International Labour Organization

Re-thinking the MSME support ecosystem to build back better from the pandemic and natural disasters

Session V – Initiatives on Strengthening MSME Resilience in the Philippines

Policy Workshop – Strengthening Resilience of Women and Youth-led Micro, Small and Medium-sized Enterprise (MSMEs) in the Creative Industry in the Philippines for Implementing the 2030 Agenda for Sustainable Development
Discovery Suites Manila, May 26, 2022

Hideki Kagohashi, Enterprise Development Specialist, ILO

We've done a lot, but supporting MSME resilience takes a lot more …

Pavel's award winning design after attending the online material development training

From 9-5 to web development: Honey Sta Ana's story

From a market stall to cyberspace

Testimonials of entrepreneur-attendees of BCPM course

Future of Work in a Healthier and More Resilient Environment

Accelerating the global learning on the evolving Future of Work towards a Better Normal of the Philippines

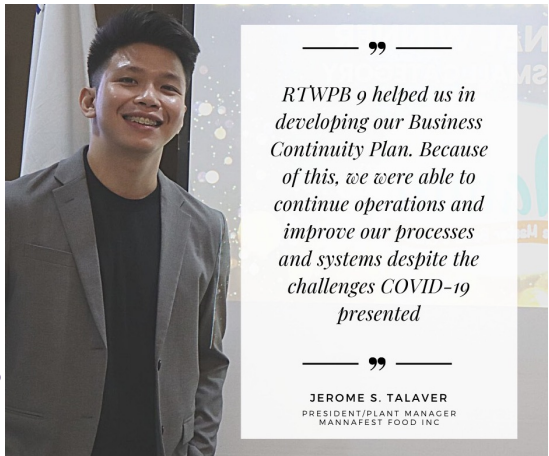
September24, 2020
2020 National Productivity Webinar Series
National Wage and Productivity Board

Hideki Kagohashi
Enterprise Development Specialist
International Labour Organization

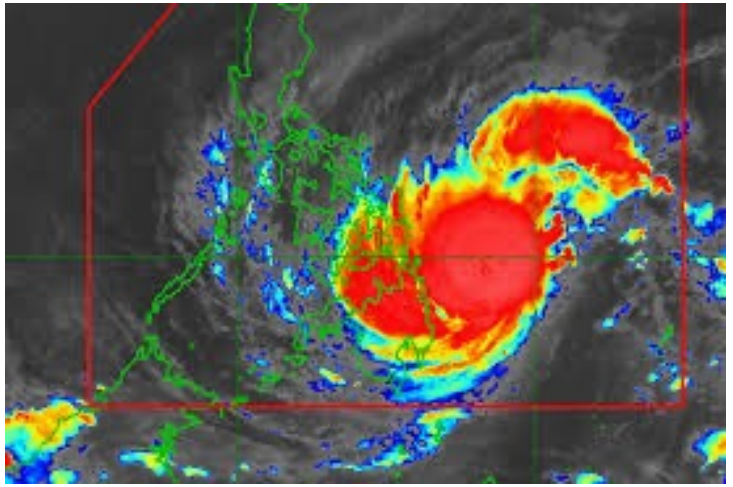
ILO-UNHCR Ready for Business participant wears her custom head wrap before getting on a motorbike taxi

Making digital learning more interesting and informative with public speaking

SCORE Training adapts to help SMEs respond to the health crisis and implement occupational health and safety measures



Because we cannot remain a drop in ocean to deal with the mega crises such as the COVID-19 pandemic and the super typhoons



- Key question – How many beneficiaries out of the entire target population/MSME universe?

Pandemic called for a whole-of-nation SYSTEMIC approach to deal with the leakage problems

- What if an incoming passenger is infected but asymptomatic?
- What if a barrangay does not follow the minimum health protocols?
- What if microenterprises do not comply with the guidelines on workplace prevention & control while the other businesses do?
- What if the universal healthcare is not trusted by the informal workers and entrepreneurs?

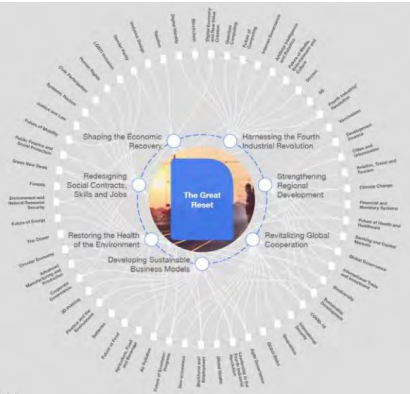
Pandemic called for an integrated & systemic thinking for us to be effective

ILO's integrated policy framework towards "job-rich" inclusive recovery

ILO's human-centred agenda for the future of work remains relevant in the pandemic context

The entrepreneurship ecosystem is a new focus of ILO's SME support

WEF's Great Reset called for reinventing the future of work in the pandemic context

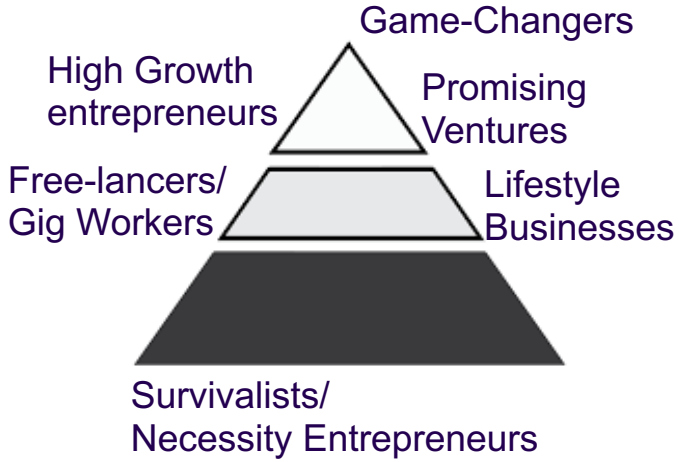


Making the ecosystem work better – contemporary policy challenge

- ILO programmes are increasingly leaning towards the systemic or the ecosystem approach given the accumulated learning and the increasing capacity in the beneficiary countries.
- - Avoid duplication, but support local partners' agenda.
- - Focus on weak links & key value addition.
- - Help local partners make impact at the systemic level.

Targeting the right segment and the adverse selection problem

- Key question – Where in the MSME pyramid are we targeting, and really so in practice? Are we not attracting the wrong crowd for the policy objective?
  - Dichotomy bet. heavy users of MSME training and support services, and those who never use these services.
  - **Online courses tend to attract the digital-savvy young entrepreneurs, but not those who are left behind the digital divide.**
  - Free training tend to attract free-riders and dependency-minded instead of those in dire need of support with entrepreneurial mindset.
  - In rural areas, youth & housewives tend to attend training because they are there and accessible while the working members of families are not there but in cities and towns.



Systemic approach case 1: OSH ecosystem to keep businesses operating safely under the pandemic – *well-established and well-intended system*

- The occupational safety and health (OSH) ecosystem constitutes of the the OSH regulator (DOLE), OSH training hub (DOLE OSHC), **safety training providers (19 OSHNets, 101 STOs, 17 DOLE regional offices)**, and the safety officers in the private firms.
- With the passage of the OSH Act, it become mandatory to designate and train safety officers in all business establishments (an eight-hour OSH seminar). A fee of P5,500 per trainee is fixed by OSHC for the safety training.
- In the face of the pandemic, DTI-DOLE issued guidelines on Workplace Prevention and Control of COVID-19. Starting 2021, DOLE issued a directive to make the mandatory OSH training free.

ACCREDITED SAFETY TRAINING ORGANIZATION

BICOL OSHNet Occupational Safety & Health Network

OSHC

Systemic approach case 1: OSH ecosystem to keep businesses operating safely under the pandemic - *challenges*

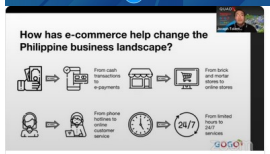
- OSH training attracts well-established SMEs but **misses many micro/informal businesses** as they can not afford to assign safety officers nor attend the 8-hour mandatory training.
- The contents of the mandatory training were too technical for micro and informal businesses. The expert-driven instruction style was not friendly to them, either.
- The free training directive discouraged many training providers (OSHNets) who needed the fee income to remain operational. This resulted in under-provision of the OSH training.
- There was a delay in mainstreaming the COVID-prevention elements into the existing OSH training while the workplace safety measures were coordinated through the safety officers of the well-established SMEs and DOLE regional offices (i.e., missing micro/informal businesses).
- Even among the well-established SMEs, OSH was often deprioritized, leading to high incidence of occupational injuries and undermining productivity.

Systemic approach case 1: OSH ecosystem to keep businesses operating safely under the pandemic – *Value Additions/Solutions*

- *ILO collaborated with the DOLE, OSHC and the entire safety training provider community to:*
- - Introduce a short COVID OSH training for micro/informal businesses (WISE for COVID).
- - Guide the safety training providers with the participatory action-oriented training (PAOT) methodology to make the training contents and instruction style fit to the realities of the micro/informal businesses.
- - For the well-established SMEs, address COVID OSH as part of the integrated productivity programme (SCORE) to make them more competitive.
- - Temporarily subsidize the training to re-activate the discouraged safety training providers.

Systemic approach case 2: Supporting MSME digitalization in the new ecosystem – *great vision with new learning environment*

- With the E-Commerce Roadmap, DTI was aiming to digitalize 1 million MSMEs.
- Regional Zoom Shows organized in collaboration with the key e-com platforms and players.
- PTTC active with online training delivery.



Why Should I Take My Business Online
Master Class by QuadX
WATCH HERE

How to Transform Your Business Through ECommerce
Panel Discussion with Shopee, Paymaya GrabFood and FoodPanda
WATCH HERE

How To Setup Your Business Online
Panel Discussion with Google and Zalora
WATCH HERE

How To Do Marketing For E Commerce
Master Class by QuadX
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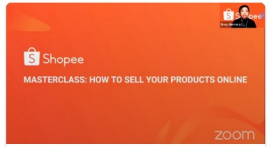
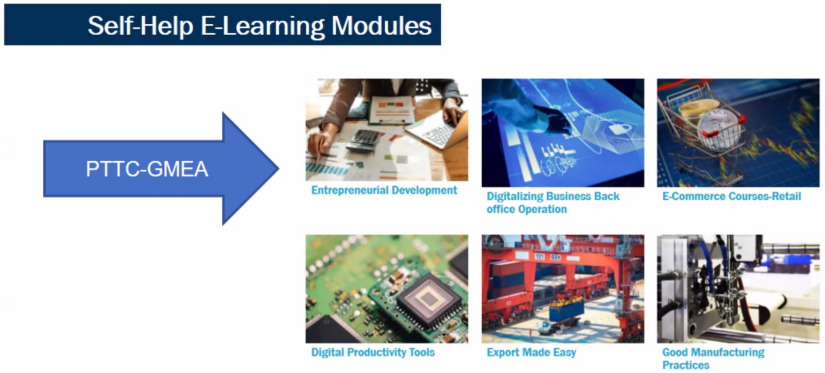


How To Sell Your Product Online
Master Class by Shopee
WATCH HERE

How To Complete The Online Process With E Fulfillment
Panel Discussion with SIMM, QuadX and GrabExpress
WATCH HERE



Systemic approach case 2: Supporting MSME digitalization in the new ecosystem – *great vision with new learning environment*

- BSP has committed to the financial inclusion and established a broad range of partnerships to deliver financial education. Partners include DTI, TESDA and OWWA among others.
- BSP has well-developed training modules of financial education, and aiming at developing a module on digital financial services.
- BSP was operating the advocacy programme on digital literacy.
- Private sector offering financial education (e.g., Bayan Academy, FINEX, MFIs)

Systemic approach case 2: Supporting MSME digitalization in the new ecosystem – *(targeting) challenges*

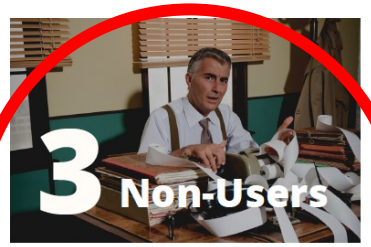
- E-com group aimed at developing e-com training differentiated to the level of digital literacy of MSMEs because:
- - Webinars/online training mostly attracting digital-savvy youth (curious learners, already successful e-entrepreneurs?) but others…
- - Unsure of the post-training impact.
- Financial literacy not yet popularized, let along digital financial literacy.
- ILO-PYEA mapping of digital BDS/FS verified the growing influence of the non-conventional learning channels (e.g., bloggers, contents curators, YouTubers, expert speakers and influencers; self-learning courses offered by the platform businesses).
- Q) Where to target to realize the vision of digitalizing 1 million MSMEs along with their digital financial inclusion?

Systemic approach case 2: Supporting MSME digitalization in the new ecosystem – *the right target for government-ILO support may be…*

Self-learn ←

Group 1 Digital Savvy | Formal

- Natural to integrate
- Learning curve (e-commerce, data driven marketing)
- Priority on digital presence, cost is not a barrier
- Uses the most BDS, followed by DFS



Group 3 Non-Users

- Highly motivated to digitize
- Have received trainings
- Uses more DFS than BDS

Group 5 Informal | Basic Users

- Rural & informal are in need for financing/ loans/ and maybe COOP dependent
- Family values matters a lot
- Decision making skills is lower

Group 7 Training Beneficiaries

- **Agribusiness, least digitalize:** Due to lack of education, availability of connectivity and gadget and knowledge/access to resources
- Family values matters a lot
- Decision making skills is lower
- Received the most training

Self-learn ←

Group 2 Basic Users

- High in decision making and highly motivated to shift
- Want more support

Group 4 Training Programs Graduates

- Family values matters a lot
- Decision making skills is lower
- Received the most trainings

Group 6 Agriculture | Formal

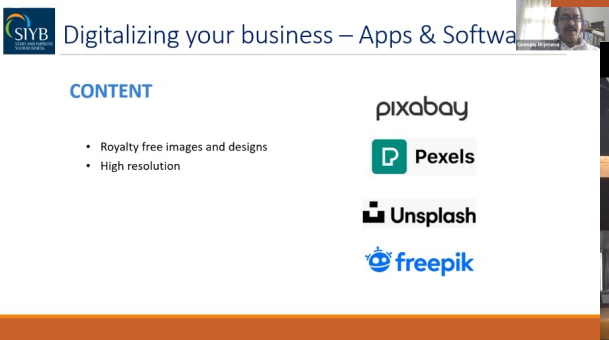
- Least digitalized
- Needs more training
- Use more DFS

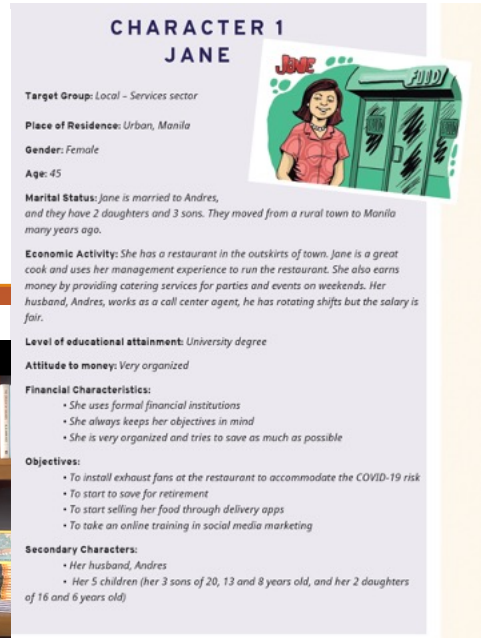
Group 8 Financial Education

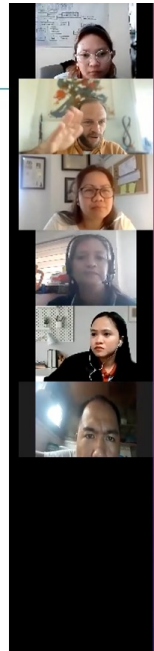
- Family values matters a lot
- Decision making skills is lower
- Received the most trainings

Systemic approach case 2: Supporting MSME digitalization in the new ecosystem – *Value Additions/Solutions*

- ILO's flagship entrepreneurship programme **adapted to the digital beginners** in the Philippines context, and introduced to the key BDS providers through TOT.
- ILO's global financial education programme **adapted to reflect the digital finance realities of the Philippines**, and introduced to the key FS providers through TOT.

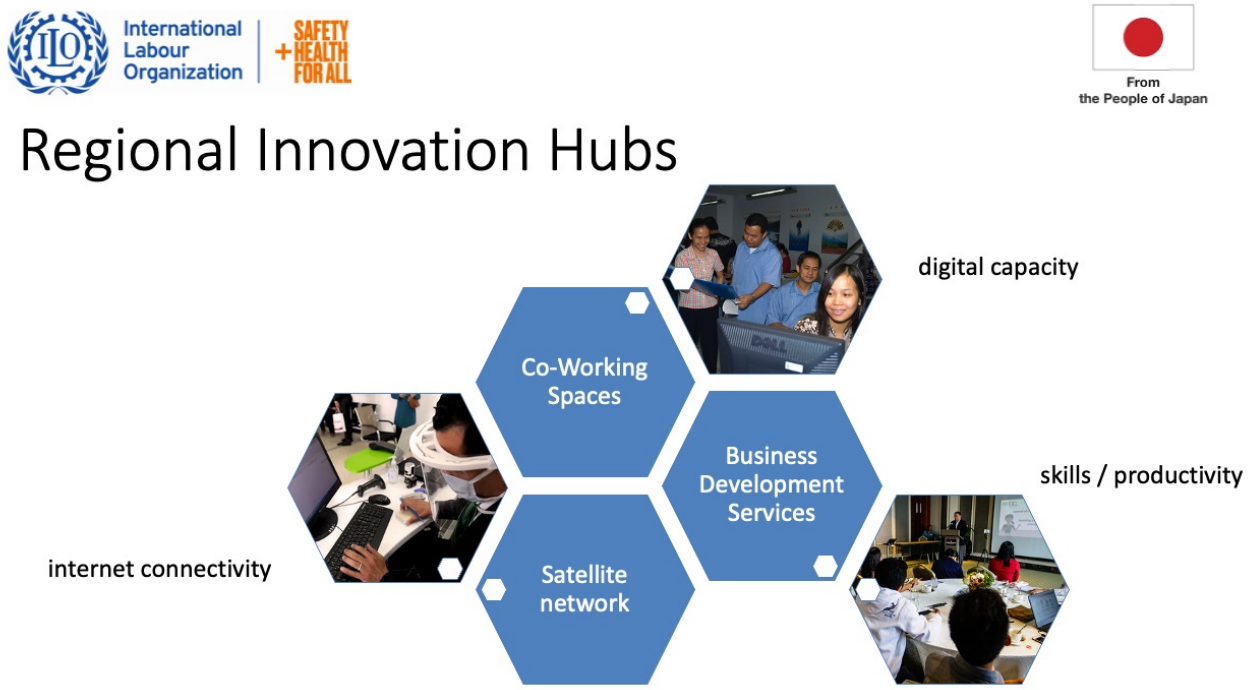






Systemic approach case 2: Supporting MSME digitalization in the new ecosystem – *Value Additions/Solutions*

- ILO supports DICT's plan to rollout Innovation Hubs to help address MSMEs' access to the internet connectivity along with digital BDS and co-working spaces in select regions.

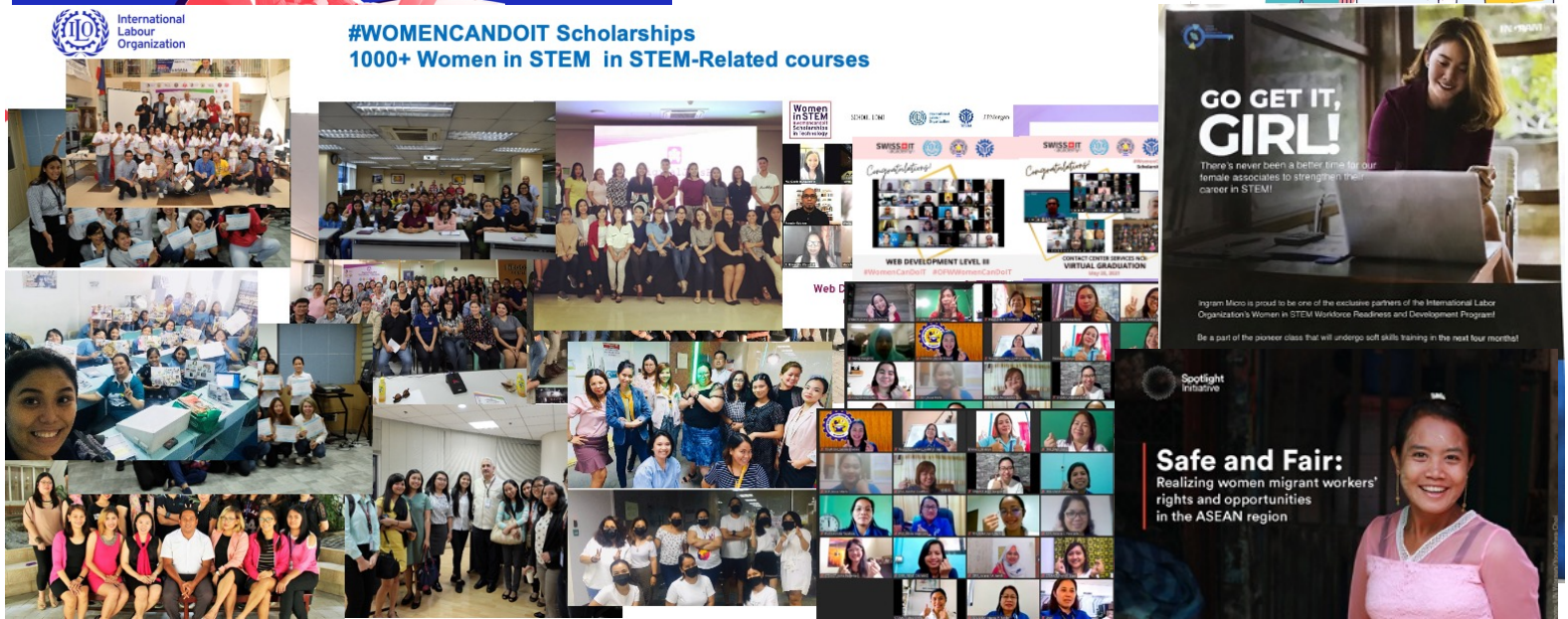


Systemic approach case 3: Breaking the glass ceiling of women into the STEM career and STEM skills-enabled entrepreneurship

- Filipino women under-represented in STEM industry despite the country being the leading gender equality country in Asia.
- It begins with the low enrollment of women in the the STEM training courses (TESDA), reflecting low interests among young women on the subject.
- Women also lacks confidence and skills to present herself and communicate well to win STEM jobs.
- Women entrepreneurs often show low interests in financial statement of her business, or work with limited numerical and critical thinking.

Systemic approach case 3: Breaking the glass ceiling of women into the STEM career and STEM skills-enabled entrepreneurship

- Women-focused advertisement & partnering with ILO migration project boosted women participants in the STEM courses.
- Job readiness courses developed in consultation with the gaming and animation industries and offered through TESDA Online Program.
- Results: 1,000+ Women enrolled in STEM-related courses.



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CASE 3: Build an Ecosystem to Support workplace readiness and career advancement for Women in STEM-related occupations

Increase access to training opportunities for women to advance in the workplace

- **Organized the STEM for Workforce Readiness TWG** to promote synergies in STEM
- **Developed a STEM-integrated curriculum with TESDA, DEPED** to mainstream appreciation for STEM among learners and teachers

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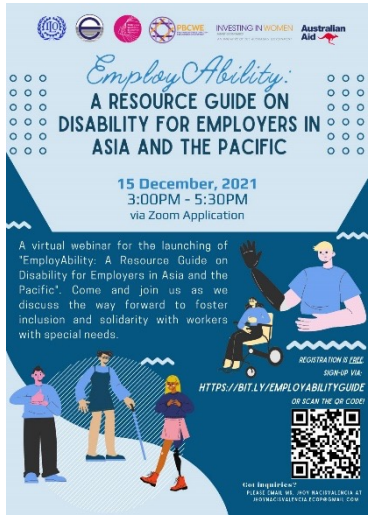
PBCWE
PHILIPPINE BUSINESS COALITION FOR WOMEN EMPOWERMENT

CASE 3: Build an Ecosystem to Support workplace readiness and career advancement for Women in STEM-related occupations

Increase access to training opportunities for women to advance in the workplace

- **Created an enabling environment** to promote advancement of women through the **ECOP-PhilWEN Diversity and Inclusion Committee**
- **Strenghtened TVET training for workforce readiness** through the adoption of the STEM in TVET policy.



Employers Confederation of the Philippines

Philippine Women's Economic Network

Systemic approach case 3: Breaking the glass ceiling of women into the STEM career and STEM skills-enabled entrepreneurship

ILO-GREAT Women Peer and Technical Support Programme

- Three month support programme to support women enterprises to take the next level

- Share their learnings, experiences, knowledge and support to help each others businesses through peer learning, technical learning sessions and multiplier sessions

- **No. of sessions:** 1
- **Duration:** approximately 3 hours
- **Other resources:** BCP template

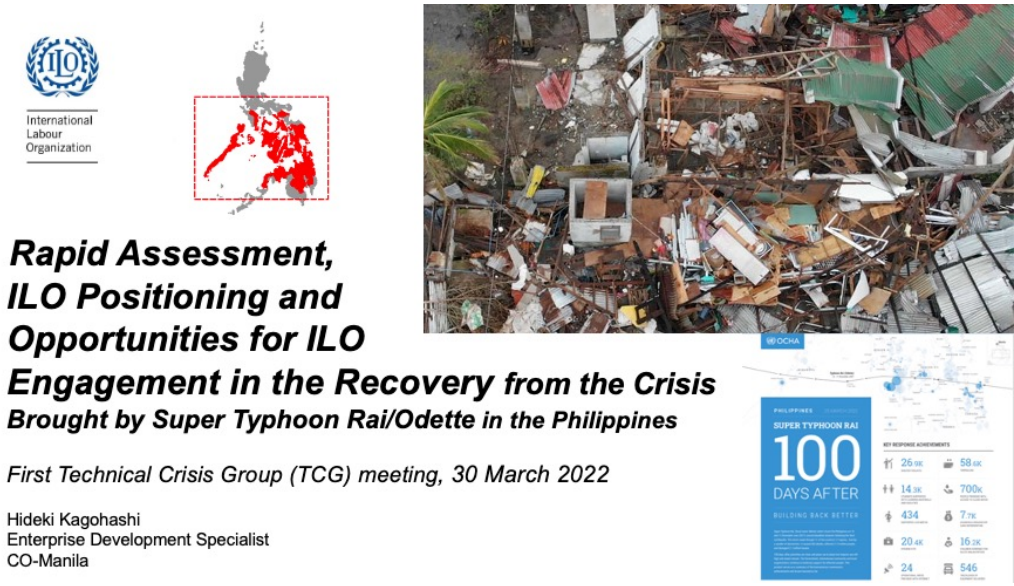
- **No. of sessions:** 3
- **Duration:** approximately 6-8 hours
- **Other resources:** financial templates in Excel

- **No. of sessions:** 4
- **Duration:** approximately 8-10 hours
- **Other resources:** Business plan template

- **No. of sessions:** 2
- **Duration:** approximately 4 hours
- **Other resources:** COVID-19 preparedness plan

Systemic approach case 4: Addressing missing links in the recovery plans from typhoon Odette

- Odette impact surpassed that of Pablo and nearing that of Yolanda.
- Employment recovery support have limited coverage of the vast number of MSMEs and farmers/fisherfolks affected. → A systemic overview & targeting critical.
- Informal sector businesses rebounded relatively fast while it will take years to recover the coconut sector, followed by the fisherfolks and tourism sector.



Systemic approach case 4: Addressing missing links in the recovery plans from typhoon Odette – *Well-crafted recovery plans*

- Coconut-based agriculture: **Several priority programmes & projects of coconut sector (debris mgt, replanting, fertilization, livelihood, pest mgt, Coco Hubs revival)** as part of CARAGA RRP, bolstered by the passage of the Coconut Farmers and Industry Trust Fund Act in Feb. 2021 and the implementation of the National Coconut Farmers Registry System (NCFRS) for the release of the Ps. 100 billion (USD 2 billion) Coco Levy Fund to support coconut farmers.
- Mangrove-based fishery: LGUs prioritizing environment protection and conservation of the province's natural assets to benefit small-scale economic actors and the vulnerable sectors.
- Informal Sector inclusion & formalization: D-ICT's **Technology Empowerment for Education, Employment, Entrepreneurship, and Economic Development (Tech4ED) Program** (digital centres at gov offices/schools) supporting: e-gov services (incl. e-access to SP), e-assist for vlunerable groups, e-EduSkills, e-marketplace for MSMEs, rural IT-BPM, e-agri, e-health.
- Tourism: **Siargao Comprehensive Tourism Master Plan (CTMP)** of 2019 w/ 8 key tourism management areas. Ambition to grow into a mega tourist destinations vs. sustainability.

Systemic approach case 4: Addressing missing links in the recovery plans from typhoon Odette – *Weak Linkages*

- Roll-out of social protection programs to prevent the most vulnerable from sliding into abject poverty is an urgent task. Besides public employment programmes and cash transfers, it will also require awareness-raising and facilitation of digital access to social protection. Another weak linkage is the OSH in the reconstruction work.
- Despite the comprehensive list of programmes, the clearing of the fallen coconut trees is at the inception stage. Absentee landownership is part of the disincentive. They require immediate removal to reduce the risk of rhinoceros beetle infestation, which could have a significant impact on new coconuts to be replanted and the flora. They will then be converted into lumber to be used for the repair and reconstruction of damaged shelters.
- RRPs missed out the critical analysis of the skills system of the Region to better respond to the market demand and growth opportunities, and to provide re-skilling and up-skilling opportunities for the vulnerable workers and unemployed. ILO noted labour market/skills dichotomy keeping local population in traditional agri-fishery jobs.
- Also scarecely covered is the financial situation of the affected population (beyond the lost productive assets) such as access to insurance payout, cash assistance, debt-rescheduling, income from emergency employment, income from labour migration of family members, and means of financing the restoration of the lost livelihood.
- Strengthening of the small coconu farmers organizations (SCFOs) and cooperatives will be the enabler for the farmer-led integrated job-recovery path for the next few years. This could be done as part of the value chain development of the non-traditional coconut products as well as the high value vege & fruits to be inter-cropped.

Systemic approach case 4: Addressing missing links in the recovery plans from typhoon Odette – *Value Addition/Solutions*

- ILO support will be aligned to the RRPs and sectoral recovery plans of the government, and address weak linkages of their implementation, firmly based on the dialogue approach.
- ILO can leverage the existing enterprise and skills development programme that cover the typhoon-affected regions, e.g., Bringing Back Jobs Safely (nation-wide MSME recovery project with safe workplaces and business digitalization and collaboration with DICT's digital centres), Skills for Prosperity (Enhancing the national skills system with pilot training in Visayas).
- ILO will build on relevant studies such as the TRAVERA value chain study on high value added coco products, and STED that helps integrate skills development in sectoral policies.

Systemic approach case 5: Ensuring systemic impact on the informal sector businesses

- *Expanding direct outreach of training programmes into the informal sector.*
- - Adapting the training contents and pedagogy to fit the mind of the informal entrepreneurs.
- - Facilitating linkage between training providers and the informal sector groups such as WIS and other basic sectors of NAPC.
- - Supporting the informal entrepreneurs' access to the Innovation Hubs and their satellites.
- - Supporting the formalization of the informal sector in parallel, starting from their access to social protection [ongoing collaboration with DOLE-NAPC on ILO R204 regional rollout].
- *Influencing the behaviour of the informal businesses which the training ecosystem cannot accommodate.*
- - Produce MSME impact stories from the best practice training beneficiaries and convert them into the advocacy materials and disseminate through the media preferred by MSMEs.

Ecosystem approach critical, wherein BCP is one of the key elements to address MSME resiliency

InSIGHT2
Industry Skills for Inclusive Growth Phase 2

Capacity Building Support

to E-learning portal and roll-out of Business Continuity and Resilience Program by the National Wages and Productivity Commission

- BCRP content based on ITCILO online training program, localized to PH MSMEs by NWPC
- Further customized the 'risk assessment module' by expanding coverage to include Covid19 and other disasters affecting MSMEs in PH (ie typhoon, earthquake, etc);
- Training roll-out is part of DOLE commitment to the NERS in support of the Bayanihan Heal as One
- From 2021 to April 2022: trained & supported **781 MSMEs** to produce BCR Plans
- Participants are able to produce 'useful and deployable' BCR Plans; NWPC mentors check and provide coaching upon submission.
- BCRP recently being offered face-2-face in regions;

Click links

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ILO-ECOP-PHILWEN Business Continuity Planning Workshop

- Training programme to support women enterprises in NCR and Cebu to build business resilience

- Share their learnings, experiences, knowledge and support to help each others businesses through peer learning and technical learning sessions

ILO projects referred