



# **Advancing Innovation in Philippine Cultural MSMEs: Balancing Tradition and Modernization**

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# INTRODUCTION

## Creative Economy



**PHP 1.72 trillion to the country's gross domestic product in 2023 (PSA, 2024).**



**Increasingly valued as a driver of both economic and social progress as they foster cross-sector innovation within global value chains**

# INTRODUCTION



**MALIKHAING**  
— P I N O Y —

Cultural MSMEs

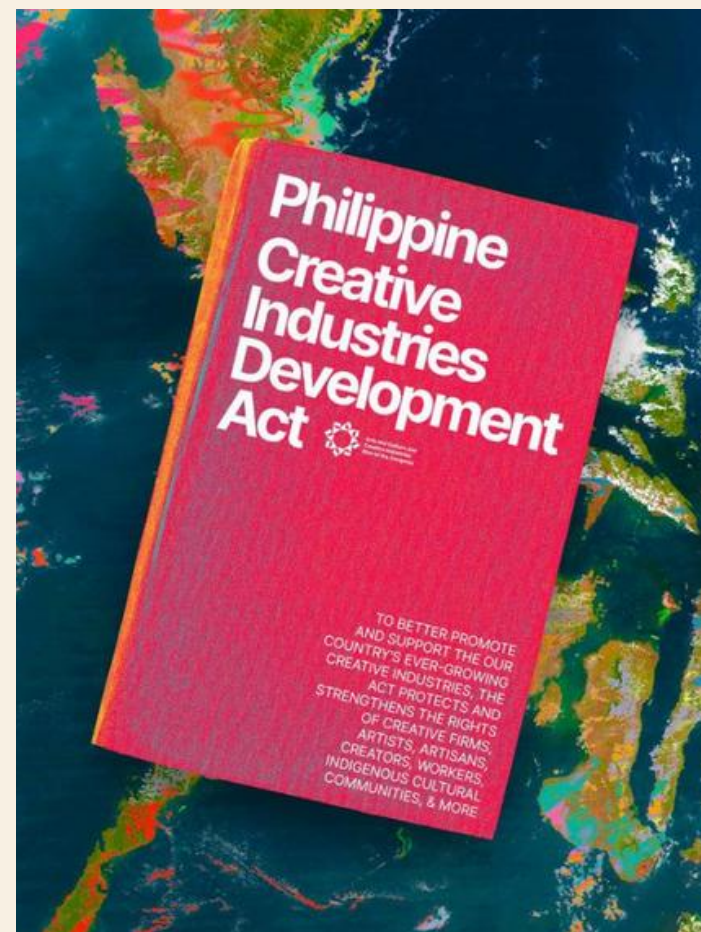
**3.4%**

**Php 1.72 Trillion**

**Gross Value Added (GVA) at Current Prices 2023**

# INTRODUCTION

## Policy Support



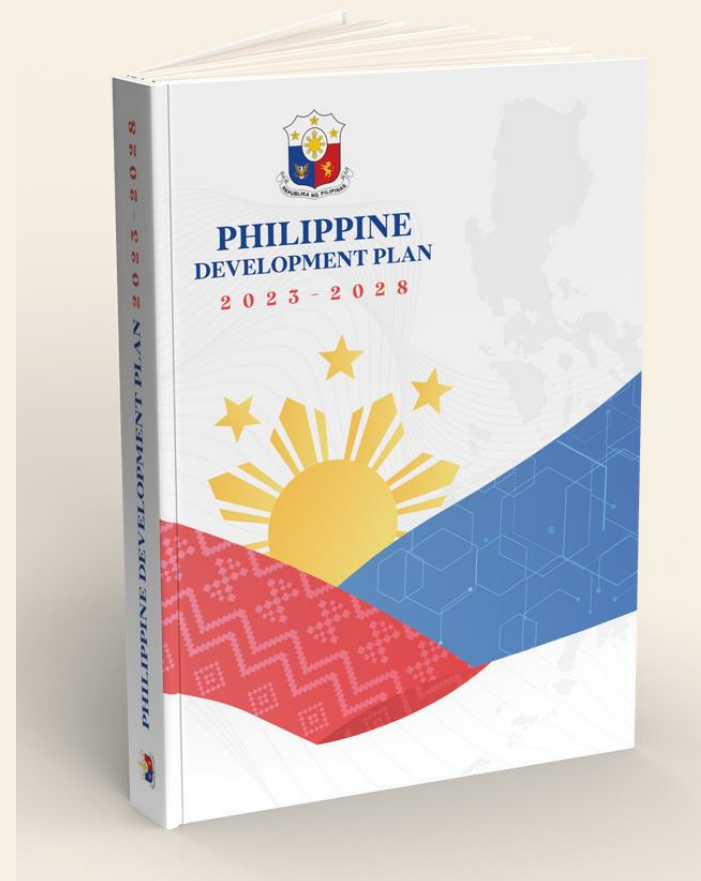
### **Republic Act No. 11904: Philippine Creative Industries Development Act (PCIDA)**

Lapsed into law in July 2022

Promote, support, and empower creative firms, artists, artisans, creators, workers, indigenous cultural communities, and other stakeholders.

# INTRODUCTION

## Policy Support

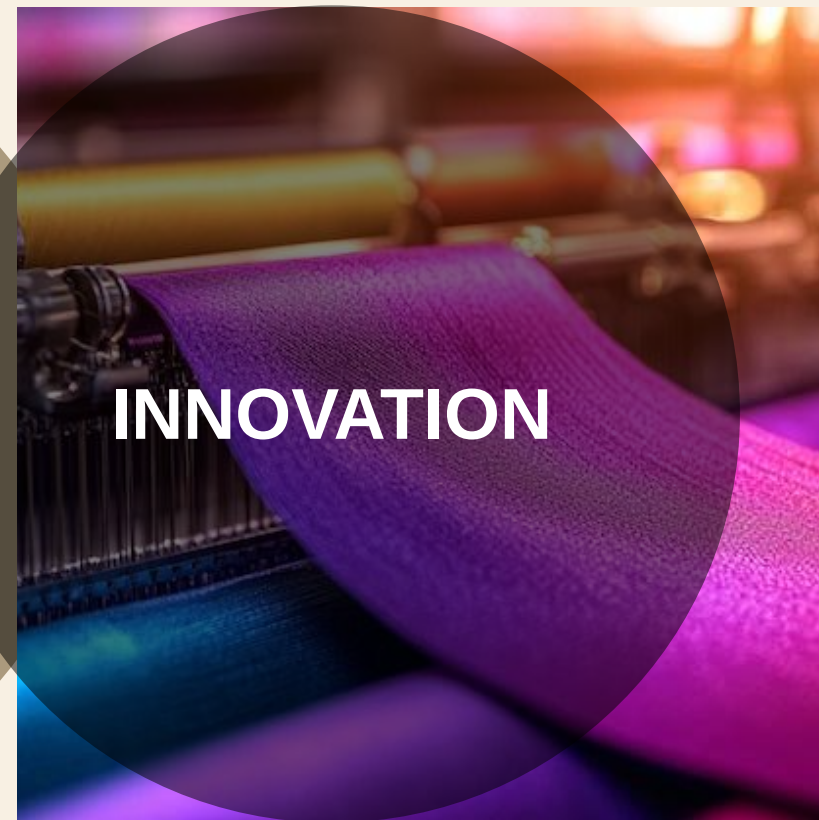


### **Philippine Development Plan (PDP) 2023-2028**

A key aim is to drive economic progress by strengthening cultural and creative industries and expanding their impact in local and global value chains.

# INTRODUCTION

## Challenges persist



**Scaling operations**



**Adopting new technologies**



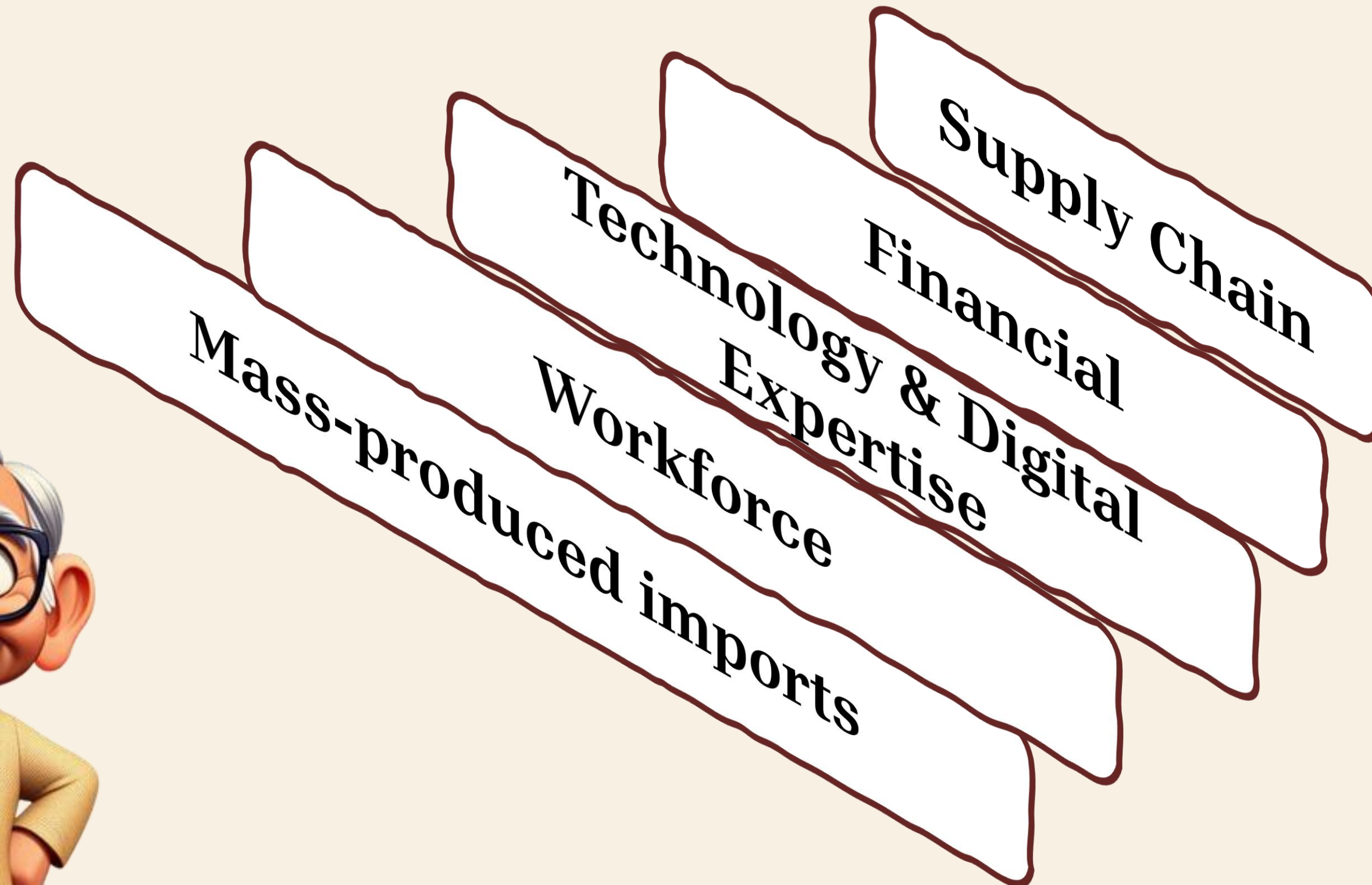
# INTRODUCTION

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*This study aims to support PCIDA implementation by evaluating innovations, motivations, challenges, and opportunities to enhance the competitiveness and sustainability of cultural MSMEs in the Philippines.*

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# WHAT ARE THE CHALLENGES?





# WHAT ARE THE INNOVATION STRATEGIES?

## INNOVATION IN CULTURAL MSMEs



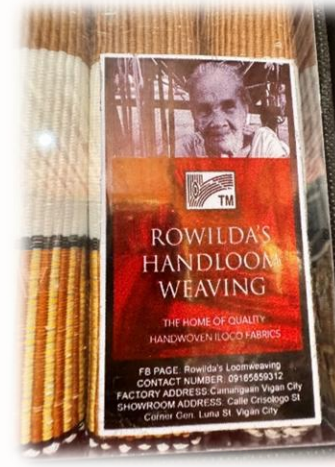
Product & Process  
Adaptation



Strategic Marketing &  
Promotion



Collaboration &  
Partnerships



Technology  
Integration



# WHAT DRIVES INNOVATION?

## MOTIVATIONS

Economic  
growth

Community  
Empowerment



Cultural  
Preservation

Personal  
Fulfillment

# Policy Recommendation

## 1. Promote fair competition and market access

Implement trade policies that curb the dominance of low-cost imports while promoting locally-produced goods.

## 2. Preserve traditional knowledge and foster skill development

Introduce financial incentives, mentorship programs, and curriculum integration to sustain artisanal skills.

## Policy Recommendation

### 3. Bridge the digital divide

Improve rural digital infrastructure and provide MSMEs with affordable training on digital marketing.

### 4. Promote innovation and intellectual property rights

Establish design centers and strengthen IP protection for traditional crafts.



## Policy Recommendation

### 5. Enhance access to finance and investment

Microfinance initiatives tailored to the unique needs of cultural MSMEs should be expanded.

# Empowered Cultural MSMEs



# FRAMEWORK FOR COLLABORATIVE ECOSYSTEM AMONG CULTURAL MSMEs, UNIVERSITIES, PRIVATE SECTOR, & LOCAL GOVERNMENT

## CORE PARTNERS

- Cultural MSMEs
- Universities
- Private Sector/ Businesses
- Government Agencies and Other Local Government Units

## SHARED OBJECTIVES

- Preserving Cultural Heritage
- Fostering Innovation
- Empowering Entrepreneurs
- Promoting Economic Development

## KEY CHALLENGES TO ADDRESS

- Modernization
- Skills Gap
- Access to Finance
- Market Access

## COLLABORATIVE INITIATIVES

- Skills Development
  - University-MSME Partnerships
  - Government-Funded Skills Development Centers
- Modernization and Innovation
  - Cultural Innovation Labs
  - Cultural Integrity Certification Program
- Access to Finance and Market Access
  - Cultural MSME Investment Fund
  - E-commerce Platforms and Digital Marketing Support
  - Integration with Tourism Initiatives

## MONITORING AND EVALUATION

- Establish clear metrics to track the impact of collaborative initiatives on MSME growth, cultural preservation, and economic development
- Conduct regular assessments to identify areas for improvement and adjust strategies as needed
- Create a feedback mechanism to gather input from all stakeholders and ensure the program's responsiveness to evolving needs.

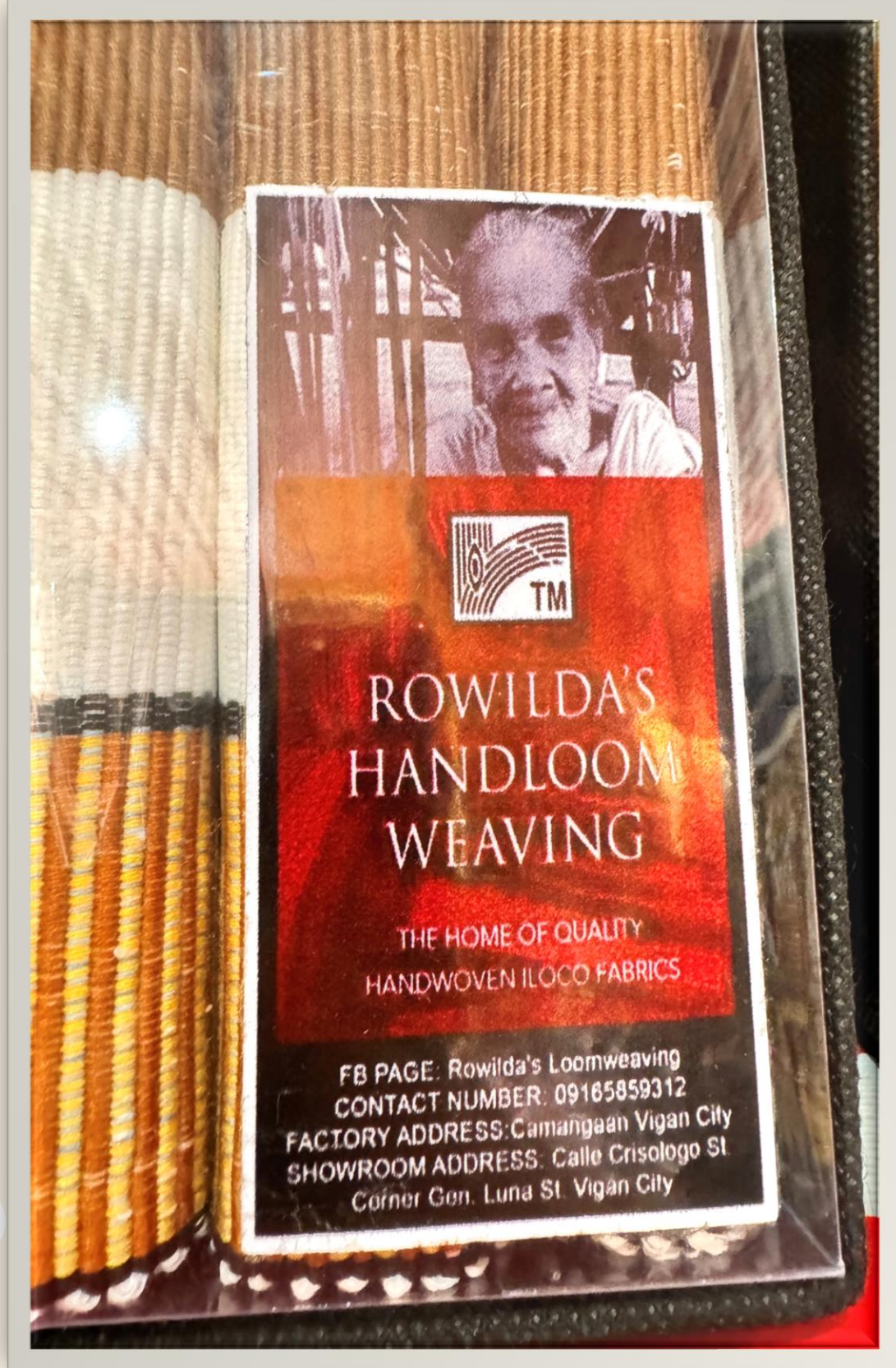
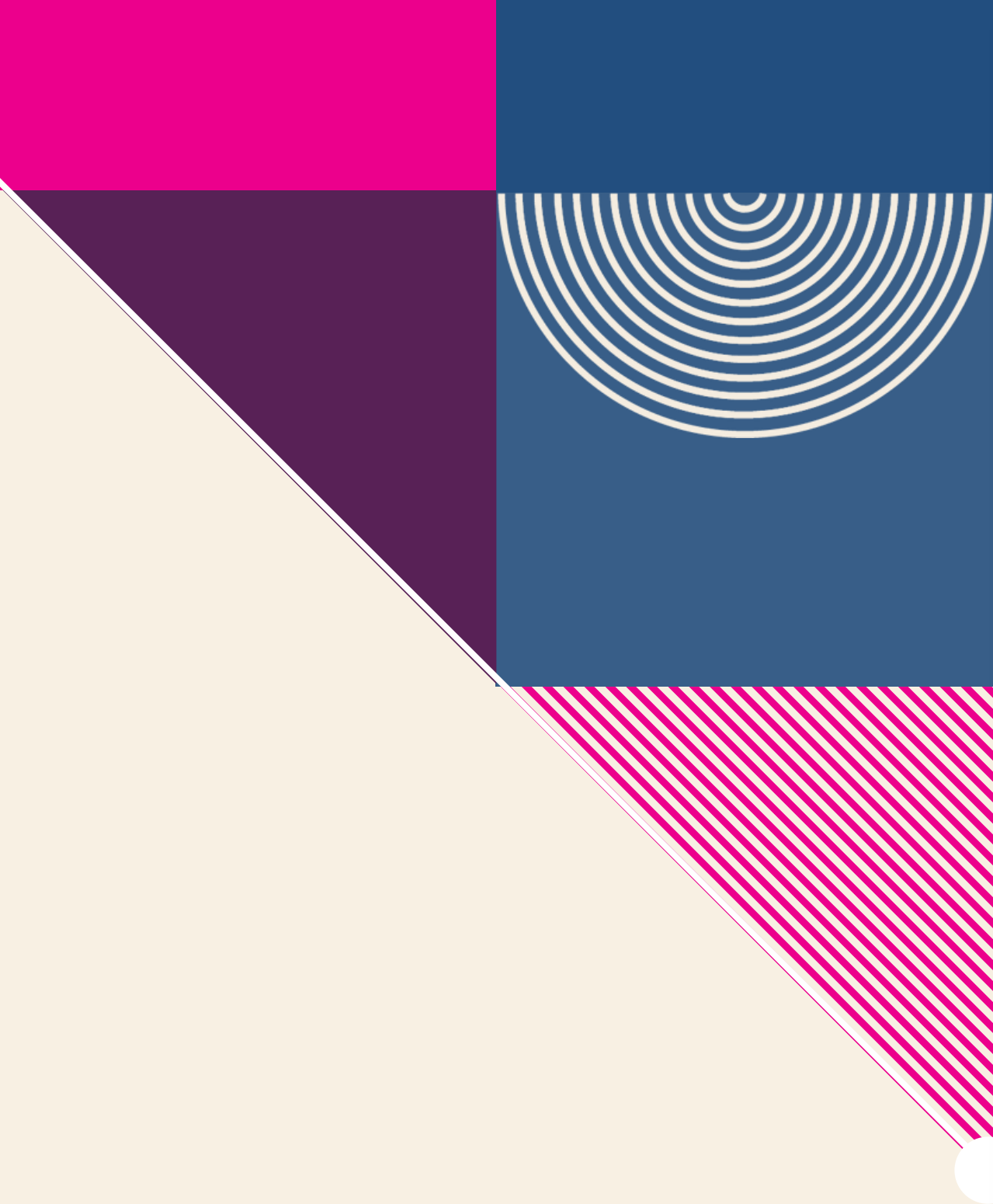


# A CALL TO COLLECTIVE ACTION

ROW  
HAND  
WEA  
THE HOM  
HANDWOVE  
FB PAGE: ROWI

100%  
CACAO CHIPS





**ENGAGES OUR NATION,  
EMPOWERS THEIR CREATION!**



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