Startups Promotion for Overcoming Middle-Income Trap in the Philippines: Effects, Challenges, and Strategies

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ARTICLE INFO	ABSTRACT
Published Online: 13 July 2023	The middle-income trap (MIT) states that middle-income economies have found it challenging to upgrade to reach the high-income stage over an extended period. Overcoming MIT has long been discussed as an essential social issue related to fewer job opportunities and unstable income, notably in Southeast Asia. Particularly, the Philippines has the most extended history of operating under MIT. The Improvement in ease of doing business (EDB), primarily through startups promotion, is the most significant way to solve the economic development issue. However, much less previous research on the relationship between EDB through startups and MIT in the Philippines and on the development strategy relevant to the EDB for overcoming the MIT from the updated Philippine Development Plan were identified. Tran's economic development stage model and Hara's business development model were utilized to examine the predictive relationships between the economic development stage and EDB. Using secondary data compiled between 2002 and 2021, primarily from the World Development Indicators and multiple linear regression modeling, the strength of the EDB through startups predicting the percentage change in R^2 variance in the MIT was evaluated in nine Southeast Asian economies. Using natural data, EDB was found to be a significant predictor (F [1, 100] = 9.332 p = .003) and is thus a substantial factor in escaping MIT. Then, using the grounded theory model and observing the initial conditions of establishing startups, a time-consuming procedure with high cost due to the strict regulations for foreigners can be a significant culprit in the Philippines. Also, a development plan for overcoming MIT through upgrading the EDB in the Philippines was demonstrated by conceptually integrating two platforms of economic development and business development through startups promotion into one concept. Positive social transformation emanates from the continued support of revising development policies of startups to escape MIT in the Philippines.
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1. INTRODUCTION

While the world economy has greatly advanced since World War II, a number of economies have struggled for growth, prosperity, and development. Indeed, certain parts of the world have seen higher achievement in growth and prosperity over many decades. Notably, East Asian economies, including Japan, South Korea, Taiwan, and China, have achieved significant development since World War II (Perkins, 2013). Nevertheless, further development, growth, and social welfare need to be promoted elsewhere in Southeast Asia. Gill and Kharas (2007) has paid close attention to the strategy of how to overcome the middle-income trap (MIT) in many parts of the world. These two authors have classified all countries in the world into high-, middle-, and low-income groups according to various

indicators and proposed the concept of the MIT in 2006. Southeast Asian economies including Vietnam, Indonesia, and the Philippines, have been ranked as lower-middle income economies, while China, Thailand, and Malaysia as higher-middle income economies for 10 years or more. Indeed, data for the 1960s reveals 101 middle-income economies in the world, of which only 13 economies and regions achieved the high-income levels in 2008 (World Bank & PRC, 2012). Most countries have thus found it difficult to upgrade national income levels, thus having fallen into the MIT over the past 40 years (Tran, 2016). Also, given the wide range of situations among the middle-income economies, the World Bank (2007) classified them into higher-middle income economies (HMIEs) and lower-middle income economies (LMIEs). From this discussion, the urgent

question of how to overcome the MIT emerges as a key social problem to be addressed. Remarkably, one of the key issues in addressing the MIT is linked to the opportunity for securing employment and increase the individual income through industrialization. Particularly, the Philippines has the longest duration to be under the lower-middle income stage for over 35 years since 1987, despite several good conditions for promoting economic development. Besides, in angulation of the new Filipino president, Bongbong Marcos since July 2022, all the development policies in the Philippines need to be reconsidered for better choice and focus. In linking the problems, what I am going to contribute through this study is to observe the possibility of factors predicting the MIT, and ultimately formulating a suggested development policy to overcome the MIT as a public-policy changes in upgrading the income status in the case of the Philippines.

2. REVIEW OF LITERATURE AND IDENTIFICATION OF STUDY GAPS
2.1 Review of Literature
The review of literature is composed of four disciplines of reviewing economic outlook in Southeast Asia, mechanism of Economic Development, Middle-income Trap, and the Philippines' development status and its plan under the new regime, and then several study gaps are demonstrated through the literature review.

2.1.1. Economic Outlook in Southeast Asia
There is a wide variety of statistical information relevant to the development status in the developing world. Regarding the statistical records, the *World Development Indicators* (WDI) would be one of the representative statistical data. One simple example that demonstrates the national economic status is income. Gross National Income (GNI) per capita is one of the most recognized indicators to show the individual income status per country. Table 1 summarizes the GNI per capita trend from 1990 to 2021 per nation both in East and Southeast Asia. Surely, Northeast Asian economies have progressed economically, while less dramatic improvements are visible in Southeast Asia, including Indonesia, India, and the Philippines. However, in observing the GNI per capita carefully, we can see that there is a stark discrepancy evidently; several economies of Japan, Korea, Hong Kong, and Singapore are in high-income status, while the other nations, including China, and the rest of the Southeast Asian economies, have been under the higher middle-income status until 2021.

Table 1. The Trend of GNI per capita (Atlas Method) per region

Region/Year	1990	2000	2012	2015	2018	2021
East Asia						
Japan	27,820	36,810	50,060	39,380	41,770	42,620
Republic of Korea	6,450	11,030	25,660	28,720	32,750	34,980
China	330	940	5,910	7,890	9,540	11,890
Hong Kong	12,660	26,930	36,340	41,180	50,050	54,450
Southeast Asia						
Singapore	11,450	23,680	51,710	53,160	56,670	64,010
Thailand	1,540	1,980	5,520	5,710	6,610	7,260
Malaysia	2,400	3,460	10,180	10,680	10,650	10,930
Indonesia	560	580	3,580	3,430	3,840	4,140
The Philippines	830	1,180	2,860	3,380	3,710	3,640
Vietnam	130	380	1,970	2,460	3,030	3,560
Myanmar	40	130	990	1,170	1,220	1,140
Lao PDR	190	280	1,370	1,980	2,490	2,520
Cambodia	N/A	300	880	1,060	1,380	1,550
World	4,205	5,522	10,540	10,664	11,179	12,070

Source: *World Development Indicators* (2022)

Meanwhile, one more point that can be addressed from the table is that there has been a sustainable growth in GNI per capita in Southeast Asia. Remarkably, there has been a stark difference between Malaysia and Thailand, and the other economies, including Cambodia, Indonesia, Lao P.D.R., Myanmar, the Philippines, and Vietnam in 2021. The former group overpasses the income with the figure of 7,000 US$ to

11,000 USD, while the latter remains the income less than 4,000 US$. In focusing on the Philippines, the income has raised from 830US$ to 3,640US$ over the past 30 years, and we cannot see the skyrocket of the income increase unlike Malaysia, Singapore, as well as the other East Asian economies, such as Japan, the Republic of Korea, and China, and Hong Kong. The World Bank (2022) estimated the four income stages: Low-income (less than US$1,045), Lower-middle Income (US$1,046 to 4,095), Higher-middle Income (US$4,096 to 12,695), and High Income (over US$12,696). Based on the classification, the Southeast Asian economies are congregated in the status of lower-middle and high-income, except Singapore as high-income.

Another important statistical data is that the UNDP (2021) established the Human Development Index (HDI) with the three elements of life expectancy, enrolment rate for secondary education, and GNI per capita based on the idea of Sen's "Capability Approach" (Sen, 1999, p.5). The HDI emphasized the significance of measuring poverty from perspectives other than individual income, ranking the index

scores per nation worldwide (UNDP, 2022). Interestingly, there was a massive gap in the HDI figure in Southeast Asia; several economies, including Singapore, Malaysia, and Thailand, were ranked higher, while the other economies of Indonesia, Vietnam, Lao P.D.R., the Philippines, Cambodia, and Myanmar were congregated under 110th in 2021 (See Table 2 below).

Finally, one more statistical data relevant to business development from the World Bank (2022) is the Ease of Doing Business Index (EDBI), which represents how accessible business is regionally or nationally. The EDBI ranks economies from 1 to 190, determined by sorting the aggregate ease of doing business scores. A high ranking (a low numerical rank) means that the regulatory environment is conducive to business operations (World Bank, 2022). A similar tendency to the HDI can be demonstrated in Table 3 below; the Philippines, Cambodia, Lao P.D.R., and Myanmar are congregated under 100th, while Singapore, Malaysia, and Thailand are within 50th in the year 2018 (The database Year of 2019 in the World Bank).

Table 2. HDI in East and Southeast Asia (2021)

No.	Country	HDI Rank	HDI Score
1	Singapore	12	0.939
2	Japan	19	0.925
3	Republic of Korea	19	0.925
4	Malaysia	62	0.803
5	Thailand	66	0.800
6	China	79	0.768
7	Indonesia	114	0.705
8	Vietnam	115	0.703
9	The Philippines	116	0.699
10	Lao P.D.R.	140	0.607
11	Cambodia	146	0.593
12	Myanmar	149	0.585

Source: UNDP (2022)

Table 3. EDBI in East and Southeast Asia (2019)

No.	Country	EDBI Rank	EDBI Score
1	Singapore	2	85.24
2	Hong Kong	4	84.22
3	Republic of Korea	5	84.14
4	Malaysia	15	80.60
5	Thailand	27	78.45
6	China	46	73.64
7	Vietnam	69	68.36
8	Indonesia	73	67.96
9	The Philippines	124	57.68
10	Cambodia	138	54.8
11	Lao P.D.R.	154	51.26
12	Myanmar	171	44.72

Source: *World Development Indicators (2022)*

2.1.2. Mechanism of Economic Development

The mechanism of economic development can be understood by examining several representative economic development theories from the 1950s to the 2000s. Lewis (1954) suggested the theoretical concept of a "Dual Economy" with traditional (agricultural) and modernized (non-agricultural) sectors; he observed the process by which the labor surplus generated in the traditional sector was incorporated into the industrial sector, identifying the "turning point" that led to industrialization (Lewis, 1954,

p.164). Considering these models, Rostow (1956) suggested five stages of economic development: from a "traditional society," to "the pre-conditions of take-off," "take-off," the "drive to technological maturity," and finally "high mass consumption" (Rostow, 1956). Furthermore, paying closer attention to the effect of industrialization on per capita income, Ranis and Fei (1961) developed the principle of wage determination by observing the correlation between labor and productivity in the industrial sectors, formulating the Ranis–Fei Model (Ranis & Fei, 1961). Based on these

economic theories, Tran (2016) arrived at a simple conceptual framework describing the economic development stages over time. Invoking such key terms as the "turning point" (Lewis, 1954) and "take-off" (Rostow, 1956), the author formulated a framework progressing from low-income, middle-income, and to high-income stages.

Furthermore, paying closer attention to the stages of the industrialization in East Asia, Ohno (2009) summarized the "catch-up" process of industrialization. With reference to the East Asian cases, he stressed the importance of improved policy making and private sector activation to reach the tertiary stage and overcoming the MIT (Ohno, 2009). Ohno (2010) formed the stages of "catch-up" industrialization, then classifying industrialization into five stages, from "prior to the industrialization," to the "initial introduction of foreign capital manufacturing corporations," "internalization of parts industries," "internalization of key skills and technology," and finally the "internalization of innovation" (Ohno, 2010). Paying close attention to four ASEAN countries —Thailand, Malaysia, Vietnam, and the Philippines— his work then located the MIT in the context of the industrialization and identified what is required to step up to the next stage on a case-by-case basis. For instance, to proceed from stage zero to the first stage, foreign manufacturing needs to be introduced in fragile economies, especially in sub-Saharan Africa with the poorest one billion people, "Bottom Billion" (Collier, 2008). In the lower-middle income economies, manufacturing establishments must accumulate through foreign direct investment. After these foreign capital industries mature, parts industries may be internalized, thanks to training opportunities whereby employees can acquire the skills needed to manufacture the parts, producing materials for the third stage. Also, the local economy must master the management techniques and technologies for producing higher-quality products. Finally, innovation and creativity can help manufacturing industries lead to world-class status (Ohno, 2010). In this framework, current LMIEs are to be found in the first stage of this transition, while HMIEs are at the second stage.

Another theory that has been considered suitable for the current world economy since the 2010s would be that, especially since 2015, the "Leapfrog Development Model" has appeared in some parts of the developing and emerging world. The Leapfrog phenomenon can happen in organizations and the leadership of countries or cities. Developing countries can skip stages of the path of industrialized economies, enabling them to catch up with economic growth as rapidly as possible (MIC, 2019). Indeed, this phenomenon was seen in some parts of the low and lower-middle income countries (LLMICs), including the case of Southeast Asia, South Asia, and sub-Saharan Africa where the number of people who use the social networks, such as Facebook, Instagram, Twitter, YouTube, etc. has skyrocketed over the past 10 years (Rosling, 2018). In this way, the "Leapfrog Development Model," notably to make technologies transferrable and applicable to the developing world (Lee, 2021), can also be the case.

2.1.3. Middle-income Trap

International organizations, notably including the Asian Development Bank and the World Bank, have been discussing the MIT for a considerable period (Gill & Kharas, 2007). These authors have classified all the world's economies into high-, middle-, and low-income groups and proposed the concept of the MIT in 2006 (Gill & Kharas, 2007). Following the definition of a "trap" as "a dangerous or unpleasant situation which you have got into and from which it is difficult or impossible to escape" (Cambridge Dictionary, 2022), they applied this definition to the situation of middle- and low-income economies. A longer-term difficulty in escaping the low- and middle-income stages and reaching enhanced levels of prosperity is considered the definition of the MIT. In particular, Southeast Asian economies, including Vietnam, Indonesia, and the Philippines, have remained among the lower-middle income economies for over twenty years. As explained earlier, the World Bank (2022) estimated the four income stages: Low-income (less than US$1,045), Lower-middle Income (US$1,046 to 4,095), Higher-middle Income (US$4,096 to 12,695), and High Income (over US$12,696). Most of these countries has still found it difficult to increase per capita income, remaining within the MIT over the past 40 years (Tran, 2016).

Table 4 presents the trend in income levels since 1987 in Southeast Asia. First, the four economies at the low-income stage in 1987 (Indonesia, Vietnam, India, and China), have upgraded to at least the LMIE threshold. Notably, China has reached HMIE status since 2010, with the annual economic growth rate exceeding 10% over the past 15 years. Secondly, some LMIEs in 1987 (Malaysia and Thailand) have reached HMIE status (in 1992 and 2010 respectively). As a result, in 2021, Southeast Asia became composed of several groups of LMIEs and HMIEs by improving the income status.

The Asian Development Bank (2017) identified the factors, including "unfavorable demographics," "the low level of economic diversification," "an inefficient financial market," "insufficient infrastructure," "a low level of innovation," "weak institutions," and "an insufficient labor market," as contributing to the MIT (ADB, 2017, pp. 16–17). Meanwhile, substantial conditions to promote economic development were identified as infrastructure, industrialization, an efficient financial market, a sufficient labor market, governance, social welfare, political institutions, etc. (ADB, 2017; Allen, 2013; Otsuka, 2020). In reviewing the factors contributing to MIT in Southeast Asia, most researchers have emphasized the significance of promoting industrialization as being highly significant in promoting economic development.

Table 4. The Trend of Income Level Transition in East, Southeast, and South Asia

Countries in East Asia	Income stage in 1987	Years to be lower-middle Income	Years to be higher-middle Income	Income stage in 2021	Years to stay under middle-income level
Malaysia	LM	1987	1992	HM	30
Thailand	LM	1987	2010	HM	12
Indonesia	L	2003	2021	HM	17
Philippines	LM	1987	-	LM	35
Vietnam	L	2009	-	LM	13
China	L	1997	2010	HM	12
India	L	2007	-	HM	15

Note: L = Low income, LM = Lower-middle income, HM = Higher-middle income.
Source: "Emerging Economies and the Middle-Income Trap in Asian Perspective," *The Japan Society of International Economics, 67*, by Tran Van Tho, 2016, p. 74, Hara revised.

2.1.4. Startups Promotion

Undoubtedly, business promotion is inextricably linked to economic development in the capitalist society. Since the 2000s, from the perspective of economic development through poverty reduction in the developing world, harnessing business products and services, especially with inclusive business, fair trade, and CSR has been trendy. Notably, "the Base of Pyramid" (BOP) business has been paid attention to by international organizations and governments. The BOP business's primary aim is to improve impoverished people's lives by actively involving them in businesses as consumers, producers, sellers, or distributors (London, 2007).

Meanwhile, the term "startups" was launched, especially in the 2010s, which is defined as "young companies founded to develop a unique product or service, bring it to market and make it irresistible and irreplaceable for customers." (Forbes, 2023) Baldridge and Curry (2023) stated that the stark difference between startups and other regular companies is speed and growth; startups can achieve dramatic growth through rapid improvement in their products and services with feedback and usage data going into the targeting markets. Startups generally earn money through several processes of rounds for funding: bootstrapping, seed-funding, series A, B, C, and D funding rounds, and open as a public company (Hasegawa, 2019). Representatively, Google, Uber, Facebook, and Twitter are good examples of becoming global companies starting as startups. With the features of startups, Kato (2022) theoretically analyzed the effects of startups on economic growth, resulting in the significant roles they play, especially in entrepreneurial competitiveness, innovation promotion, and further employment. In a word, startups are the ones to promote creative destruction for penetrating new markets, especially for developing countries to be lifted out of poverty (Christensen et al., 2019).

2.1.5. The Philippines' Development Status and its Plan on Startups under the New Regime

In reviewing several statistics relevant to socio-economic development, I found that the Philippines has remained the same as the lower-middle income level since 1987. Over thirty years have passed since this economy has been under the same income stage. The Philippines has the longest history of operating under the MIT of any of the countries surveyed. Indeed, many experts see that no other economies have possessed favorable initial conditions for economic development than the Philippines. Primarily, the earlier establishment of democracy, the arrangement of agrarian reform for the "Green Revolution," and the English-spoken environment are featured as the primary advantages of promoting economic progress (Nakanishi and Maquito, 2016).

Despite these desirable initial conditions, socio-economic indexes have shown challenges for economic development in the Philippines, and its GNI per capita (US$ 3,640) remains within the LMIE range (WDI, 2022). Meanwhile, it also has a lower HDI than other countries—0.699, ranked 116th (UNDP, 2021) —fares even worse in its business environment, with its Ease of Doing Business Index (EDBI), ranked 95th out of 190 economies in the world in 2019 (World Bank, 2022). These indexes can suggest the challenges involved in escaping MIT. Thus, inappropriate policies to take advantage of its good initial conditions could be a hidden factor perpetuating MIT in the Philippines. Also, socio-economic indexes need to be improved in the Philippines, notably by reviewing such institutional aspects as infrastructure arrangements, transparency in governance, and the ability of law enforcement to minimize political corruption (Tran, 2016). From such more accurate measures, the analysis of MIT in the Philippines would allow further insight into this social problem. Based on the statistical data presented above, further improvement in the income level in East Asia is required from the HMIE to the high-income group and from LMIE to HMIE, respectively. Therefore, escaping MIT is one of the most critical social problems identified in previous studies to permit further development in East Asia.

Meanwhile, the updated PDP emphasized the significance of "Resiliency" with the main three pillars of trust, equity, and growth potential. Beneath the pillars are more specific

chapters on realizing them by anchoring on the government's zero to ten-point socio-economic agenda and accelerating to achieve the long-term national vision. Remarkably, their focus in addressing the development issues is a wide range of issues; infrastructure, agricultural reform, taxation, business environmental improvement, land-ownership reform, human capital development, advancing science and technology, and social security (NEDA, 2021). Still, based on the solid intention of the former president, Rodrigo Duterte (2016-2022), promoting infrastructural development has been emphasized with the slogan of "build, build, build" in his faith (Ide, 2017). On the other hand, the new president, Bongbong Marcos, who started the new administration in July 2022, launched both the short-term and mid-term plans by focusing on promoting employment and fair trade (JETRO, 2022). He has focused on several essential development issues taken over from his predecessor.

Figure 1. A Framework to Expand Economic Opportunities in I&S for Startups, MEMEs, and Cooperatives
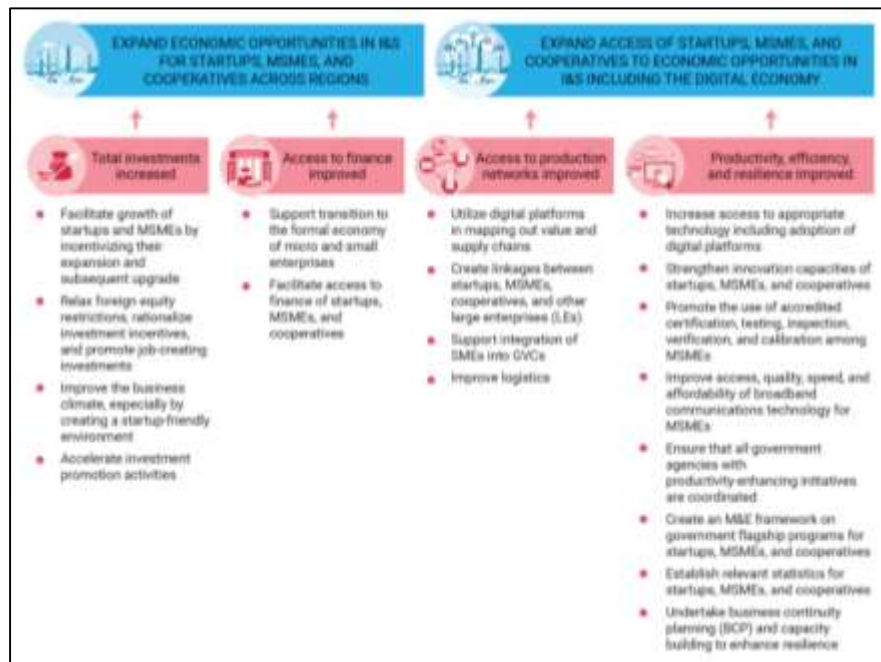
Source: *Philippine Development Plan (2021)*

Further, in looking at the agenda of Startups and MSMEs (Micro, Small, and Medium Enterprises), the PDP provided the strategic framework to expand the Startups and MEMEs to improve the business environment in the Philippines, as shown in Figure 1. The primary target of forming the framework is to expand business opportunities for Startups and MEMEs through investment, financial improvement, production network, and improvement in productivity, efficiency, and resiliency (NEDA, 2021). All in all, the Filipino government has been concerned with how to promote ease of doing business (EDB) to upgrade income levels.

Meanwhile, in gaining insight into the number of the startups in the Philippines from 2017 to 2021, the Philippines had the figure of 273 firms in 2017, continuously increasing the figure up to 700 in 2021 (Statista, 2022). Several examples of the startups, including, Zennya, Sprout Solutions, Coins.ph, etc., play the significant roles in accelerating the digital economies in the Philippines by following the footsteps of global tech hubs Singapore and Hong Kong (David, 2018). In this way, the Philippines have attempted to catch up the trend of increasing the number of startups year by year for promoting further economic development, especially since 2017 onward.

2.2. Identification of Study Gaps

Two potential study gaps were found to be framed as research problems below.

Firstly, despite the recognition of promoting business activities in the developing world, much less research on the relationship between the EDB and MIT in the Philippines was identified in the existing research. Indeed, it is evident that expanding business opportunities help nations promote economic growth in the long run. A similar study was found by the World Bank (2019), concluding that the creation of new businesses generates jobs and economic opportunities for the poor in the world. Nevertheless, in the context of the Philippines in Southeast Asia, the specific conditions, and disadvantages for promoting business activities' easiness, notably for startups, are not seen from the PDP. From this point of view, it would be necessary to see to what extent and how the EDB can impact MIT in the case of the Philippines.

Secondly, despite recognizing the significance of revising the development policies in each developing country, much less research on the strategic study relevant to the ease of

doing business for overcoming the MIT in the Philippines was identified from the updated PDP. Indeed, there has been a significant impact of promoting a business on economic development studied and led representatively by the governments and international organizations (World Bank, 2022). A detailed explanation of how to promote MSMEs was described in the updated PDP, while the specific strategy of promoting the EDB through promoting startups was not clearly described. Therefore, a strategic framework to improve the EDBI to avoid MIT needs to be further addressed academically and practically.

3. RESEARCH OBJECTIVES AND RESEARCH QUESTIONS

3.1. Research Objectives

This study's primary purpose is to contribute to overcoming the MIT in Southeast Asia, notably in the Philippines, where they have spent the most extended duration of the trap, by observing the major factor contributing to the Ease of Doing Business affecting the MIT by using the mixed-method and formulating a strategic development framework to promote doing-business easiness for startups to overcome the MIT via qualitative study. Based on the study's purposes, here are the research questions (RQs).

3.2. Research Questions

Based on the study gaps and objective, here are the research question (RQs) as follows:

RQ1: What can be the major culprits of deteriorating the Ease of Doing Business through startups affecting the Middle-income Trap in the case of the Philippines?

RQ2: How should a socio-economic development strategy to overcome the Middle-income Trap with the improvement in the Ease of Doing Business through startups in the Philippines be formed?

4. FRAMEWORKS

4.1. Theoretical Framework: Middle-income Trap and Ease of Doing Business

Theoretical framework refers to a general or broader set of ideas by scholars for demonstrating the relationship that exists between the primary variables, primarily through quantitative research (Dickson et al., 2018). Specifically, with the research purposes of contributing to the MIT through the EDBI in developing countries, two primary perspectives of economic development and business development were captured.

Invoking several key terms as the "turning point" (Lewis, 1954) and "take-off" (Rostow, 1956), Tran (2016) formulated a framework progressing from low-income, middle-income and to high-income stages, hypothetically theorizing the stages of development in terms of four income groups: low-, lower-middle, higher-middle, and high-income economies. The author then explored how to escape the MIT by dividing the issue into two syndromes: the lower-middle-income trap (LMIT) and the higher-middle income trap (HMIT). He then proposed that improvement in the institutions for development and room for capital-investment growth offered a path out of the LMIT, while the enhancement of the total-factor productivity (TFP) and human resource development could help national economies to escape the HMIT (Tran, 2016). In addition, the World Bank (2022) classified the Ease of Doing Business into four levels of "Below Average," "Medium," "Easy," and "Very Easy" in accordance with the index figure measured by the economists of Dyankov and Pohl.

Based on Tran and Dyankov and Pohl (2022), a new framework can ultimately be established. Figure 2 represents the relationship between the economic development stage and EDB status by income levels, which was primarily applied by the model by Tran (2016). Specifically, Line AB stands for the low-income stage; the countries in the stage need to improve the EDB status from "Below Average" to "Medium" as shown in Figure 1. Then, the EDB status should further be promoted for overcoming the LMIT (Line BC and CC') from "Medium" to "Easy." Also, under the line C-D and DD', the status should ultimately be promoted from "Easy" to "Very East" for finally achieving E, and thus escaping the HMIT. This theorization can play a role in making the relationship between economic development and EDB more evident.

From this point of view, this theoretical framework can show the connection between the key variables of the individual income and the EDB status. With the main variables of the GNI per capita (Atlas Method, US$) used for the MIT and the EDBI, the quantitative approach, the first research purpose, and the RQ1 are connected to this framework, notably in observing the impact of the EDBI on the GNI. Thus, the framework can be rationalized with the existing models.

Figure 2. A Theoretical Framework of Development Stages of an Economy and Ease of Doing Business
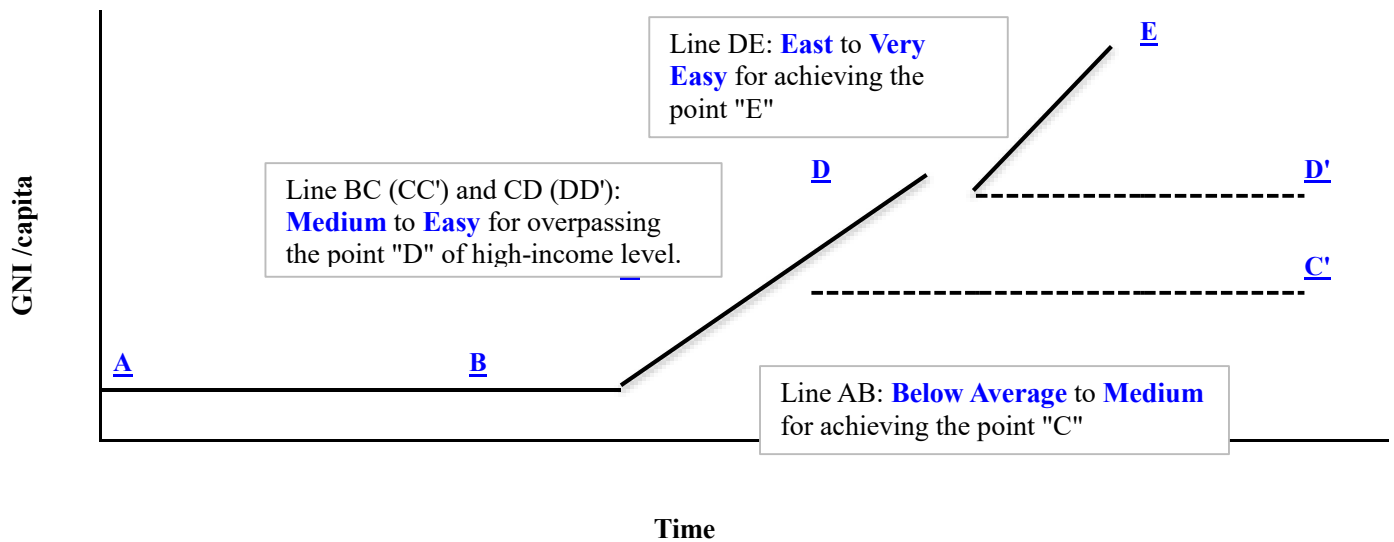
4.2. Conceptual Framework: Business Development Strategy for Economic Development

Meanwhile, conceptual framework refers to an analytical tool that is used to have a comprehensive understanding of a phenomenon in various fields of studies by visually explaining key concepts or variables and the relationships between them that need to be studied (Swaen, 2021).

Hara (2021) developed his new conceptual framework relevant to the business development strategies for the developing world toward poverty reduction per income group, by focusing on the Base of the Pyramid (BOP) business; low-income, lower-middle income, and higher-middle income. It can help visually to show the roadmap of poverty reduction per income stage by indicating which development issues should be addressed and which BOP business stage should be focused on as appropriately as possible.

This framework can help formulate a new strategic framework relevant to the EDB for avoiding MIT by paying attention to the combination of two elements of economic development and business development in the developing world and the classification of the strategy by income levels. In this regard, the framework can potentially be applied to the RQ2 to formulate a development strategy of promoting EDB through startups for overcoming MIT by referring to the updated PDP.

5. METHODOLOGIES
5. 1. For RQ1
5.1.1. Data-Collection and Treatment

Overall, for arranging the dataset to approach RQ1 quantitatively first, I used the secondary data in several variables. For covering the missing data, I used five items of "Ease of Doing Businesses" "GNI per capita," and "HDI," "Governance," "Industrialization," "Labor Market,"

"Infrastructure," and "Human Capital" this time. The data was primarily gained through the publicly open websites from the World Bank and the United Nations Development Programme in 2002 to 2021 with nine economies in Southeast Asia (Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, Timor-Leste, and Vietnam). The dataset listed the World Development Indicators of WDI, the World Governance Indicators (GNI, 2022) and the Human Development Index of HDI ($N = 180$ (20 Years with 9 Economies)). One weakness to be reported in this paper is that I could not handle the missing data this time, thereby utilizing a pairwise sample. The other weakness regarding the sample collection to report here is that I could not collect as much "Ease of Doing Business Index (EDBI)" as possible from the World Bank, primarily because of the massive missing samples. I got only 45 samples from 2015 to 2019 from the World Development Indicators. Instead, I employed "Score-Starting a Business," which is included as an essence of the EDBI (World Bank, 2022). Since this study focuses on how much the EDB for startups affects MIT in the Philippines, it would be more justifiable for me to employ the variable instead of the EDBI directly.

Key Variables for Quantitative Analysis:
IV = Ease of Doing Business: "Starting a Business Score" in Ease of Doing Business Index was employed as continuous variables from the *World Development Indicators* (2022).
DV = MIT: GNI per capita (Atlas Method, US$) from the *World Development Indicators* (2022) were employed as continuous variables
Controlled Variables (CVs):

1. Governance: The index of governance indicators including transparency in policymaking, efficiency in administration service, investment environment, and rent seeking from *World Governance Indicators* (2022) were employed as the continuous variables.
2. Industrialization: The value added of manufacturing (% of GDP) from *World Development Indicators* (2022) was employed as continuous variables.
3. Labor market: The labor force participation rate (% under aged 15+) from *World Development Indicators* (2022) was employed as continuous variables.
4. Infrastructure: Logistics performance index: Quality of trade and transport-related infrastructure (1 = low to 5 = high) from the *World Development Indicators* (2022) was employed as continuous variables.
5. Human Capital: Human Development Index was employed from UNDP (2022) as continuous variables.

Meanwhile, for qualitative analysis, I found the necessary data relevant to the Ease of Doing Business strategy, helping people establish their own businesses to earn a higher income. Remarkably, I paid closer attention to the specific causes of why EDB is lower-ranked in the Philippines by observing the advantages and disadvantages in comparison with the other economies in higher-middle- and high-income economies in Southeast Asia. Specifically, I employed the archive data, primarily from international organizations the government agencies in three economies (Malaysia, Singapore, and the Philippines) in Southeast Asia, as the primary data, due to the most significant entities in this RQ. Specifically, the archive data relevant to the Startup business procedure in the Philippines were obtained.

5.1.2. Methodology

For RQ1, a mixed method was employed. This method combines elements of quantitative research and qualitative research to answer my research question with the expanded evidence, helping me gain a more complete picture than a standalone quantitative or qualitative study, as it integrates benefits of both methods (George, 2021). The mixed method has superiority in generalizability, contextualization, and credibility to the standalone quantitative and qualitative analysis. Remarkably, when examining the performance of online education both for quality and quantity of education, the standalone method cannot suffice. Also, when it comes to the research design, the effectiveness of educational performance can easily vary depending on the uncertain elements, including the individual's abilities, their characteristics, and the environments where they grow up. Therefore, I would think that qualitative data can explain and

contextualize the quantitative findings. In this way, it would be appropriate for me to choose an explanatory sequential design; quantitative data collection and analysis occurs first, followed by qualitative data collection and analysis.

The following procedure will be made to answer the question.

Firstly, I simply conducted quantitative analysis to see the effect of the EDB on the GNI per capita by employing the multiple-linear regression analysis this time. One reason for this is that I primarily observe the effect of the EDBI on the GNI per capita in the designated nine economies (Cambodia, Indonesia, Lao P.D.R., Malaysia, Myanmar, the Philippines, Thailand, Timor-Leste, and Vietnam) in Southeast Asia, especially by gaining insight into the figures of R^2 variance as coefficients of determination. R^2 stands for the coefficient of determination, indicating how much the IVs statistically contribute to the DV (U, 1985). R^2 variance is the figure indicating that the IVs influence the DV via the change in the value of R^2. R^2 variance is a significant catalyst for the study outcome and process. Notably, the figure is a significant barometer for determining if null hypotheses can be rejected or not by analyzing if it is lower than .05 to be significant. The multiple-linear regression analysis allows me to use the DVs' general values and the interval ratios of the IV to be measured. In this regard, using the linear regression model allowed me to answer the research questions with the values of R^2 increase. The original formula of the linear regression is shown below:

$$Y = \beta 0 + \beta 1 X1 + \ldots + \beta n Xn + \varepsilon \ldots\ldots\ldots\ldots (1)$$

For a brief explanation of each code, "*Y*" means the predicted value of the dependent variable, "*β0*" stands for the y-intercept (value of y when all other parameters are arranged to 0), "*β1X1*" represents the regression coefficient (*β1*) of the first independent variable (*X1*). It is worth describing how increasing the figure of the independent variable has on the predicted y value (Bevans, 2020). Then, "*βnXn*" demonstrates the regression coefficient of the last independent variable. Finally, "*ε*" represents model error. For example, how much variation there is in our estimate of "*Y*" needs to be considered. In applying the official formula (1) above to this study, I made the formula for both RQs as (2) below.

$$Y_{gni} = \beta 0 + \beta 1 X1_{oth.facs} + \beta 2 X2_{edb} + \varepsilon \ldots\ldots\ldots\ldots (2)$$

For simplicity, I made each code per RQ specific, e.g.) the code "$_{gni}$" represents GNI per capita for RQ1 as DV. Also, the code "$_{oth.\ facs}$" means the alternative factors, including *Governance, Industrialization, Labor Market, Employment, Infrastructure, and HDI* fixed as the CVs. Finally, the codes "$_{edb},$" stands for the Ease of Doing Business Index as the IV.

From these points of view, it is necessary to appropriately

adjust the methodology to appropriately approach the research questions. The basis of the multiple linear regression model using interval-ratio level data allows relevant interpretation of these data. Thus, I employed the multiple-linear regression model.

Based on the statistic results, I conducted the qualitative analysis into practice. Specifically, I used document/archival analysis by referencing the papers, journals, articles relevant to the ease of doing business in the Philippines in the context of finding the advantageous conditions and causes of the lower-ranked EDB in the Philippines. Therefore, I analyzed the archival data and excerpt the texts which are directly related to the conditions and disadvantages of developing startups above.

5. 2. For RQ2
5.2.1. Data-Collection and Treatment

In turn, I found the necessary data relevant to the development strategies to promote business opportunity for startups for overcoming the MIT. I employed the archive data, primarily from the international organizations, the government agencies in the Philippines, as the primary data due to the most significant entities in this RQ. Specifically, the archive data relevant to the business development strategies for economic development will be obtained.

5.2.2. Methodology

Firstly, since this is the conceptual framework, I confirmed how to form a conceptual framework with the typical five steps: "1. Selection of a topic," "2. Decide research questions," "3. Conduct Research," "Balance variables and establish variable relations," and "Draw my Conceptual Framework" (MAH, 2021). The most important part of the steps should be finding variables/entities. The essential entities should be the GNI per capita and the EDB. These two are essential components inextricably linked to business and economic development (World Bank, 2022). The relationship between the GNI per capita and the EDB can potentially be described as a casualty. Therefore, the framework can be developed with these two main variables.

Meanwhile, it has already been evident that the contribution of the EDBI to the GNI per capita. The more business opportunities, the higher income we can earn. Therefore, it is no longer necessary to employ quantitative analysis. Instead, choosing qualitative analysis to make a conceptual framework would be more appropriate. I selected the Grounded Theory Model, which refers to an approach to generating theories through the coding processes (Williams & Moser, 2019). Also, I chose the document analysis instead of a personal or group interview to avoid as many biases as possible.

I employed the archive data, primarily from the international organizations the government agencies in the Philippines, as the primary data due to the most significant

entities in this RQ. Specifically, the archive data relevant to the development strategies for avoiding the MIT and business development strategies or frameworks were obtained. Consequently, 12 resultant samples were found as of these entities sampling. In these ways, I obtained sufficient data for qualitative analysis for RQ2.

With this model, I made a procedure for conducting the document analysis for the grounded theory approach. Firstly, I collected data from the available web sources, including international organizations, scholars' existing studies, and local governments. The data were relevant to the two platforms based on "Formulation" and "Implementation": "1. Economic Development Policies for Startups" and "2. Promoting Startups for Upgrading to Higher-Middle-Income."

After the data was collected through the record's review, I analyzed the data and excerpted the texts directly related to the platforms above. The excerpted texts how I analyzed them was to describe the executive contents individually. Then, the grounded theory is represented as the inductive approach to demonstrating the uses of the three-step coding process; open, axial, and selective coding. The open, axial, and selective coding processes help us develop a cyclical and evolving data loop. In that way, the scholars can interact, compare data, and apply data reduction and consolidation techniques (Williams & Moser, 2019).

6. STUDY RESULTS
6.1. For RQ1

Table 5 show the results of the most appropriate models executed. In paying close attention to the items of "R Square (R^2)" and "Adjusted R Square (Adjusted R^2)," accordingly. The Model in Table 4 had the figure .873 in R, while R^2 .763 with adjusted R^2 .737 with Significance in F. 0.003 eventually. Examining the Model in Table 3 as the final model, the "Adjusted R^2" was 0.737; approximately 73.7% of the EDBI account for the primary predictor variables of the GNI per capita, at least, in the selected 9 Southeast Asian countries. In a word, the EDBI for startups is strongly influenced by the accumulated effects of the GNI per capita. A remaining 26.3% of the predictive influencers remain unmeasured or otherwise unidentified.

Further, in paying attention to the item of "Significance in. F," the figures are 0.003 in Table 5 illustrated significant ($p < .05$). In a word, I saw the significance in the Model without the missing data. To further investigate these significant outputs, I evaluated the regression model ANOVA outputs for RQ1. The ANOVA Model in Table 4 were significant ($p < .001$) illustrating a significant fit of data (Field, 2018). Based on these perspectives for testing the quantitative analysis in the first sequence for RQ1, it was possible to be in favor of the EDB for startups with statistically significant contribution to the MIT via the GNI per capita.

Table 5. Multiple-Linear Regression Model Outputs for RQ1

Model summary [c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model Summary					
					R Square change	F Change	df1	df2	Sig. F Change	
1	.861a	0.741	0.716	1396.85532	0.741	28.958	10	101	0.000	
2	.874b	0.763	**0.737**	1342.57602	0.022	9.332	1	100	**0.003**	

a. Predictors: (Constant), CV5_HDI, CV1_GV1, CV4_Infra, CV1_GV2, CV3_Labor, CV1_GV6, CV2_Indust, CV1_GV3, CV1_GV4, CV1_GV5

b. Predictors: (Constant), CV5_HDI, CV1_GV1, CV4_Infra, CV1_GV2, CV3_Labor, CV1_GV6, CV2_Indust, CV1_GV3, CV1_GV4, CV1_GV5, IV_EDBI

c. Dependent Variable: DV_GNI

Durbin-Watson value = 2.016.

Note. Adapted from SPSS output.

Based on the quantitative analysis, one more qualitative analysis was tested. With the two variables of the EDB and GNI per capita, I scrutinized the enterprise policy for startups in the context of the Philippines, shown in Table 6, with several disadvantageous features that can deteriorate the EDB to be identified in comparison with the several countries of Malaysia and Singapore for reference below.

1. In the Philippines, selecting five nominees for a company's board of directors is necessary, and at least half of the directors must be Filipinos.
2. The online procedure does not seem to be available well in the Philippines. Many application documents for submission to multi-government agencies need to be processed. It takes a substantial time for owners to make a procedure for their startups and start their businesses.
3. Huge cost is needed when making procedures in the Philippines, which can be a factor in avoiding startups for foreigners. At the same time, there have still been strict rules and regulations relevant to the startups for prioritizing local enterprises.

Table 6. A Result of Initial Conditions and Obstacles of Startup in the Philippines, Malaysia, and Singapore

No.	Income Level	Country	EDBI Ranking In 2019	Initial Conditions of startups	Average time for startups	Obstacles in procedures for startups
1	Lower-middle Income	Philippines	95th	1. Filipino board of directors 2. Employment with lower wage 3. Tax exemption with PEZA 4. 100% foreign capital firms are allowed	3 to 12 months	1. Time-consuming 2. Complicated Application Procedure 3. Expensive Cost 4. Strict business regulations
2	Higher-middle Income	Malaysia	12th	1. Quick process 2. Set-Application with VISA 3. Cost-friendly	About 2 months	1. Frequent change in the rules for startups 2. Malaysian prioritized
3	High-income	Singapore	2nd	1. Quick process 2. Set-Application with VISA 3. Cost-friendly	About 2 months	1. Competitive environment 2. Difficulty in getting working VISA.

Source: *Based on ADB (2022), JETRO (2021;2022), NEDA (2022), World Bank (2021;2022), Hara made.*

At least, we can see a statistically significant influence of the EDB on MIT in Southeast Asia, including the Philippines, with a figure of 73.7%, which means that the improvement in the EDB can significantly affect income status, and vice versa. We can see the advantage in higher-middle and high-income economies, especially Malaysia and Singapore.

On the other hand, the Philippines needs to arrange the primary conditions for startups to improve the EDB, despite some improvement in the legal procedures and registrations for efficiency to increase startups. Indeed, the Philippines' EDBI got improved its ranking from 133rd in 2022 to 95th in 2019 (World Bank, 2022), while the rank of "Starting a Business" was 171st in 2019 (World Bank, 2021). Indeed, I put four obstacles of time, cost, procedure, and business regulations, which are the essential components for upgrading the easiness of startups. In addition, it usually takes considerable time to finish all the procedures and start their businesses locally in three to twelve months, depending on which industry provides products and services (World Bank, 2021).

One of the biggest reasons for the time-consuming procedure would be that in establishing a company, there need

to be five boards of directors, and half of them should be Filipino (Primer, n.a.). Usually, it takes time for the owners to start their businesses. These are the primary culprits of the lower-ranked EDB in the Philippines, leading to MIT from the qualitative analysis. In reference to the other countries' cases, especially in Malaysia and Singapore, in common, it can be easily observed that there are several advantageous conditions for startups, including quick procedure, cost-friendly, and many options to establish their corporations (JETRO, 2021; 2022). Notably, in the case of Singapore's startups, the applicants are allowed to establish their own companies with 1 Singapore Dollar, regardless of the types of industries to be deal with (JETRO, 2021).

The most crucial part would be that the initial conditions should be relaxed for as many startups as possible for further business and economic development in the developing world, including the Philippines. In this way, the Philippines need to be more aware of how to improve the legal and administrative procedures for startups from the perspectives of cost, time, procedures, and regulations by comparing with other countries.

Table 7. A Suggested Development Strategy to Escape the Middle-income Trap by the Improvement in Ease of Doing Business for startups in the Philippines

Vision: Contributing to Economic Development through Improvement in Ease of Doing Business in the Philippines				
Mission: Contributing to Addressing Socio-economic Issues in the Philippines				
Purpose: A Review of the Philippine Development Plan for 2023-2028				
Formulation: Economic Development for Startups in the Philippines as Lower-middle Income			Implementation: Promoting Startups for Upgrading to Higher-Middle-Income	
1.Economic and Business Analysis	2.Economic Development Strategy Formation	3.Problem Setting for Startups	4. Structure (Promotion Parts)	5. Control and Feedback
■External Environment	1. Activation of NGO Partnership for Poverty Reduction	1. Improvement in Ease of Doing Business by increasing the number of startups cases	1. Public Administration Procedure for Startups: Reducing complicated processes and documents	1. Budget and Financial Planning and Review
Political Corruption, High Unemployment Rate, High Poverty Rate with Larger Economic Disparity	2. Infrastructural Development e.g.) Road Infrastructure, Governance, Human and Social Capital	2. Time-consuming document procedures of startups	2. Digitalization of the startup procedure through SNS application	2. Incentive Policies for Business Persons
■Industry Environment	3. Technological Transfer through Foreign Direct Investment for enhancing business credibility	3. Slow and complicated procedure for applying to startups for foreigners	3. Timelined and efficient procedure for accelerating startups	3. Education and Training for Public Servants
- Agriculture and Service Industry - Rich Human Resource with lower education level	4. Regulating corruption for upgrading transparency in public administration	4. Expensive registration fee for startups	4. Subsidizing the startups for starting their businesses more comfortably	4. Feedback from business owners locally and globally

Source: *Based on Tran (2016), MIC (2019), WWP (2019), NEDA (2021) and Hara (2021), Hara formed the framework.*

6.2. For RQ2

Hypothetically, with the open, axial, and selective-coding process using 12 samples, the final step of developing a framework to respond to the RQ2 is summarized descriptively in Table 7 shown above as follows.

1. An initial step of development strategies through "Economic and Business Analysis," including "External Environment" and "Industry Environment" and strategy in public services, and technological transfer for agriculture and service industry towards the upgrade of the income stages in the Philippines as the lower-middle income status.

2. In the most significant part of "3. Problem Setting for Startups," I provided several issues that deteriorate the business environment for startups' procedure raised in RQ1: "1. Improvement in Ease of Doing Business by increasing the number of startups cases," "2. Time-consuming document procedures of startups," "3. Slow and complicated procedure for applying to startups for foreigners," and "4. Expensive registration fee for startups."

3. Meanwhile, in "4. Structure (Promotion Parts) in "Implementation," I provided the four sequences as a way to solve the issues raised in "3. Problem Settings for Startups," including digitalization, time-lined procedure, and subsidy for the promotion.

4. Finally, "Control and Feedback" should be given to several parties, including public servants, businesspersons, and owners of startups, through feedback, monitoring, budget discussion, and education for further improvement in the circulation of their plans for promoting startups as smoothly as possible.

Several benefits of making such a combined strategy for suggestion can be considered as follows.

Firstly, the most significant aspect that can demonstrate the startups for foreigners in the Philippines would be that the two platforms of economic development policies and business development policies should be incorporated into one strategy so that the public servants can easily frame the issues and find where the Philippines is as comprehensively as possible.

More importantly, associating the economic and business development strategy with vision, mission, and goals can help the public servants and businesspersons to share the same idea and direction towards national, organizational, and

individual development altogether. Simplifying and streamlining the strategy and policies for overcoming MIT in the Philippines should be the key to success. Making the complicated procedures under the legal administration can demotivate the foreigners who wish to work for the Philippines and local people to promote further development, growth, and prosperity. In this way, sharing a simple strategy can help comprehensively put the policies into practice.

7. CONCLUSION

7.1. Interpretations of study results and frameworks

As of RQ1, I attempted to the effects of the EDB for startups on the GNI per capita by using the multiple linear regression model, resulting in the identification of the statistically significant contribution to the variable. Based on the quantitative analysis, I also employed qualitative analysis to see to what extent the EDBI can affect economic development through startups using the grounded theory model. Conceptually, the essence of identifying the causes of why the Philippines' EDBI is lower ranked than the other economies were clarified through the mixed method. Remarkably, this framework demonstrates the importance of promoting the ease of doing business for startups by showing the benefits and obstacles compared with the higher income status economies. It can also be justifiable and realistic to demonstrate how well the EDBI works well for addressing the social issue of MIT descriptively. Still, it might be more beneficial for me to employ an interview survey to understand what is happening in these eight economies and develop innovative and specific ideas of how to promote business opportunities for contributing to MIT.

As for RQ2, it was justifiable that the framework relevant to the influence of the EDBI on MIT in the Philippines needs to be formulated. Conceptually, two platforms of "Economic Development" and "Business Development through Startups" were integrated into one concept to realize business development and social transformation in the Philippines. Remarkably, this framework emphasizes how to overcome the MIT in the Philippines. Remarkably, this framework demonstrates the importance of promoting the ease of doing business for startups by showing the benefits and obstacles in comparison with the higher income economies of Thailand and Singapore.

Lastly, the frameworks I formulated in addressing these two RQs shown in Figure 2 and Table 7 can contribute to policymaking in the Philippines in two ways. Firstly, regarding Figure 2, In confining to the case of accepting the results of the analysis shown in Table 5, this theoretical framework would hypothetically be available as long as the R^2 increase in the model to be significant when controlling the other factors. Straightforwardly, this framework can be workable with the broader interpretation of being used as one hypothetical milestone by categorically visualizing the relationship between income levels and desirable EDB status

in developing countries. From this point of view, the framework can hypothetically be used as a categorical milestone in Southeast Asia. Secondly, as for Table 7, a development plan for overcoming MIT through upgrading the EDB in the Philippines was demonstrated by conceptually integrating two platforms of economic development and business development through startups promotion into one concept. For the combination to be practically available, the development plan should further be elaborated and put into practice for achieving the higher income stage.

7.2. Limitations

Representatively, three study limitations can be considered for maximizing the potential of this study in the future.

Firstly, the conventional theory of the Economic Development Stage Model that I employed in this paper can be replaced with the "Leapfrog Development Model," which can happen in organizations but also in the leadership of countries or cities, where developing countries can skip stages of the path taken by industrialized economies, enabling them to catch up with economic growth rapidly (MIC, 2009). Still, it would be essential to catch up with the model shift so that business organizations can catch up daily changing external environment and avoid from old-fashioned so that they can maximize their organizational benefits regardless of business surroundings.

Secondly, addressing regional development issues in the Philippines should be studied further. Notably, in the case of the Philippines, promoting regional development is one of the most significant issues from the aspects of the local government units (LGUs) and the Mandanas Ruling, which was recently established. In this regard, it would be beneficial for me to conduct field research and share the study result relevant to the regional development issues in the Philippines so that more realistic policy-revisions can be suggested by reflecting on the reality out there.

Thirdly, I focused on the ease of doing business from the aspect of business startups. However, the EDB has various components, such as tax, contracts, property, credit, etc. (World Bank, 2020). Also, the World Bank is formulating a new approach of Business Enabling Environment (BEE) to assessing the business and investment climate following the discontinuation of the Doing Business project (World Bank, 2022). In this way, it would be necessary to broaden the business perspectives in researching the EDB from different points of view to identify the hidden research problems.

7.3. Recommendations

Three recommendations for developing the research on startups promotion for economic development in the Philippines can be demonstrated as follows.

Firstly, improving the EDB in the Philippines should enable these economies to bottom up their economic level and approach the social issues for further development. At the same time, it should be beneficial for researchers to gain

further insight into the EDBI for sustainable development. Notably, the background of the EDB's issues, effectiveness, and evaluation should be signified in economic and business studies. The problem of the public administration's transparency and efficiency can also be the key to studying for Philippines' economic development. In this regard, focusing on public policy for business study can be recommended. As explained earlier, the EDB comprises a wide variety of parts, including construction permits, electricity, property, credit, tax, contracts, etc. (World Bank, 2021). Thus, this study deals with only one side of the easiness of startups by identifying the problems and obstacles in legal procedure and showing a specific strategy for promoting EDI for startups in the Philippines.

Secondly, the cultural and religious aspects should be further considered as long as we study development issues. The social and cultural background can swiftly go beyond or move backward theories or frameworks. It should be a considerably challenging but rewarding topic to deal with economic and business studies from cultural, historical, or religious points of view, formulating theories for practice. In this way, it would be indispensable for scholars and practitioners to consider approaching the development issues from different points of view inter-disciplinarily and co-work with each other.

Finally, a mixed method can be recommendable, while it takes considerable time for researchers to do analyses and surveys. Admittedly, the standalone quantitative or qualitative study should be available. Still, using the mixed method would be more insightful once we make a beneficial research question. In this regard, it would be significant for scholars to consider which methodologies to be employed in business and economic studies, especially in the developing world.

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