

LIVING WITH FLOODS: PERSPECTIVES OF MICRO, SMALL, AND MEDIUM ENTERPRISES IN MARIKINA CITY, PHILIPPINES

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SUMMARY

Micro, small, and medium enterprises (MSMEs) are crucial in facilitating the restoration of the city after a disaster and in strengthening urban resilience. After all, they are the primary providers of goods and services, local employment, and revenue to the community. However, MSMEs are greatly at risk when natural hazards strike. Building their resilience, therefore, is vital. The dissertation examines 200 MSMEs located in Marikina City, a Philippine city regularly suffering from inundation.

For the first main chapter, Chapter 3, the objectives were to identify the impacts of flooding focusing both on the direct and indirect consequences of flooding; and determine the factors that affect flood damage using Tobit and Double-hurdle models. This chapter shows that MSMEs typically suffer from damages because of the physical impact of flooding on the premises and business facilities and content, like inventory and equipment, found in the establishments. However, MSMEs can be physically unscathed but still feel the effects of flooding through its market—its consumers, suppliers, and employees. A decrease in consumer traffic was one of the primary reasons why the enterprise experienced dwindling sales.

To have the ability to recover once they are hit by a calamity and incur damages and losses, MSMEs should know how to protect themselves and reduce their risks. The second main chapter, Chapter 4, addresses the questions on the implementation of disaster risk reduction measures and the role of flood experience, social capital, risk perception, and perceived preparedness on an MSMEs' intention to adopt DRR programs. To analyze the relationship among these variables,

the Protection Motivation Theory (PMT) was used as the main framework and assessed primarily through Structural Equation Modeling (SEM). Survey results demonstrate how unprepared enterprises are in protecting themselves against flooding as well as other natural hazards. A large portion of them do not have business continuity plans (BCPs) or insurance. From the SEM, flood experience and perceived preparedness have a positive relationship with willingness to insure and willingness-to-pay for insurance. However, risk perception does not show a statistically significant association. Moreover, obtaining information about flooding and insurance from their social networks can affect MSMEs' willingness to purchase insurance.

The purpose of this dissertation is to emphasize the importance of studying MSMEs in disaster research. Furthermore, it underscores the need for national and local government to craft plans that integrate MSME development and disaster, especially detailing physical and financial support. The study also stresses community-based disaster risk management along with the usual top-down approaches, acknowledging the role of the community and its members including MSMEs.