

Regulations On Starting A Business In First- And Second-Class Municipalities In Batangas

Dr. Teodorica G. Ani

Batangas State University, College of Accountancy, Business, Economics and International Hospitality Management, San Agustin, Ibaan, Batangas, Philippines
teodoricag@yahoo.com

Abstract: Good governance is particularly important for businesses. Transaction costs are lower when regulations are simple, transparent and predictable. In order to promote private sector growth, many economies have directed considerable resources toward simplifying the business registration process. The study aimed to assess the regulations on starting a business in terms of procedures, time, and cost. Also, it aims to determine significant difference on the assessments of entrepreneurs on regulations of starting a business in first and second class municipalities in Batangas. The study used descriptive research and self-constructed questionnaire. Respondents were 363 newly-registered businesses in 11 first- and 5 in second-class municipalities in Batangas. Entrepreneurs of first and second class municipalities assessed that there is ease on regulations on starting a business in terms of procedure, time, and cost. Also, entrepreneurs showed no significant differences on their assessment on regulations on starting a business in first and second class municipalities.

Keywords: Batangas, First- and Second Class Municipalities, Business Regulations, Starting a Business

1. Introduction

It is a common knowledge among entrepreneurs that when it comes to starting a new business, affiliations and money matter. Before launching the business, they research on the target market and analyze feasible products and services. In today's competitive business environment, entrepreneurs give particular attention on what viable and innovative product or service to offer in the market in addition to its strategic location. A variety of features may affect the suitability and non-suitability of location for a business, and the wise entrepreneur may examine these features carefully before deciding to move forward with a venture. Many times, the location of the company is decided based on what is good sense for the entrepreneur and not because of a friendlier set of regulations. Despite business strategies, entrepreneurs still search for more information as to where to locate their business enterprise. An entrepreneur also concurs staffing and developing a marketing strategy. Despite the active encouragement for people to engage into business, cities and municipalities which are the true drivers of national development hardly provide specific data useful for the potential entrepreneurs. Reports provided by national agencies present a macroscopic perspective of the indicators whereas the real measure would be the data coming from local levels. It is helpful if there are wide information dissemination campaign made by local government offices. Information may discuss or compare the business regulations required in every municipality or city. Regulations are shaping the incentives of investors and entrepreneurs to engage in business activities. In order to promote private sector growth, many economies have directed considerable resources toward simplifying the business registration process. To investigate how regulations enhance and constrain business activities across countries, the World Bank, in cooperation with the International Finance Corporation, launched an annual series of Doing Business reports, which started back in 2004. These reports present quantitative indicators on business regulations across more than 180 countries and assess the repercussions of regulatory reforms in countries with high regulatory burdens. As mentioned by [1] Volha (2005), the indicators for the

analysis of the impact of government regulation of entry such as number of procedures for starting a business, the official time for completing the process and its official cost was created. The World Bank uses the same methodology for constructing its Doing Business databases. In 107 economies covered by both *Doing Business* and the World Bank's Entrepreneurship Database, an estimated 3.1 million limited liability companies were newly registered in 2012 alone. Data show that if these economies had followed best practice, their local entrepreneurs would have saved 45.4 million days spent in satisfying bureaucratic requirements. This valuable time could have been better employed focusing on firm growth, productive activities and innovative endeavors [2] (World Bank, 2015). In most cases, heavier regulation is associated with higher inefficiencies in public institutions that generate low productivity and high costs. Furthermore, heavier regulation encourages informal business activities where most of business activities are located in the informal sector. In 2013, H.E. Pres. Benigno Simeon C. Aquino III created Administrative Order No. 38, which is an inter-agency task force, responsible in initiating, implementing and monitoring the ease of doing business in the country. The Gameplan for Competitiveness was crafted with the goal of simplifying government processes and making them more business-friendly. Reforms in the business environment are done in the belief that they would increase income, reduce informality of market and decrease unemployment. The Philippines ranks 95th out of 189 economies in 2015 Ease of Doing Business world ranking. Hence, regional and local competitiveness is encouraged. Good governance is particularly important for businesses. Transaction costs are lower when regulations are simple, transparent and predictable. Entrepreneurs do not have to waste precious resources on red tape, thus, enabling anyone to do business without having to resort to connections or informal payments. Government agencies assist business start-up by providing information that encourages more new businesses. It is also noteworthy to assure the quality of services being experienced by entrepreneurs during business registration in different local government offices. Other than Metro Manila, it is in Region IVA – CALABARZON where

most businesses are located. The region consists of five competitive provinces like Cavite, Laguna, Batangas, Rizal and Quezon. Batangas is known as a first class province and is identified as an industrial growth center in the region. And being the focal point of the Region IVA–CALABARZON, government programs resulted to the increasing number of business establishments in the country's Central Business District (CBD) as well as numerous industries operating at the province's industrial parks. Batangas City, capital of the province, has Business-One-Stop-Shop (BOSS) which assists entrepreneurs to register their business conveniently. In other municipalities of the province, they vary in the regulations being implemented in business registration. Potential entrepreneurs need to go from one municipality to another just to be informed on the processes if they are looking for a more streamlined business regulation. Some entrepreneurs do not consider business regulations as a basis for putting up a new business establishment in the area since they are less informed of the potential benefits in registering with less procedures and shorter processing days. It will be a great help if entrepreneurs will be provided with a guide or be informed in the business regulations among different municipalities. This study aims to assess the regulations on starting a business in terms of procedures, time, and cost. Also, it aims to determine significant difference on the assessments of entrepreneurs on regulations of starting a business in first and second class municipalities.

2. Theoretical Framework

The study considered the framework being used by WorldBank in ranking countries on the Ease of Doing Business since 2003 wherein they quantify the business registration process in over 170 countries. [3] Klapper & Love (2010) used the same methodology for measuring the effectiveness of the regulatory framework for firm registration. World Bank conducted another series of study which is the Subnational Doing Business report. It aims to compare the business regulations among the largest business cities of an economy different from the original study that compares countries. It produces disaggregated data on business regulations on locations where information has been non-existent or where national data are insufficient to fully assess the regulatory environment. The data produced are comparable across locations within the economy and internationally, enabling locations to benchmark their results both locally and globally [4] (World Bank, 2014). Further, Doing Business investigates the regulations that enhance business activity and those that constrain it. Regulations affecting a local business are measured at the sub-national level in the Philippines. These are starting a business, dealing with construction permits, and registering property. These indicators were selected because they cover areas of local jurisdiction and practices may differ unlike the other indicators which are same in one economy. The indicators are used to identify business reforms and the extent to which these have been effective in simplifying the procedures, saving time and lowering the cost of doing business [5] (World Bank, 2011). This study utilized Starting a Business as an indicator of doing business, which if one out of three currently being used in the subnational level. According to the study of [3] Klapper & Love (2010), and other related studies, the costs, days and procedures required to start a business are important predictors of the number of new firm

registrations. In addition, business registration in the country can be grouped into five major phases: (1) incorporating and registering with the Securities and Exchange Commission (SEC) or Department of Trade and Industry (DTI); (2) obtaining the local business permit or mayor's permit to operate and other local government offices; (3) obtaining clearances from the Bureau of Fire Protection; (4) registering to pay taxes with the Bureau of Internal Revenue; and (5) registering with the Social Security System and Philippine Health Insurance Corporation (PhilHealth).

3. Methodology

3.1 Respondents of the Study

The respondents of the study to assess the regulations on starting a business in terms of procedures, time, and cost are the newly-registered businesses in 2015, primarily the entrepreneurs who processed the actual business registration and other permits, in first and second class municipalities in Batangas Province. These municipalities were selected due to their potential of business growth next to the three cities in the province. The study covered the eleven first class municipalities which include Balayan, Bauan, Calaca, Lemery, Mabini, Nasugbu, Rosario, San Jose, San Juan, San Pascual, and Santo Tomas. The five second class municipalities include Calatagan, Ibaan, Malvar, Padre Garcia, and Taysan. Initially, the study determined the total number of newly-registered businesses in each of the first and second class municipalities and computed the sample size using the Slovin's formula. There are 3,976 newly-registered businesses in 2015 in first and second class municipalities as reported by DILG-Batangas. With this, a total of 363 newly-registered businesses/entrepreneurs as respondents was computed. Stratified proportional sampling was applied in determining the actual number of newly-registered businesses per municipality as respondent. Majority of the respondents in first and second-class municipalities registered under sole proprietorship such as 204 and 41 businesses respectively. There are 62 businesses in first class and 3 businesses in second class municipalities that registered under partnership. However, there are 49 and 4 businesses registered under corporation in first- and second-class municipalities. In addition, businesses in first and second-class municipalities are mostly classified as micro enterprises having less than 10 number of employees. There are 237 and 41 businesses under micro enterprises. 76 businesses in first class and 7 businesses in second class municipalities are classified as small enterprises having 10-49 employees. Also, very few of the businesses are classified as medium enterprise 50-249 employees. There are only 2 medium businesses in first class municipalities while none in second class. Lastly, according to industry sector, most businesses are into retail or service. In first class municipalities, there are 224 businesses offering retail or service while 38 in second-class. 59 and 7 businesses belong to manufacturing of food products in first and second class municipalities. Also, manufacturer of non-food products are 32 from first class municipalities and 3 from second class.

3.2 Data Gathering Instrument and Procedure

The study assessed the regulations on starting a business. To that end, the researcher used a self-constructed instrument in gathering the needed data for the study. It contains the three

indicators to measure ease of regulations on starting business such as procedures, time, and costs. The instrument provided detailed and specific information regarding the business registration procedure being implemented in all first- and second-class municipalities in Batangas. There are 16 items to assess procedure, 5 for time, and 5 for cost. Gathered data were tabulated, summarized and tallied for analysis and interpretation. In addition, all the entries were rechecked to ensure the precision and consistency of the result.

3.3 Statistical Treatment of Data

For the first objective, the study used weighted mean to assess the regulations on starting a business in terms of procedures, time and cost. For the second objective, independent t-test was used to know if there was significant difference between the assessment of respondents on starting a business in first class and second class municipalities.

4. Results and Discussion

Starting a business records all procedures that are officially required for an entrepreneur to start up and formally operate a commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities [5] (World Bank, 2011). Regulations on starting a business is measured by the procedures, time, and cost required to register a firm.

4.1 Procedure. Procedures are defined as the authorities or external parties an entrepreneur needs to encounter before he can start a business. The number of procedures reflects the business registration process. Table 4.1.1 presents the assessment of the respondents on the procedures of starting a business.

Table 1: Assessment of the Respondents on Regulations of Starting a Business in Terms of Procedures

	First Class Municipality		Second Class Municipality	
	WM	VI	WM	VI
1. Business name registration with Department of Trade and Industry (DTI) or Securities and Exchange Commission (SEC) registration	3.21	With Ease	3.27	With Ease
2. Application for Certificate of Registration (COR), Taxpayer Identification Number (TIN), authority to print receipts, invoices, books of account and other requirements at the Bureau of Internal Revenue (BIR)	2.89	With Ease	3.08	With Ease
3. Issuance of Building/Occupancy Permit at the Engineer's Office	2.98	With Ease	2.90	With Ease
4. Securing of barangay clearance	3.41	With Ease	3.60	With Much Ease
5. Issuance of Certificate of Zoning Compliance at the Planning Office	3.23	With Ease	3.46	With Ease
6. Issuance of Fire Safety Evaluation Clearance at Bureau of Fire Protection	2.96	With Ease	2.92	With Ease
7. Issuance of Environmental Clearance	3.24	With Ease	3.27	With Ease

8. Application for electricity connection in a local provider	3.04	With Ease	3.06	With Ease
9. Application for water connection in a local provider	3.12	With Ease	3.21	With Ease
10. Application for phone connection in a local provider	3.07	With Ease	3.0	With Ease
11. Issuance of business/mayor's permit at the Licensing Section	3.07	With Ease	3.40	With Ease
12. Issuance of Fire Safety Inspection Certificate (for business)	3.02	With Ease	2.90	With Ease
13. Issuance of Health/Sanitary Certificate (Yellow/Green)	3.12	With Ease	3.40	With Ease
14. Registration at the Social Security System (SSS)	2.98	With Ease	2.96	With Ease
15. Registration at Philippine Health Insurance Company (PhilHealth)	3.05	With Ease	3.02	With Ease
16. Registration at PAG-IBIG Fund membership	3.09	With Ease	3.02	With Ease
<i>Composite Mean</i>	<i>3.09</i>	<i>With Ease</i>	<i>3.15</i>	<i>With Ease</i>

Entrepreneurs in first-class municipalities scored all indicators for procedures with weighted mean of between 2.89 to 3.41 and with verbal interpretation of 'with ease'. However, it can be seen from the table that among the indicators, the procedure that got the highest weighted mean of 3.41 was 'Securing of barangay clearance'. The indicators of procedures in second-class municipalities got weighted mean of between 2.90 (with ease) to 3.60 (with much ease). Similarly, entrepreneurs in second-class municipalities found that 'Securing of barangay clearance' was done 'with much ease' as it gave the highest weighted mean of 3.60. This shows that among the other procedures, complying with the requirements of the barangay was the procedure that entrepreneurs found to be the easiest. This is probably due to convenience in terms of location as they are getting barangay clearance to where their businesses are located. Other indicators that gave high weighted means were 'Issuance of environmental clearance' (3.24) and 'Issuance of Certificate of Zoning Compliance at the Planning Office' (3.23). Both items in terms of business registration procedures were interpreted as 'with ease' in first class municipalities. In second class municipalities, items with high weighted mean were 'Issuance of Certificate of Zoning Compliance at the Planning Office', 'Issuance of business/mayor's permit at the Licensing Section' and 'Issuance of Health/Sanitary Certificate'. The items got weighted mean of 3.46 and 3.40 in terms of business registration procedures which were interpreted as 'with ease'. This implies that the Planning Office of first and second class municipalities were able to effectively identify and assign the classification of businesses intended to target location. With this, they were able to easily issue certificates to potential businesses complying with the zoning guidelines. With regards to issuance of business permits, entrepreneurs may find it easy probably due to a unified and single business registration application form being used. This has been supported by [6] De Guzman (2013) in the study that discussed non-compliance with government policies and regulations, specifically business permits, more likely lead to business failure among registered tutorial centers than non-registered tutorial centers. Also shown on the table are the indicators that got low weighted mean. They are the following: 'Application for Certificate of Registration

(COR), Taxpayer Identification Number (TIN), authority to print receipts and invoices, books of account and other requirements at the Bureau of Internal Revenue (BIR)', 'Issuance of Fire Safety Evaluation Clearance at Bureau of Fire Protection' and 'Issuance of Building/Occupancy Permit at the Engineer's Office', 'Registration at the Social Security System'. All of them got the lowest weighted mean in first-class municipalities. Weighted mean values were 2.89, 2.96 and 2.98 respectively with verbal interpretation of 'with ease'. In addition, the 3 top indicators that got lowest weighted mean in second-class municipalities were 'Issuance of Building/Occupancy Permit at the Engineer's Office', 'Issuance of Fire Safety Inspection Certificate', 'Issuance of Fire Safety Evaluation Clearance at Bureau of Fire Protection', and Registration at the Social Security System'. They obtained weighted mean values of 2.90, 2.92, and 2.96 respectively and with a verbal interpretation of 'with ease'. Entrepreneurs found complying with BIR requirements more challenging as compared to other procedures probably because they still have some reservations on the possible amount of taxes to pay at the end of the period. According to [5] World Bank (2011), the legalization of books and receipts is an outdated practice as businesses increasingly use electronic means of accounting in most countries in the world. In the Philippines, particularly in Batangas, even if entrepreneurs intend to use a computerized accounting system, they are still required to purchase the special books of accounts and have them registered with the Bureau of Internal Revenue just to start-up. Moreover, entrepreneurs also found that there was really strict compliance to BFP requirements in municipalities. They are also required to purchase and provide fire extinguishers in their businesses. In the SSS registration, the entrepreneurs mentioned that it was in the huge number of clients that queue for services offered for them was time consuming. With regards to building permits, it took more days before entrepreneurs can finish the requirements. Although they still found it to be easy, municipalities still conduct inspection to low-risk businesses after they received their permit. They prioritized inspection before commencement of business operations to high risk businesses. Furthermore, the composite mean of procedures were 3.09 and 3.15 in first and second-class municipalities and both verbally interpreted as 'with ease'. Entrepreneurs assessed that the procedures required in starting a business were done with ease in their municipalities. Probably, this is due to the revisions in the requirements initiated by the government to ease the business registration in the country. National government offices and local government units introduced more friendly business regulation procedures. They also lessened the number of steps to attract more businesses. They eliminated unnecessary certificates, permits and clearances previously required for low-risk businesses. They even introduced online transactions for some offices. DTI, for example, continues to promote its online business name registration. In addition, Philippine Business Registry (PBR) facilitates online business registration-related transactions by integrating all agencies involved in one-stop shop business registration. Enhancement in procedures may already be adapted by municipalities and local branches of national agencies. According to [5] World Bank (2011), individual cities and municipalities in the country had taken steps to ease the business start-up burden on local firms since 2009.

One major initiative is the introduction of the Standard Business Registration and Permit Process, a joint initiative of the League of Cities of the Philippines, the Department of the Interior and Local Government (DILG), and the Department of Trade and Industry (DTI). It aims to simplify and standardize business registration and permit processes in Philippine cities and municipalities. In contrary, the study of [7] Andal et al. (2010), revealed that non-existence of governmental regulation on franchise businesses in the Philippines led to increase in number of pseudo-franchisors. Moreso, negative effects are seen mostly from start-up entrepreneurs and franchisees victimized by fraud and incompetent franchisors.

4.2 Time. The number of days is the time that it takes to obtain legal status to operate a firm. Table 4.1.2 presents the assessment of the respondents on the time required in starting a business. The indicators 'Registration process is completed prior to the date of opening the business', 'The registration is completed without any follow-up among concerned government agencies' and 'Awareness of all entry requirements and their sequence from the beginning' got the top 2 highest weighted mean in first class municipalities. Weighted mean values are 2.92 and 2.91 respectively and have a verbal interpretation of 'with ease'. The statement 'The registration is completed without any follow-up among concerned government agencies' ranked 1 with a weighted mean of 3.25 in first class municipalities and interpreted as 'with ease'. The statement 'Awareness of all entry requirements and their sequence from the beginning' ranked 2 with a weighted mean of 3.17 in second class municipalities and still interpreted as 'with ease'.

Table 2: Assessment of the Respondents on Regulations of Starting a Business in terms of Time

	First Class Municipality		Second Class Municipality	
	WM	VI	WM	VI
1. Registration process/procedures are completed prior to the date of opening the business.	2.92	With Ease	2.88	With Ease
2. The registration is completed without any follow-up among concerned government agencies.	2.92	With Ease	3.25	With Ease
3. One day is enough for most of the procedures mentioned in Part 1 to complete.	2.62	With Ease	2.50	With Ease
4. Steps take place simultaneously.	2.60	With Ease	2.92	With Ease
5. Awareness of all entry requirements and their sequence from the beginning reduce the processing time.	2.91	With Ease	3.17	With Ease
Composite Mean	2.79	With Ease	2.94	With Ease

This clearly shows that entrepreneurs recognized the need to register their businesses formally. They initiated the completion of requirements prior to opening. They also experienced that upon submission of complete requirements to a specific office, they can readily get the permit needed

without the need to follow-up. The study of [8] Lim (2012), focused on how the government encouraged street vendors to formalize their business, which includes registering their business and submitting to regulations of the government. It was mentioned that Malaysia was able to regulate street vendors in their country whereas in the Philippines and other developing countries they have conflicting rules on street vending. ‘Steps take place simultaneously’ and ‘One day is enough for most of the procedures mentioned in Part I to complete’ both got the lowest weighted mean in first and second class municipalities with values of 2.60 and 2.50 in terms of time required in starting a business and got the verbal interpretation of ‘with ease’. Procedures may require less time if some steps can be done without the need to accomplish a prior requirement contrary to what is being practiced in different municipalities. Moreover, the composite mean of these variables are 2.79 for first class municipalities and 2.94 for second class municipalities in terms of time required in starting a business and verbally interpreted as ‘with ease’. It implies that the time required for entrepreneurs to process all required documents and permits are enough for them to comply before opening their businesses. Perhaps, entrepreneurs did not waste time and commits to completing each remaining procedure without delay. The time that they spent on gathering information was also excluded. On the other hand, [9] Celis (2014), revealed that after thirteen (13) years of the implementation of the Philippine E-commerce Act which mandates all government agencies to transact business and perform functions using electronic documents, still most of the government offices have low level of compliance with the law in spite of available information technologies to support it.

4.3 Cost. This includes all official fees as well as fees for legal or professional services, if services are required by law and excluding bribes. If information on fee schedules is not available, estimates from government officers or incorporation lawyers are used alternatively. Table 4.1.3 presents the assessment of the respondents on the cost of starting a business. First in rank is the statement ‘A corresponding receipt is issued upon payment’ in both first and second class municipalities. It got weighted mean values of 3.53 and 3.56 and are interpreted as ‘with much ease’. Entrepreneurs agreed that they were given receipts for all of their transactions in municipalities and other offices.

Table 3: Assessment of the Respondents on Regulations of Starting a Business in terms of Cost

	First Class Municipality		Second Class Municipality	
	WM	VI	WM	VI
1. The amount of official fees is prescribed by law.	3.33	With Ease	3.13	With Ease
2. Fee schedule is available, posted and accessible to all.	2.91	With Ease	2.67	With Ease
3. Official costs of fees is fix and there is no bribery.	3.28	With Ease	3.10	With Ease
4. Facilitation fees are paid with no fixer needed.	3.34	With Ease	3.48	With Ease
5. A corresponding receipt is issued upon payment.	3.53	With much With Ease	3.56	With much Ease

Composite Mean	3.28	With Ease	3.19	With Ease
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Second in rank is the statement ‘Facilitation fees are paid with no fixer needed’ in both first and second class municipalities. It got weighted mean values of 3.34 and 3.48 and interpreted as ‘with ease’. Entrepreneurs may not entertain the need for a fixer for them to comply with the payment of business taxes and other fees probably since they found the amount and process reasonable just for them to execute and that they also understand the need to comply with the necessary payment. Similarly, [10] Pangilinan (2005) discussed in her study the level of compliance of business establishments in Davao City with the Local Business Taxation and Regulation (LBTR). Findings unveiled that there is no significant difference in the level of compliance of business establishments with LBTR when grouped according to their profile such as capitalization, nature of business, year established, type of organization, and annual gross sales/receipts and the three tax categories including business tax, regulatory fees and real property tax. The statement that got the lowest weighted mean is ‘Fee schedule is available, posted and accessible to all’. It got weighted mean values of 2.91 and 2.67 in first and second class municipalities and still interpreted as cost of starting a business as ‘with ease’. This indicator probably got the lowest rank as entrepreneurs only found out the amount to pay for business permit by the time the schedule of fees was printed, although they understand that there are cost differences due to business taxes and garbage fees imposed by municipalities. In addition, the composite mean of the variables are 3.28 and 3.19 and are both interpreted as cost of starting a business in first and second class municipalities as ‘with ease’. This implies that entrepreneurs found that the cost needed in order for them to get necessary permits and licenses to operate their businesses are within reasonable cost. Also, they probably found it convenient when there is one-time assessment for all business registration-related fees and charges and another one-time payment at the Municipal Treasurer’s Office. Similarly, the study of [11] Klapper (2014) discussed that Zambia made starting a business easier by both eliminating the minimum capital requirement and lowering the cost to register a company. The study further looks at the difference on the assessments of first and second class municipalities on regulations on starting a business such as procedure, time, and cost. Null hypothesis has been checked through t-test. The results are presented on Table 4.2.1.

Table 4: Difference Between the Assessments of First Class Municipalities and Second Class Municipalities on Regulations on Starting a Business

Indicators	P-value	Computed t-values	Decision on Ho	Verbal Interpretation
Procedure	.45	-.763	Failed to Reject	Not Significant
Time	.16	-1.403	Failed to Reject	Not Significant
Cost	.34	.947	Failed to Reject	Not Significant

It can be noticed that the assessment of entrepreneurs between first and second class municipalities as to procedure has a computed p-value of .45 that is found not significant at 0.05 level of significance. Thus, the study failed to reject the null hypothesis. These signify that regardless of the municipality that entrepreneurs put up their business, they have same assessment on the procedures required in starting a business. Further, no difference has been shown on the assessment of first and second class municipalities in terms of time as a regulation on starting a business. This could further confirmed by means of its p-value of .16 that is found not significant at 0.05 level of significance. This implies that without considering in which municipality entrepreneurs established their business, they have same assessment on time required in completing all the permits and licenses. In addition, as shown on the table, the assessment of entrepreneurs between first and second class municipalities as to cost has a computed p-value of .34 that is found to be not significant at 0.05 level of significance. Thus, the study failed to reject the null hypothesis. These signify that regardless of the municipality that entrepreneurs put up their business, they have same assessment on cost needed in starting a business.

5. Conclusion and Recommendations

The study conclude that Entrepreneurs of first and second class municipalities assessed that there is ease on regulations on starting a business in terms of procedure, time, and cost. Also, Entrepreneurs showed no significant differences on their assessment on regulations on starting a business in first and second class municipalities. The study came up with the following recommendations:

1. The proposed entrepreneurs' start-up guide may be used and disseminated by DTI-Batangas, DILG-Batangas and local government units to potential entrepreneurs in the province.
2. Local government units may review their existing business regulations in starting a business and enhance through streamlining of procedures when necessary. They may verify their compliance to BPLS Standards.
3. LGUs, SEC, DTI, BIR, SSS, PhilHealth and Pag-Ibig may also consider distinct and appropriate practices to improve service quality of their offices.
4. A similar study may be conducted to further validate the results of this paper.

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Author Profile



Teodorica G. Ani finished B.S. Agribusiness Management from University of the Philippines Los Banos in 2000, Master in Business Administration from Batangas State University in 2008, and Doctor of Philosophy in Business Management from University of Batangas in 2016. She has been a faculty member of Business since 2001. She handles Operations and Strategic Management, Economics and Research Methodology subjects. At present, she is the Department Chairperson of Business and Entrepreneurship at Batangas State University, Philippines.