

Entrepreneurship in the Philippines 2015-2016 Report Launch

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June 22, 2017



Philippine Entrepreneurship Report 2015-2016



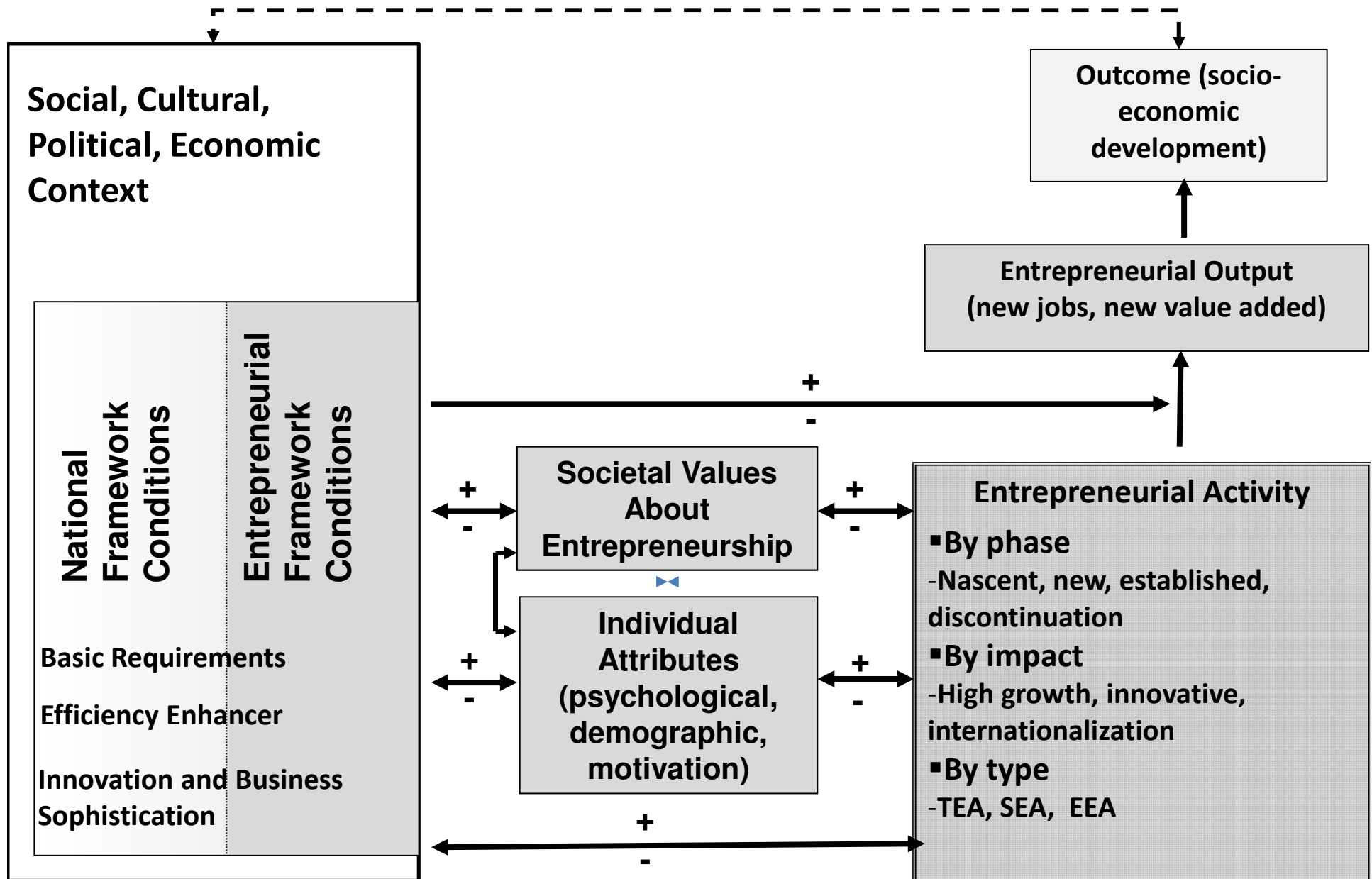
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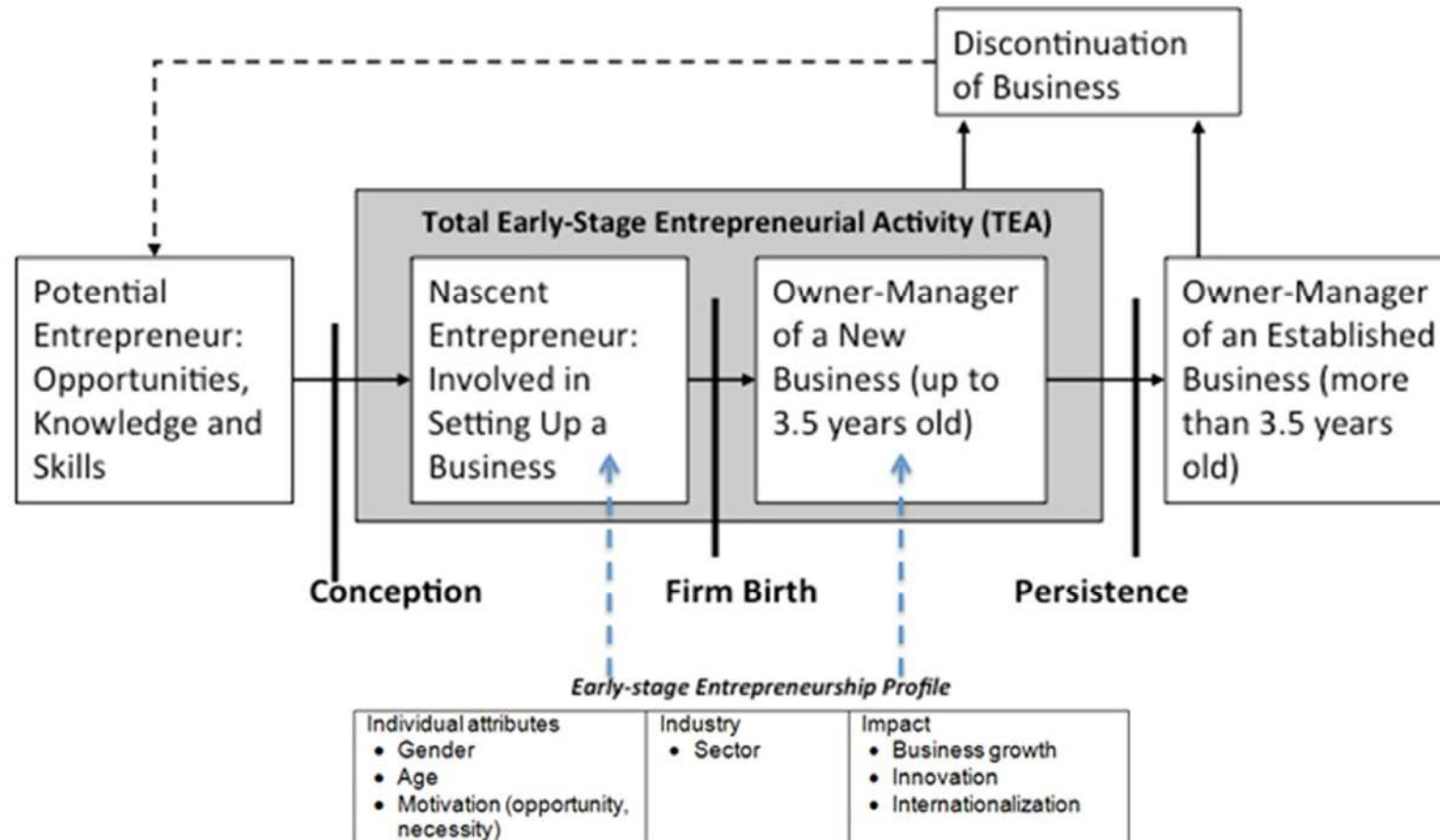
THE FRAMEWORK

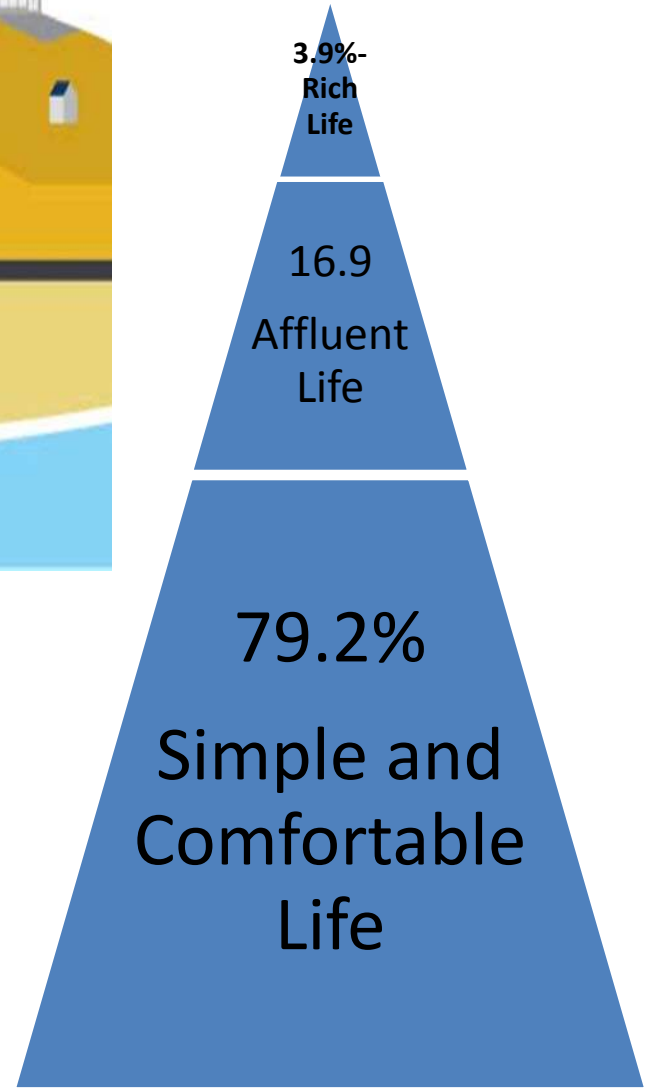


GEM Conceptual Framework



Model of Business Phases and Entrepreneurship Characteristics





THE FILIPINO DREAM...

Ambisyon 2040

Panatag

- Enough resources for day-to-day needs, unexpected expenses and savings
- Peace and security
- Long and healthy life
- Comfortable retirement

• Matatag

- Family is together
- Time with friends
- Work-life balance
- Volunteering

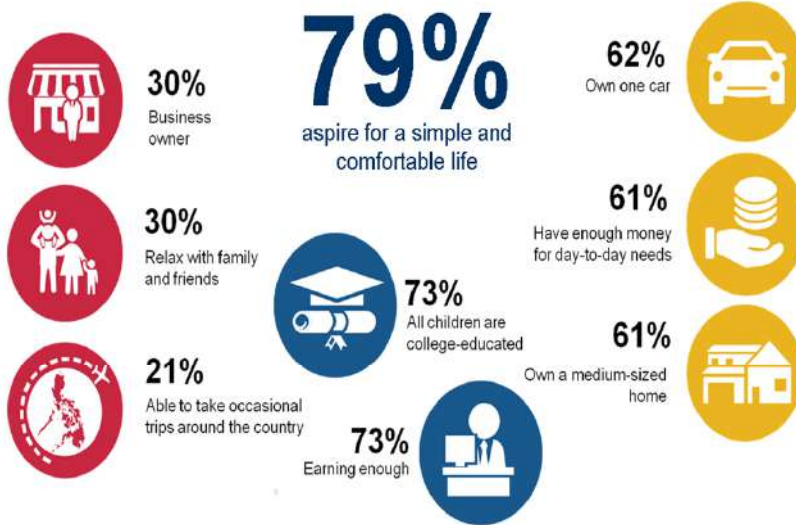


• Maginhawa

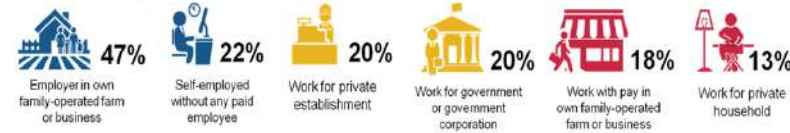
- Free from hunger and poverty
- Secure home ownership
- Good transport facilities
- Travel and vacation



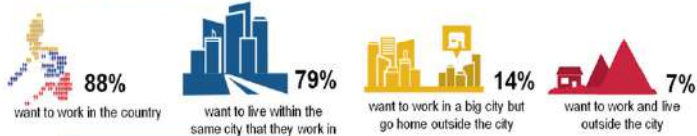
achieve for themselves in 2040?



Desired occupation



Preferred work location



**AMBISYON
NATIN 2040**
The Life We Want

72% believed that by 2040, the standard of living for all is having a simple and comfortable life

25% indicated that all Filipinos should have a prosperous and affluent life

Major Goals

By 2040, the Philippines will be a predominantly middle-class society. Poverty and hunger will have been eradicated. There will be sufficient good quality local jobs available.

In terms of good governance, Filipinos believe in eliminating corruption important to achieving a better future

Most Filipinos expressed the need to eliminate corruption to achieve a better future. Based on the focused group discussions, it should be noted that corruption is interpreted as petty corruption (like extra charge to facilitate transactions) that ordinary Filipinos directly encounter. Ease and efficiency of government transactions is the second most important need, followed in distant third by affordable government services. Most Filipinos believe that having polite, helpful, and knowledgeable government employees are important in the delivery of government services.

Filipinos believe that peace and security are important in achieving personal and national prosperity

78% Considered peace and security imperative for the development of the country as a whole

75% Considered peace and security imperative for the improvement of every Filipino's own standard of living

Simple and Comfortable Life



62%
Own a car



73%
All children are
college educated



61% - Enough money
for
day to day needs
28% -With savings for
unexpected expenses



30%
Business owner



61%
Own a
medium -sized home



30%
Relax with family
and friends



21%
Able to take trips
around the country



**PHILIPPINE ENTREPRENEURSHIP:
THE JOURNEY CONTINUES...**



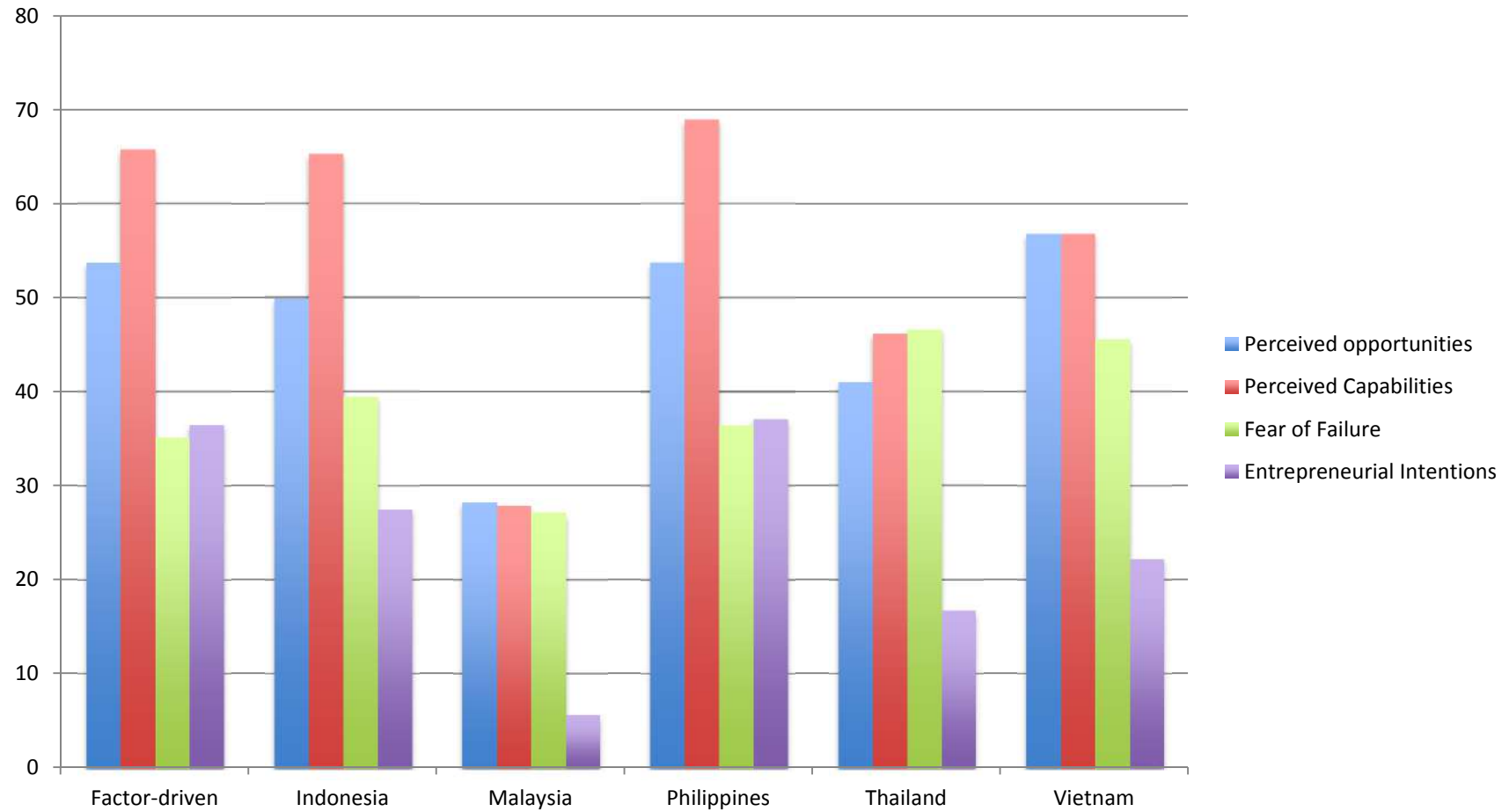
2015 GEM FINDINGS

Entrepreneurship in the Philippines

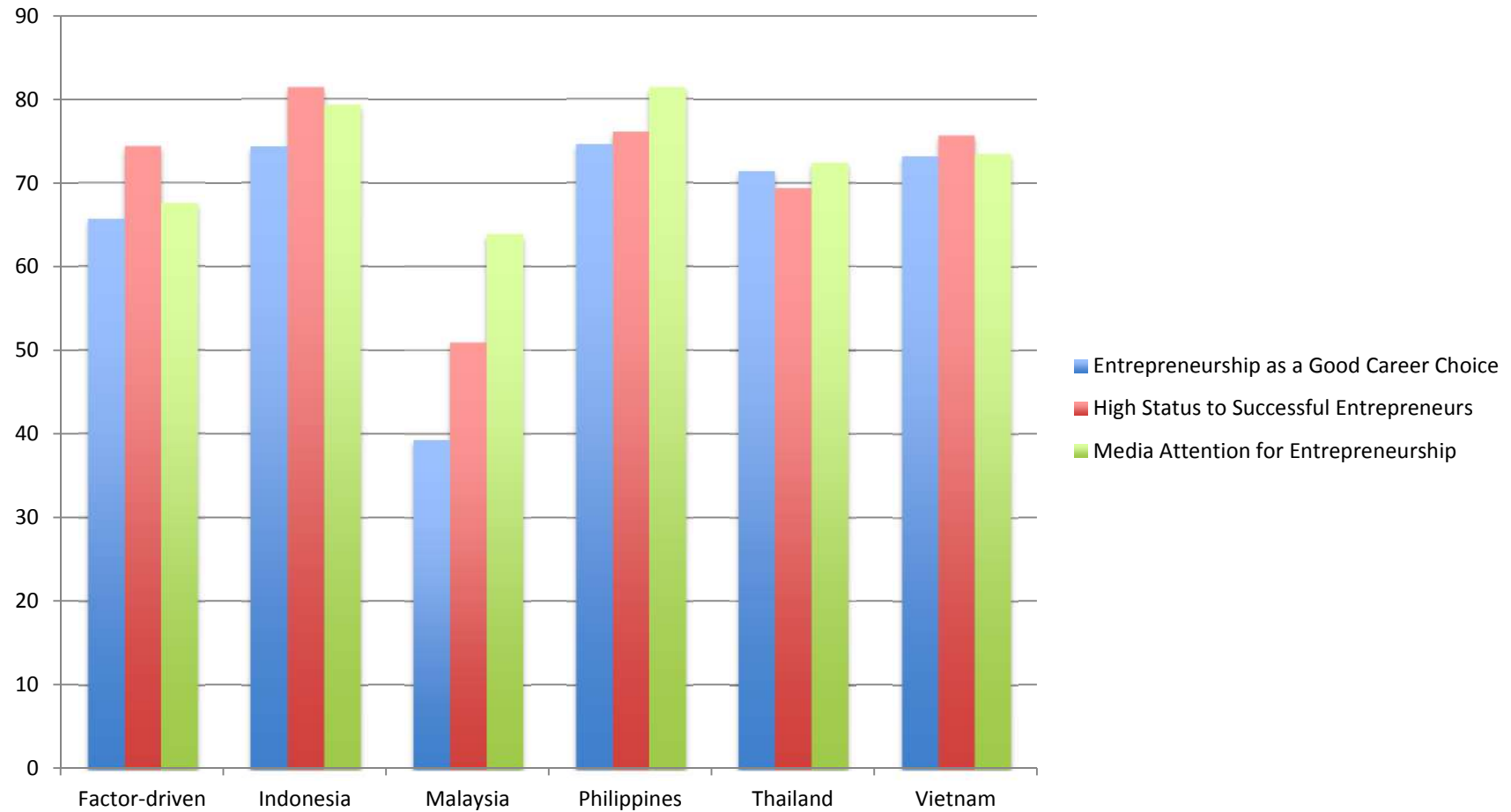
Self-Perception About Entrepreneurship		
	Value (%)	Rank/65
Perceived Opportunities	53.8	12
Perceived Capabilities	69.0	8
Fear of Failure	36.5	31
Entrepreneurial Intentions	37.1	9
Activity		
Total Early Stage Entrepreneurial Activity (TEA)		
TEA 2015	17.2	16
TEA 2014	18.4	
TEA 2013	18.5	
Established Business Ownership Rate	7.3	26
Entrepreneurial Employee Activity - EEA	2.3	29

Among all the countries in South East Asia, Philippine respondents registered on average the strongest entrepreneurial intentions and perceived capabilities and opportunities

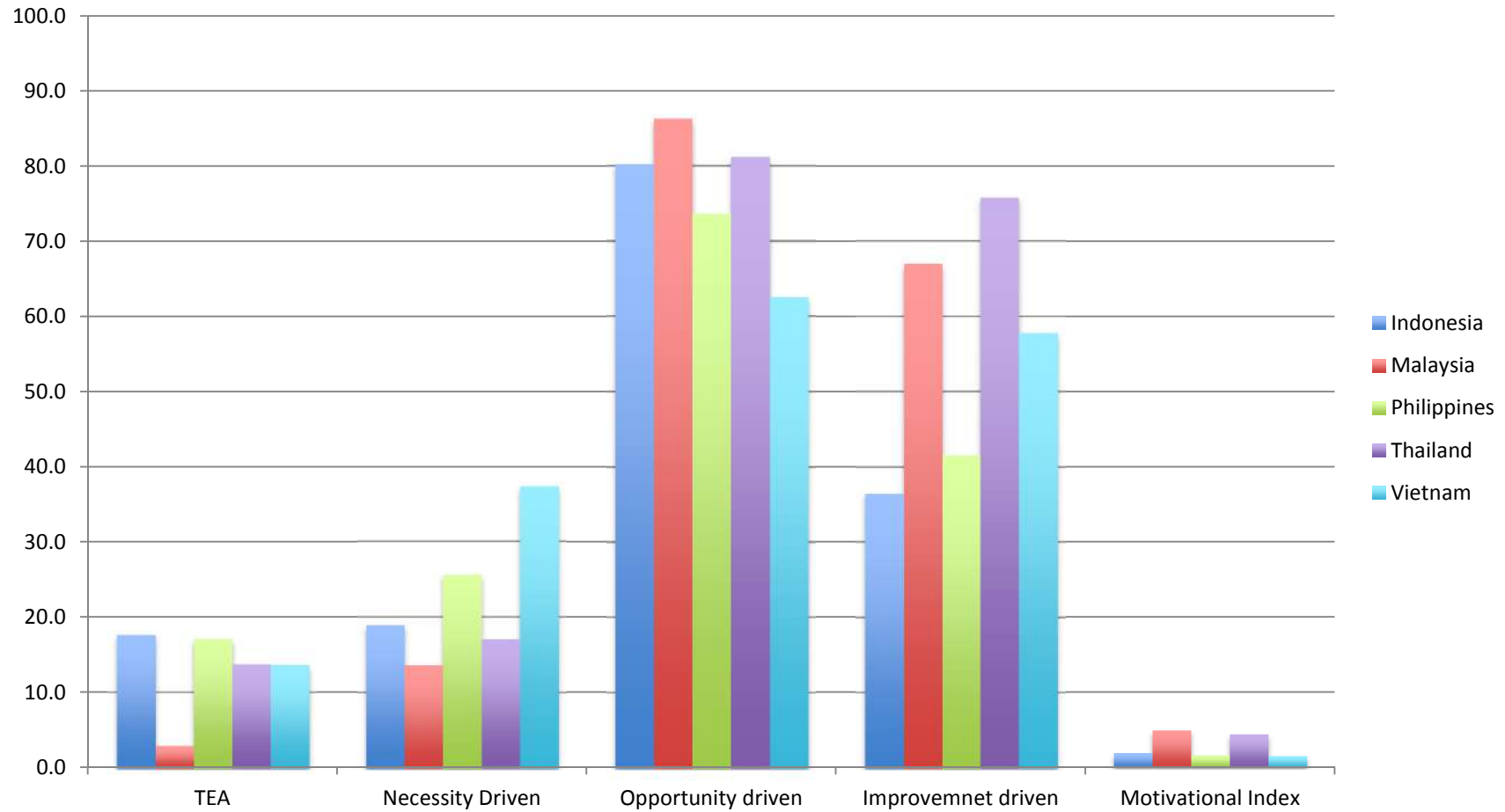
Self Perception



Societal Perception on Entrepreneurship

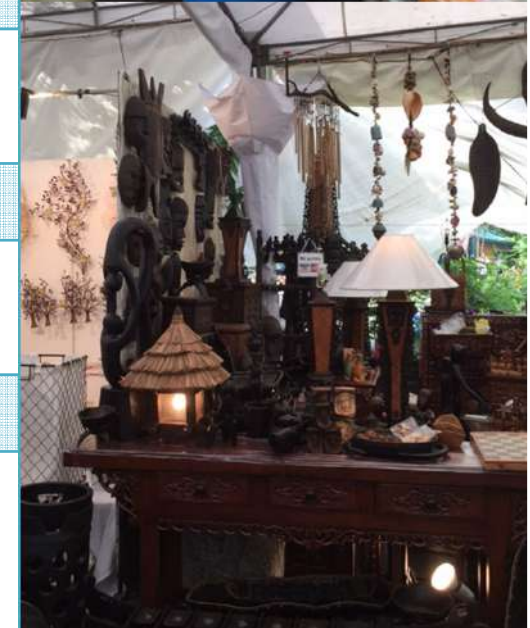


Entepreneurial Motivations



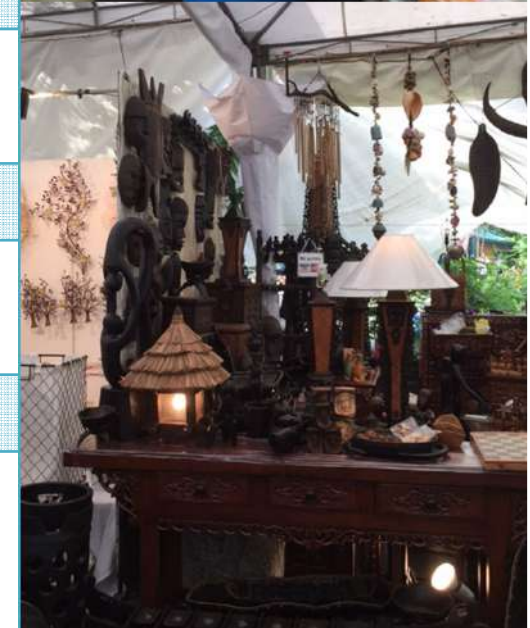
Entrepreneurship in the Philippines

Motivational Index		
Improvement-driven Opportunity/Necessity Motive	1.6	38
Gender Equity		
Female/Male TEA Ratio	1.3	1
Female/Male Opportunity Ratio	0.9	24
Entrepreneurship Impact		
Job Expectations (6+)	10.2 %	46
Innovation	5.5 %	7
Industry (% in Business Service Sector)	2.7	57

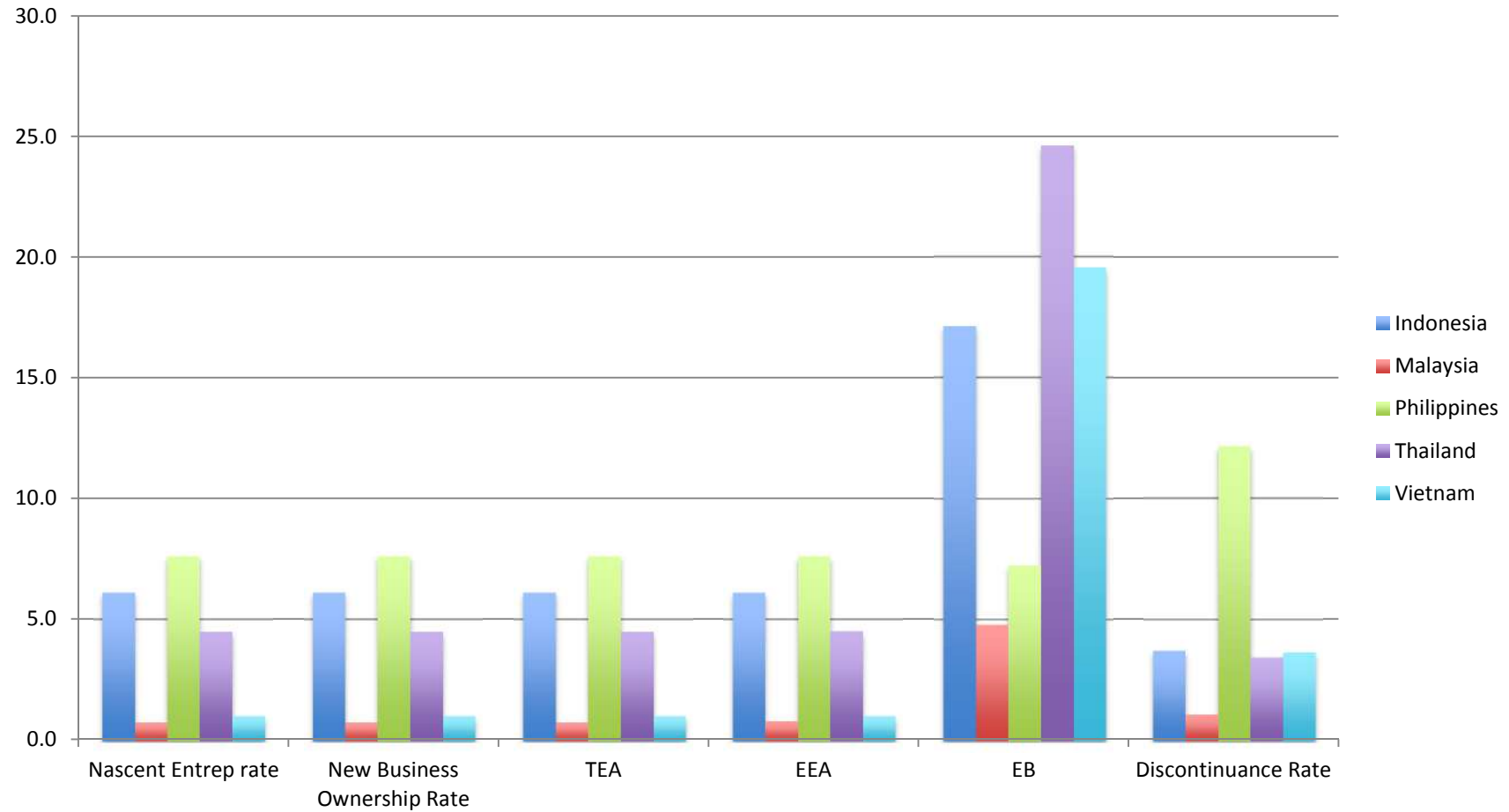


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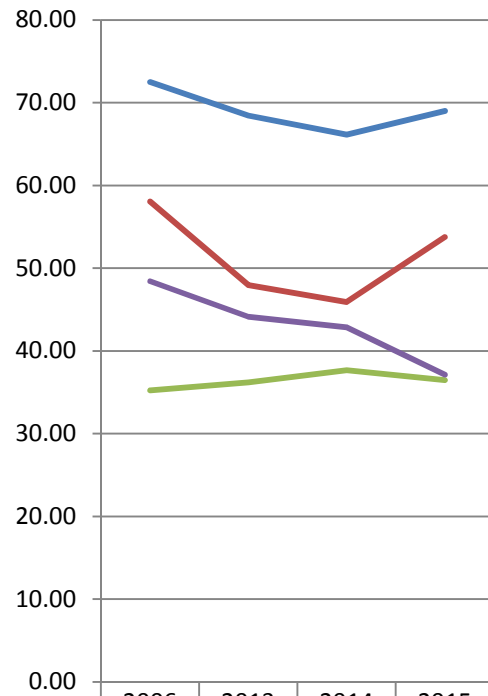


Phases of Entrepreneurship



Reasons for Business Closure

Reasons	2013	2014	2015
Business not profitable	22.9	26.8	20.81
Personal Reasons	18.2	20.8	27.75
Problems getting financing	22.1	20.2	32.37
Incident	3.9	2.7	2.89
Another job or business opportunity	1.9	3.8	3.47
Opportunity to sell	1.2	0.6	0
Others	28.3	21.3	12.72

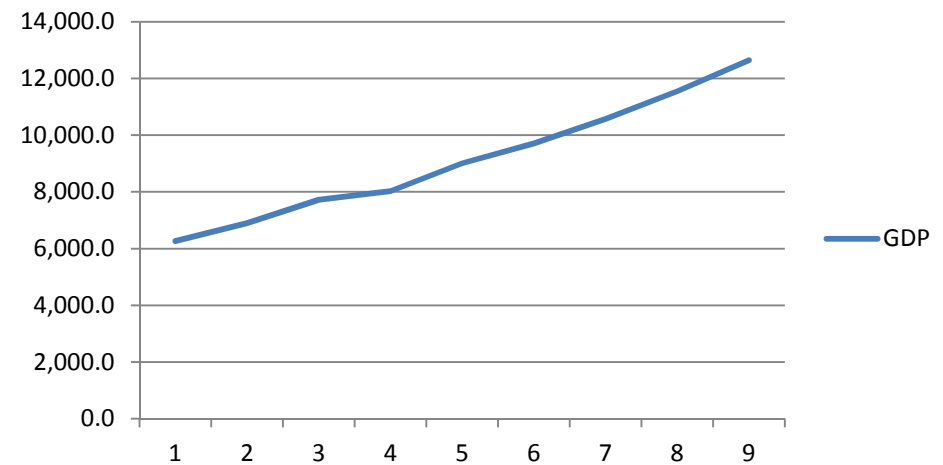


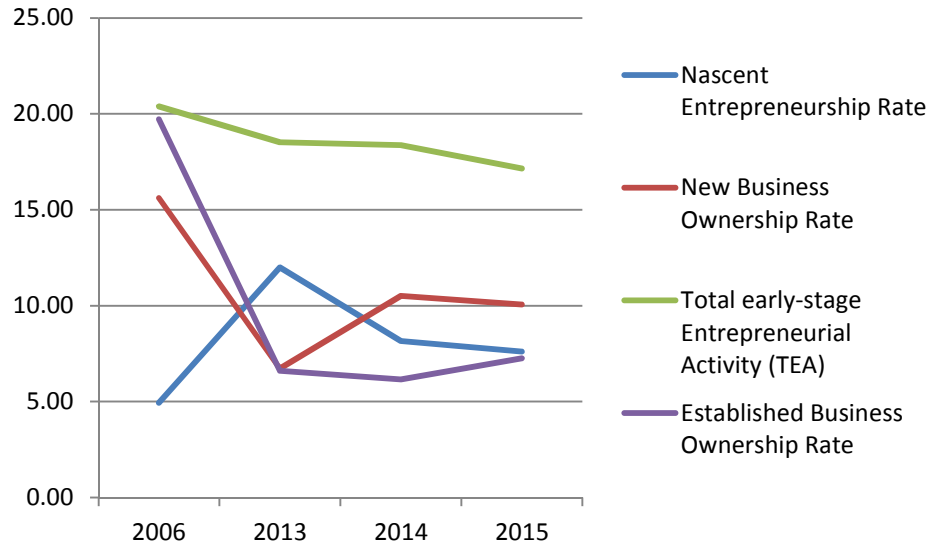
	2006	2013	2014	2015
Perceived Capabilities	72.48	68.40	66.15	68.99
Perceived Opportunities	58.05	47.94	45.89	53.77
Fear of Failure Rate	35.22	36.19	37.68	36.45
Entrepreneurial Intention	48.40	44.12	42.84	37.11

- Perceived Capabilities
- Perceived Opportunities
- Fear of Failure Rate
- Entrepreneurial Intention

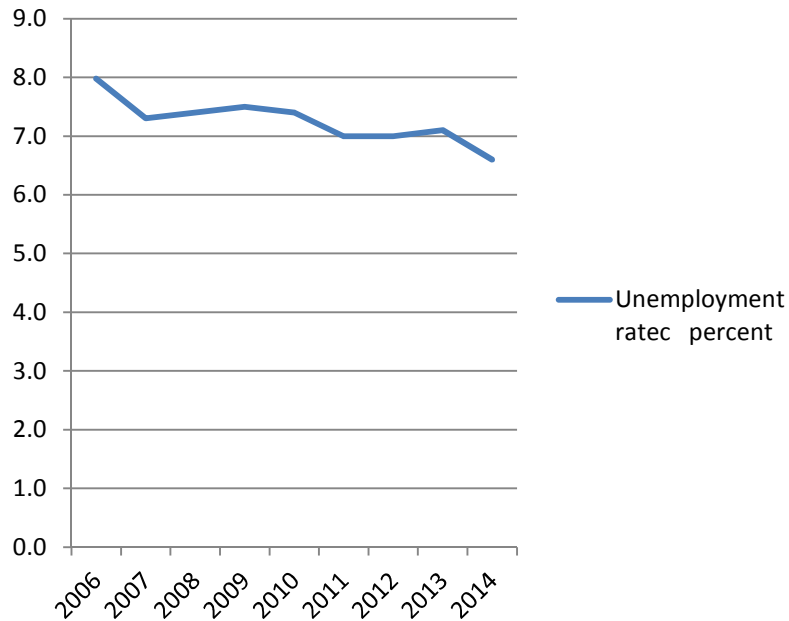
Does economic growth dampen entrepreneurial intentions?

GDP

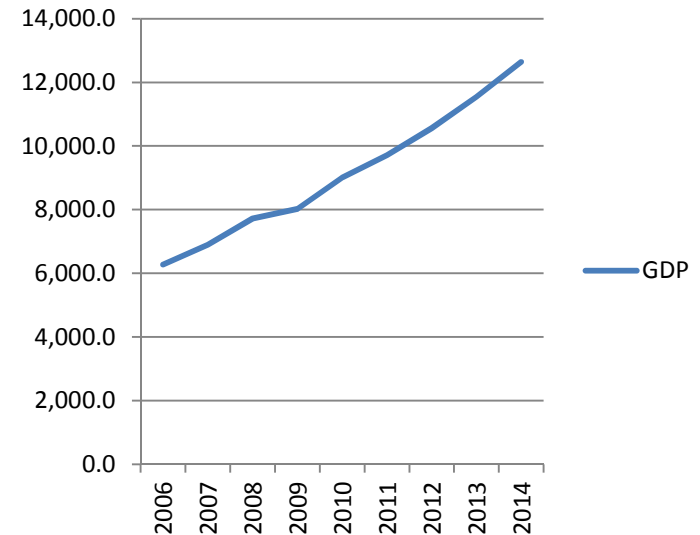


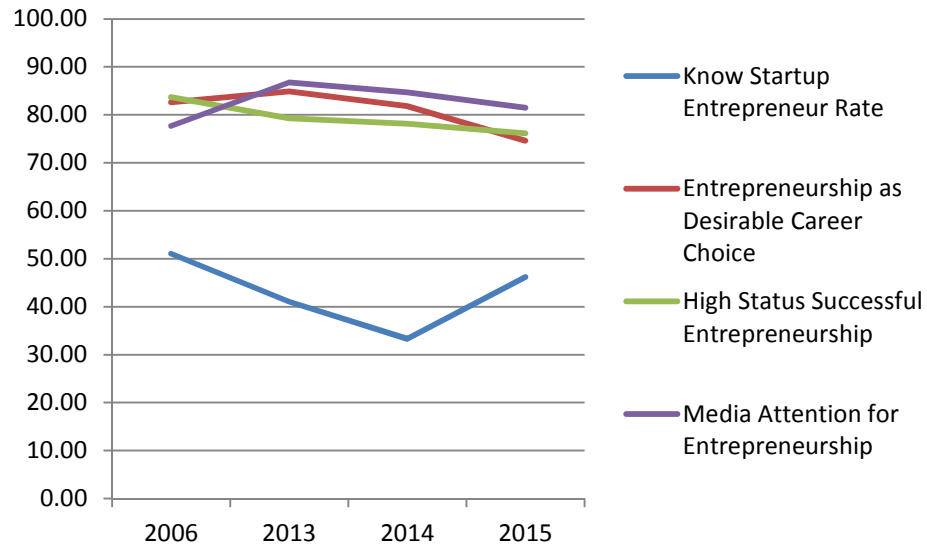


Unemployment rate percent



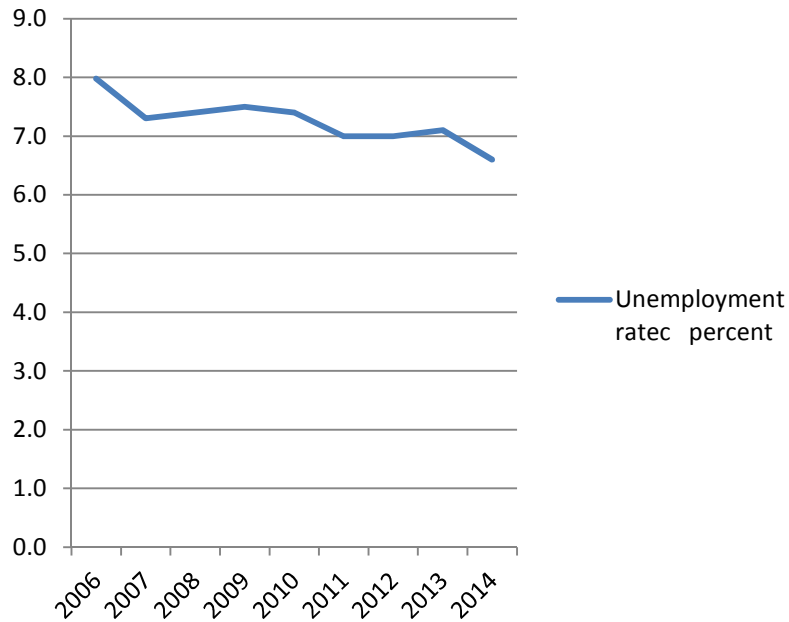
GDP



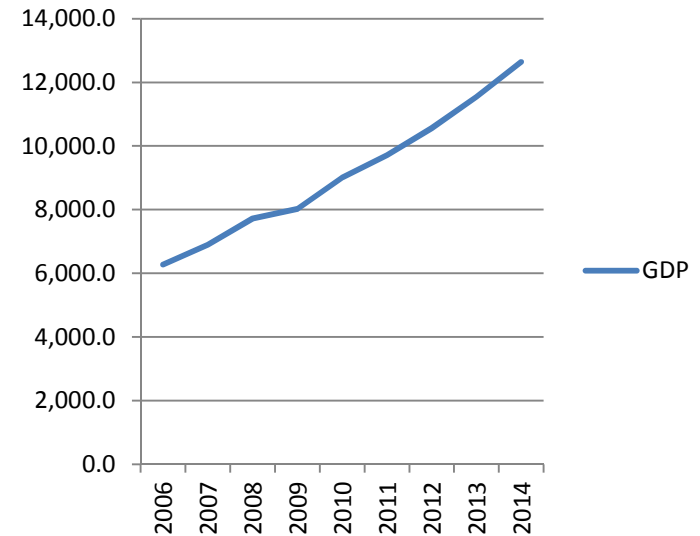


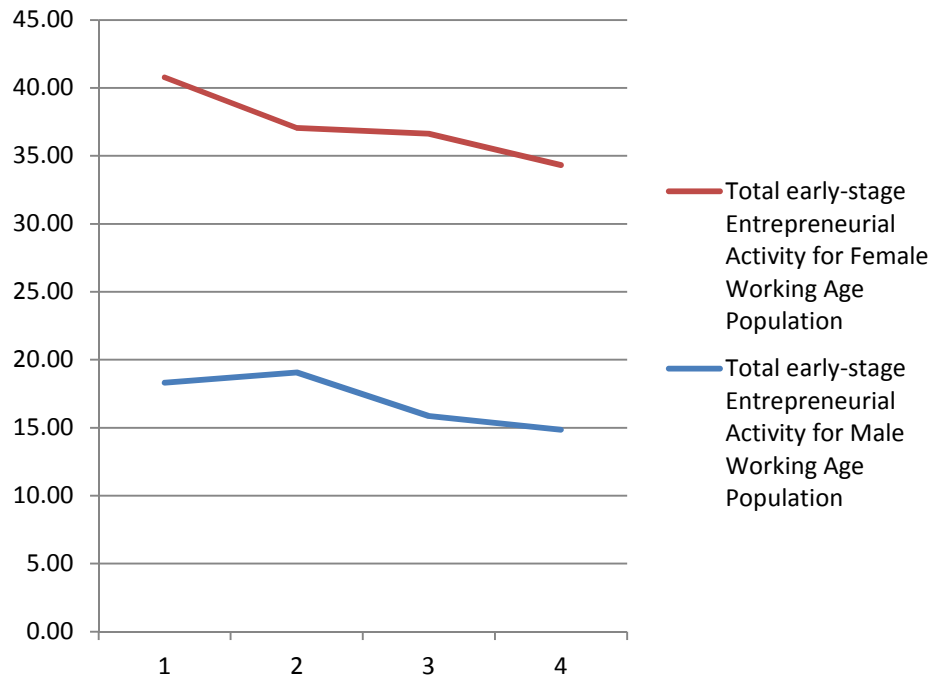
Better economy dampens interest on entrepreneurship.

Unemployment rate

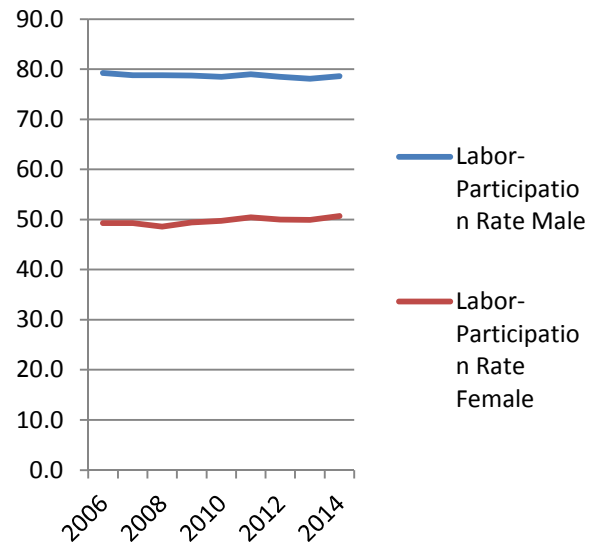


GDP





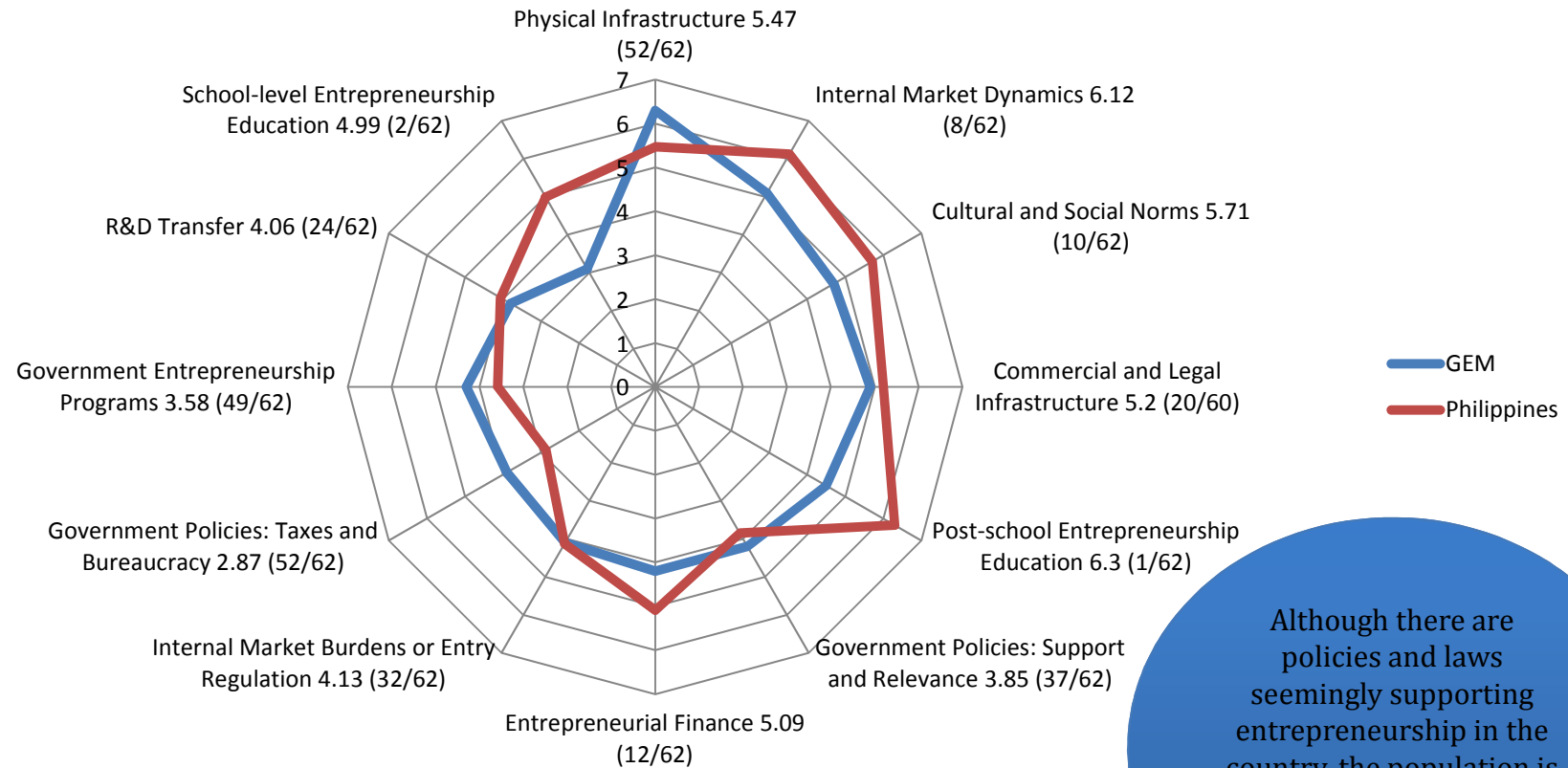
Gender is not an issue in entrepreneurship.





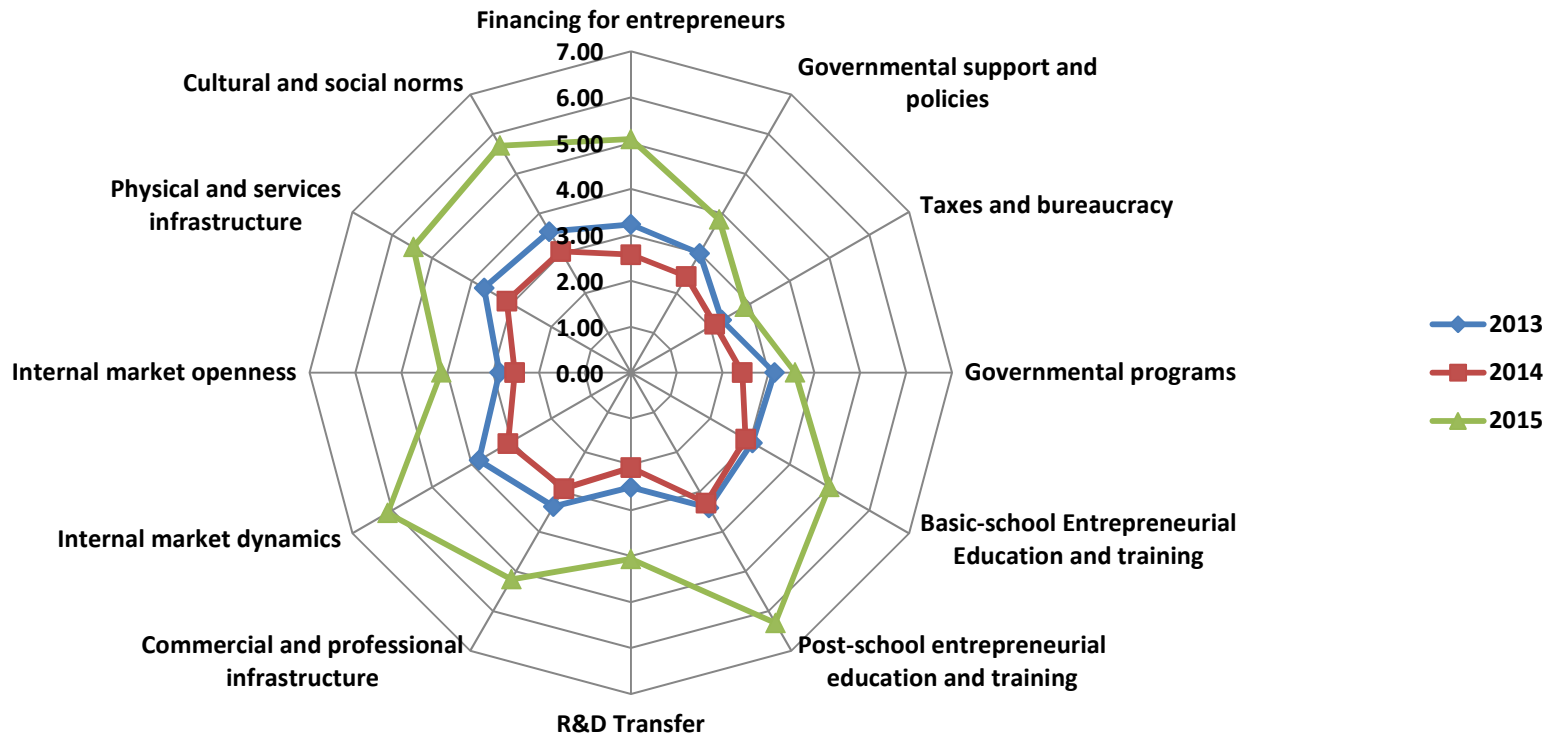
PHILIPPINE ENTREPRENEURSHIP ECOSYSTEM

Entrepreneurship Ecosystem

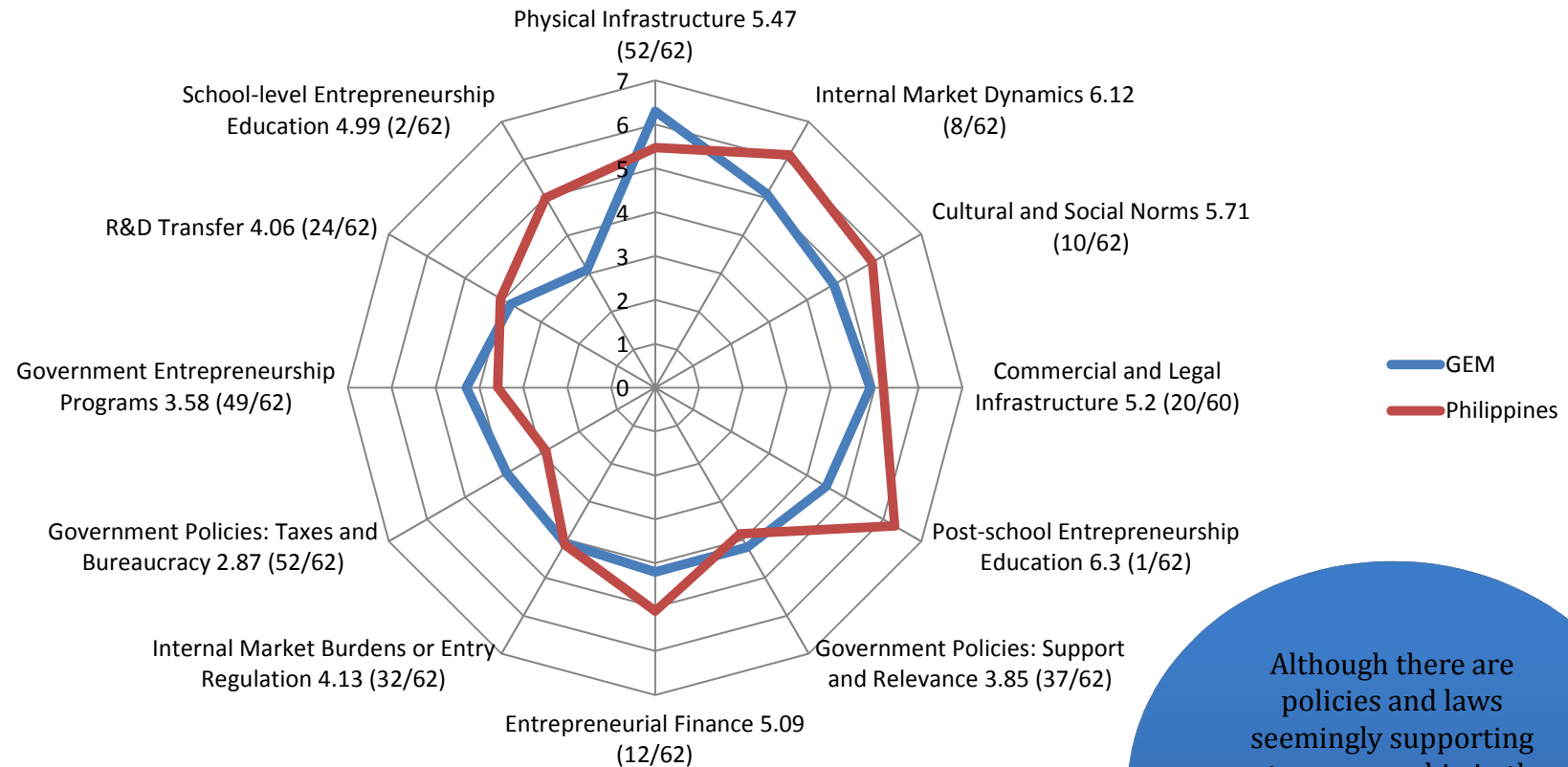


Although there are policies and laws seemingly supporting entrepreneurship in the country, the population is not well informed on the existence of these policies.

Philippine Entrepreneurial Landscape



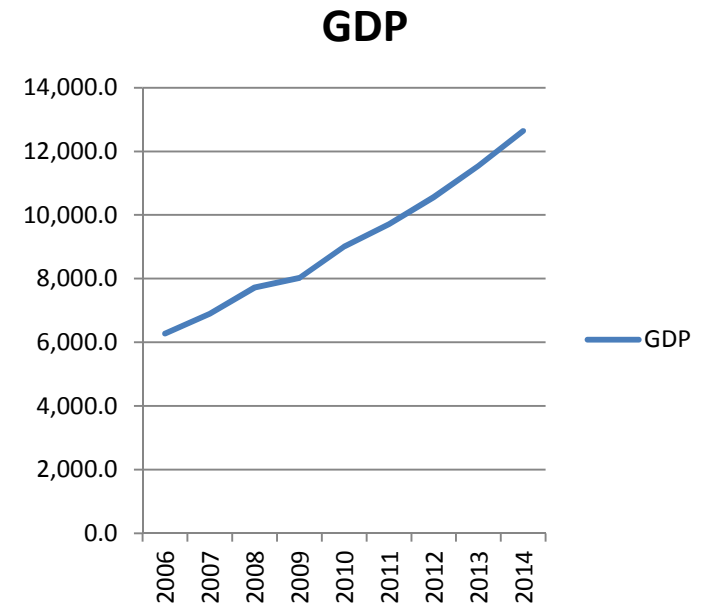
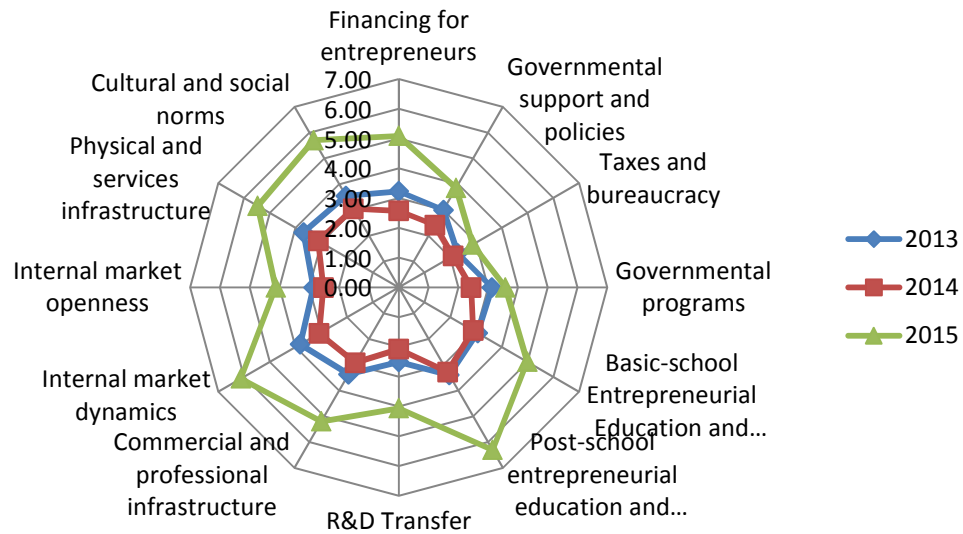
Entrepreneurship Ecosystem



The Philippines ranked 1/62 in Post-school Entrep Education

Although there are policies and laws seemingly supporting entrepreneurship in the country, the population is not well informed on the existence of these policies.

Economic growth and entrepreneurial environment





Conclusion

- Entrepreneurship as a career choice
- Established business gaining grounds
- More women engage in start-ups
- Government as entrepreneurship driver and barrier

WHERE DO WE GO FROM HERE?





Policy Recommendations

- *Identification of industry priority areas where the country can be more competitive globally.*
- *Evaluation of the regulatory environment for start-up businesses and ease of doing business.*
- *Development of innovation capabilities of the business sector.*
- *Introduction of entrepreneurship and its different forms in all levels of education.*
- *Creation of new ways of accessing financing through equity and debt.*
- *Promotion of export capacity and ability to integrate in the global supply chain.*
- *Enhancement of entrepreneurial capabilities of women and the youth.*



Questions that need more answers...

- What is the state of the Philippine entrepreneurial ecosystem?
- How does the Philippine ecosystem support the entrepreneurial intention, motivation, and aspiration of Filipinos?
- Why do Filipino businesses fail?
- Does education matter to succeed in entrepreneurship?
- ***...and many more***



Acknowledgements

- International Development and Research Center (IDRC)
- Angelo King Institute
- DLSU Science Foundation
- Ramon V. Del Rosario College of Business
- DLSU Publishing House
- Global Entrepreneurship Research Association (GERA)

Maraming Salamat!

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