to school concurrently. This means that the family invests, usually, on the eldest sibling to finish her education with the unwritten obligation of sending her younger siblings to school later on.

Going back to school is deeply embedded in the youth's psyche. The fifth item on the wish list in Table 16-a is to go back to school. At this point, wishing to go back to school even if one does not need to (since one already has the wherewithal) indicates that education has other functions. The assumption is that one gets an education as a sort of training or certification that signals one's competence to a potential employer. But this is not the sole function of education. Two other functions are learning for the sake of learning (education as consumption good) and as a symbol of status and prestige for the diploma holder. The second seems to be the motivator, in this instance.

Table 16-b: Wish list, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Set up own business	92.7	76.8	81.0	83.3
House and land	82.3	72.0	67.6	58.9
Help family financially	65.6	64.6	57.7	31.1
Money in the bank	36.5	19.5	20.4	24.4
Go back to school	35.4	17.1	35.9	26.9
Car	28.1	26.8	12.7	25.6
Give to charity	27.1	24.4	17.6	23.3

Note: Multiple answers

Source: Primary data

2.14 Behavior on savings

Only 27.6 per cent of youth respondents are able to save on a regular basis (Figure 14). The coin bank (*alkansiya*) is one traditional method of savings but is on the wane. For those who are able to save, many simply stash their savings in the house. For the majority who are unable to save, the main reason cited is that their income is just enough to cover necessities. More often, even their limited income is not enough for their daily needs.

As to experience with formal credit institutions, almost all the youth (with the exception of one or two individuals) do not have experience seeking credit with pawnshops, credit cooperatives, or banks. When in need of petty cash, youth turn to their parents and siblings. Friends are also a major source of informal credit but the youth are only able to borrow minimal amount of PhP50 to PhP200.

By province, low rates of savings characterize the youth respondents (Table 17). Those who do not save regularly are highest in Agusan del Sur (71.1 per cent), Antique (70.8 per cent) and Maguindanao (66.7 per cent).

Table 17: Behavior on savings, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Saves regularly	25.0	36.6	23.2	28.9
Does not save regularly	70.8	52.4	71.1	66.7
No answer	4.1	11.0	5.6	4.4

Source: Primary data

2.15 Attitude on business

An indicator of how well-entrenched entrepreneurship is in the local culture is the attitude people have of business and businessmen in general. An entrepreneurial culture is pro-business in the sense that it does not form an antipathy toward business despite capitalism's shortcomings and excesses. Such a culture is aware of the role of business as the engine of economic growth.

To measure attitude of youth toward business and businessmen in general, the youth respondents are presented with two statements. One of the statements is pro-business—"businessmen contribute to society by providing goods and services" while the other is anti-business—"businessmen get rich through high

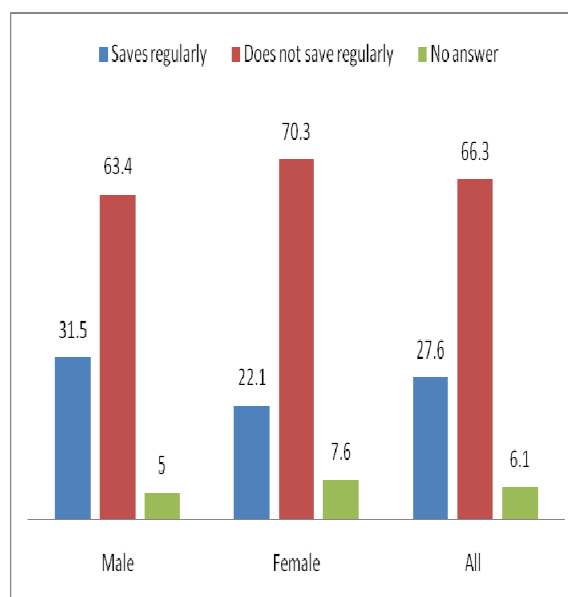


Figure 14: Behavior on savings, all provinces (in per cent)

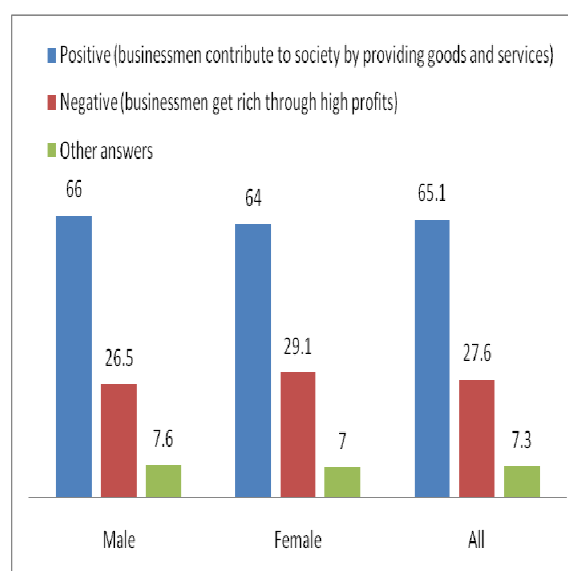


Figure 15: Attitude on business, all provinces (in per cent)

profits”. Based on the results, about two-third (65.1 per cent) showed a positive attitude on businessmen and business in general. Only 27.6 per cent showed a negative attitude on the topic (Figure 15). By province, positive attitude to business among disadvantaged youth is highest in Agusan del Sur (73.2 per cent) and lowest in Maguindanao at 48.9 per cent (Table 18).

Table 18: Attitude on business, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Positive (businessmen contribute to society by providing goods etc)	64.5	65.9	73.2	48.9
Negative (businessmen get rich because of high profit margin)	28.1	19.5	22.5	42.2
Other answers	7.2	14.6	4.2	8.9

Source: Primary data

2.16 Practical experience on entrepreneurship

39.8 per cent of all youth respondents have experience in directly participating in a current micro-enterprise brought about by helping their family (Figure 16). On the other hand, 56.6 per cent have no experience in directly participating in a micro-enterprise. Females have more exposure to business through family (44.8 per cent) compared to males (36.1 per cent).

This speaks much of the utility of female youth to enterprise-based activities of the family such as the sari-sari store. By province, direct participation in a current family micro-enterprise is highest in Masbate (51.2 per cent) and lowest in Maguindanao at 25.6 per cent (Table 19).

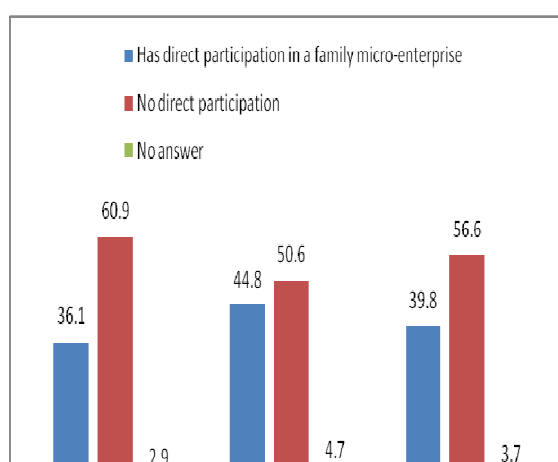


Table 19: Direct participation in current family micro-enterprise, by province (in per cent)

	Antique	Masbate	Agusan del Sur	Maguindanao
Has direct participation in a family micro-enterprise	33.3	51.2	46.5	25.6
No direct participation	66.7	46.3	48.6	67.8
No answer	0.0	2.4	4.9	6.7

Source: Primary data

The most common micro-enterprises are petty vending and selling. Experience in a micro-enterprise includes fish vending and selling street food. These would include ihaw-ihaw, barbecue, fried chicken, and fishball. Others have experience in tending the family sari-sari store, helping in the family carinderia, buy and sell activities, hawking dried fish, and selling vegetable. More often than not, these youth are not paid by their parents. However, since they live in the same household, they are dependent on their parents for basic necessities.

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