
ASEAN Inclusive Business Standard: A Study on Sustainability of the 5th Congressional District of Cebu Province Food Delicacies' Business

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Abstract

This study examines the impact of Association of Southeast Asian Nations Inclusive Business (IB) aspects among micro and small delicacy businesses in the 5th Congressional District of Cebu Province, Philippines is the focus of this paper. Using a quantitative approach, the researcher assessed six fundamental IB dimensions: Value Proposition, Value Creation and Delivery, Value Capture, Commercial Viability, Innovation for the Base of the Pyramid (BoP), and Cultural Identity using descriptive statistics. Eleven towns in the 5th District of Cebu, including the island towns of Tudela, Poro, San Francisco, and Pilar, known for their restricted access and logistical difficulties, collected their data. Even though most towns performed well in Value Proposition and Social Impact, which highlights cultural resonance and community involvement, the findings of the study showed that innovation, financial sustainability, and digital infrastructure still show serious concerns. Innovation for the BoP and Value Creation had the lowest ratings across all towns, which implies structural challenges in scaling and technology integration. Based on these results, the researcher created a recommendation for a district-wide, contextualized ASEAN-Inclusive Business Model Canvas (IB-BMC), a consistent yet adaptable framework meant to fill in town gaps, advance cultural legacy, and improve sustainable commercialization by means of consistency. This initiative includes digital co-creation, island-specific logistics, heritage recipe research and development and Quick Response (QR) storytelling. This output is rooted highly in the results of the study, which served both practically by providing an adaptable tool for local government entities, national agencies, and social entrepreneurs, and conceptually by localizing the ASEAN IB framework. To further expand both local and regional economic growth, research has shown the viability of combining inclusive innovation with historical preservation.

Keywords: *Inclusive Business Canvas, ASEAN IB Framework, cultural gastronomy, microenterprise innovation, Island Town Economy, BoP-Centered Development, Heirloom-Based Entrepreneurship, Cebu 5th District IB Model, Digital Heritage Marketing, Sustainable Food Ecosystem*

INTRODUCTION

Sustainability is a strong fundamental capacity to maintain a constant and permanent existence. As a whole, it relates in the 21st century to the ability of the environment, human evolution, and civilization to coexist without endangering the next generations. The Brundtland Commission & United Nations (2024) defines sustainable development as growth that meets present needs without endangering the ability of future generations to meet their own needs. The evolution of the environment, efficiency, and societal interest is central to achieving sustainability (Beattie, 2023).

In a larger scale, Small and Medium Enterprises (SMEs) quantify for over 90% of businesses and contribute significantly to job creation, poverty reduction, and economic stability (World Bank, 2022). In the Philippines, micro, small and medium enterprises (MSMEs) account for more than 95% of businesses and are considered important to the nation's economic salvage strategy and inclusive progress (Department of Trade and Industry, 2023). However, despite their monetary importance, many SMEs remain vulnerable and struggle to access a better avenue due to unfavorable circumstances in terms of access to finance, supply chain fragility, and the lack of sustainable planning (Abalos et al., 2022).

A particular circumstance of this vulnerability is seen Cebu Province, particularly among delicacy-based SMEs in the 5th Congressional District. These entrepreneurs, rooted in food culture and heritage, play a vital role in preserving traditional practices, stimulating local economies, and representing the cultural and heritage identities of their respective towns. However, they face several critical sustainability challenges and hardships, ranging from poor transportation systems to weak market connections, jeopardizing their full potential for long-term growth.

Food delicacies are more than commodities; they are cultural narratives and stories of generations, embodying the traditions, values, and collective memory of a community. According to Cwierka (2023), food serves as a dynamic outlet for cultural and heritage expressions and identification. Delicacies symbolize a community's pride and are often consumed during special occasions, rituals, or passed down through generations. For instance, Cebu's delicacies such as "*Budbud Kabog*," "*Casajos*," "*Torta*," and "*Rosquillos*," are not only representation of taste but also artifacts of shared tradition and heritage, local resource use, and communal labor.

The relevance of food delicacies expands to their role in promoting social cohesion and unity in economically active participation, particularly in rural, underserved, and marginalized areas. These products bridge and connect heritage with modernity, offering a livelihood while safeguarding intangible cultural assets (UNESCO, 2024).

A food item could be regarded and considered as a local delicacy depending on several interrelated criteria, such as, (1) deep cultural resonance or historical origin inside the town; (2) use of local ingredients; (3) traditional methods of preparation.

Towns in the 5th District were classified based on their known food delicacies. Examples include Danao's "*Casajos*," Carmen's "*Glletas*," and Pilar's "*Camote-based products*". Despite its impact, it could bring to the culture and local economic growth. Many of these enterprises lack formal support systems, market scalability, and alignment with sustainability standards such as the ASEAN Inclusive Business (IB) Framework.

Despite the visible value of food delicacies in local growth and innovation, empirical research on the sustainability of delicacy-based SMEs in Cebu is lacking. Moreover, there is an inadequate body of knowledge and application of ASEAN IB standards among local businesses, resulting in missed opportunities for inclusive growth, Base of the Pyramid (BoP) engagement, and environmental resilience. This study aims to fill this gap in literature.

The determination and verification of the sustainability and stability of a food delicacy-based businesses may currently be conducted using different methodologies. However, the researchers in this study will focus on achieving this objective via the ASEAN-Inclusive Business Model, specifically in Food Consumption Products (ASEAN, 2021).

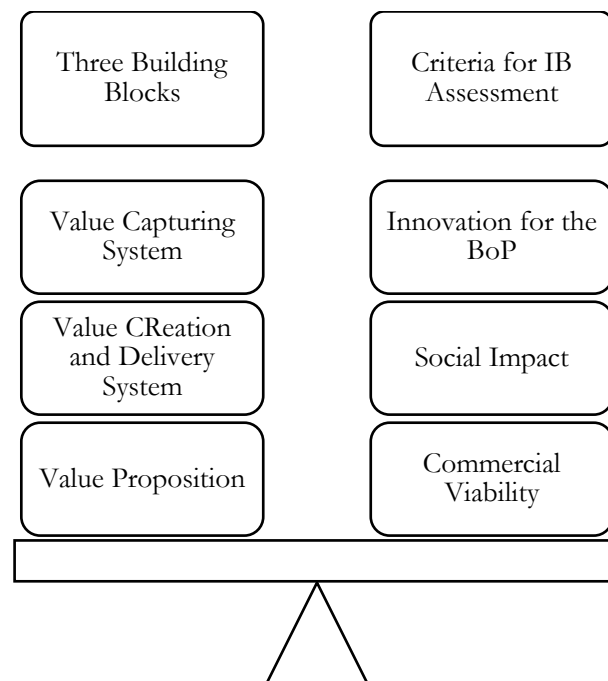


Figure 1. Research Framework of the Study

Literature Review

Inclusive Business (IB) is expanding its impact as a viable strategy and technique to integrate the poor into the value chain while maintaining commercial viability (ASEAN Secretariat, 2023, Asian Development Bank, 2023). As a developmental framework, IB upholds high economic inclusion, particularly of the Base of the Pyramid (BoP) communities, by embedding them as producers, suppliers, and consumers. This is especially important in the Philippine context, where a large fraction of micro, small, and medium enterprises (MSMEs) are grounded in cultural production, such as food delicacies. However, these businesses frequently lack structural congruency, both vertically and horizontally, with the ASEAN Inclusive Business (IB) framework, resulting in poor performance in scalability, fragile innovation, and shaky and inconsistent market access.

The Brundtland Commission (UNESCO, 2024) pointed out that sustainable progress is that which “meets the needs of the present without jeopardizing the ability of future generations to meet their

own". This concept and principle has become critical, especially for local businesses that not only aim for economic survival, but also aspire to preserve intangible cultural heritage. Food delicacy-based enterprises in rural and urban areas, particularly those involved in delicacy production, exemplify the intersection of cultural preservation and economic participation. As highlighted by UNESCO (2024), food is a vital carrier of tradition, heritage, identity, and intergenerational memory, especially in indigenous, marginalize, and discounted communities.

Prior studies have shown that food businesses grounded in grassroots and rooted in heritage often struggle with innovation because of their reliance on tradition (Cwierka, 2023; Abalos et al., 2022). This has resulted in the limited adoption of modern marketing, digitization, and scalable production models. Moreover, MSMEs typically operate in informal economies and lack institutional support and assistance, further compounding issues of commercial viability and market resilience (Department of Trade and Industry (Philippines), 2023). In Cebu's 5th District, such businesses also suffer from poor transportation systems, limited visibility in tourism programs and activities, and the absence of formal business models and frameworks that cater to BoP communities.

The ASEAN IB framework upholds and provides five key dimensions for the BoP: value proposition, value creation and delivery, value capture, commercial viability, and innovation. These serve as fundamental foundations and tools for evaluating how businesses generate economic and social value while ensuring sustainability (UNESCAP, 2023). Studies have yet to fully explore and discover how these dimensions manifest in small-scale, culturally embedded food enterprises in the Philippine context, creating a substantial gap in both academic and policy-oriented discourse.

This research builds upon this literature by conducting a quantitative analysis of food delicacy-based businesses in both rural and urban areas across towns in Cebu's 5th District. It evaluates their alignment and congruency with the ASEAN IB framework, highlights their contextual challenges, and proposes a contextualized Inclusive Business Model Canvas (IB-BMC) that merges heritage preservation with inclusive innovation.

METHOD

This section presents the methodology used in the research process. Methodically covering the study design, locations, respondents, instrument creation, data collection methods, and analysis methodologies anchored in a quantitative research strategy.

Research Design

This study used a full descriptive-evaluative survey design to assess the eligibility and sustainability of food delicacy-based MSMEs across the 5th Congressional District of Cebu Province. The approach and technique enabled the researcher to gather detailed data from food delicacy business owners and customers to examine current practices and operations based on the ASEAN Inclusive Business Model (IB). Descriptive-evaluative designs are particularly suitable for evaluating phenomena in real-world settings and gauging the extent of policy alignment or deviation (Creswell & Creswell, 2017).

Research Setting

The research was conducted across eleven (11) towns in the 5th district of Cebu: Borbon, Carmen, Catmon, Compostela, Danao City, Liloan, Pilar, Poro, San Francisco, Sogod, and Tudela. These towns constitute the whole 5th District of Cebu with an identified food delicacy product.

Population and Sampling

The research was conducted across eleven (11) local government units within the 5th Congressional District of Cebu, Danao City, and the towns of Borbon, Carmen, Catmon, Compostela, Liloan, Pilar, Poro, San Francisco, Sogod, and Tudela. The direct population included delicacy business owners and their external customers. This study used a purposive-quota non-random sampling method to ensure representation from all towns, particularly in areas where delicacy business were less visible or operational.

The assistance of local government personnel and local key informants was of great importance and helped identify qualified respondents. A total of 90% fraction of available delicacy enterprises and a selected number of external customers per town were interviewed, warranting that a balanced perspective from both the businesses' owners and buyers of local food delicacies. Only external customers were included based on Pawar's (2014) classification, as they represent the actual end-users and economic participants in the delicacy supply chain.

Inclusion and Exclusion Criteria

Inclusion criteria required that the respondent (a) be directly linked to any food delicacy business through ownership or permanent employment or (b) be an external customer buying products identified as local food delicacies of the respective town. Exclusion criteria were disqualified (a) individuals affiliated with businesses not officially recognized as delicacy producers by the town, and (b) those with only phasing phase affiliations to the food delicacy-based business.

Data Gathering Tools/Instruments

Data were collected using a researcher-developed questionnaire conducted through face-to-face interviews. The tool comprises 30 Likert-scale statements categorized under the six ASEAN IB dimensions. A 4-point Likert scale was used to assess the level of implementation.

Table 1. Interpretive and Impact Rating Scale for ASEAN IB Dimension Analysis

Range	Scale	Descriptive Interpretation	Impact Description
3.25 – 4.00	4 – Strongly Agree	Favorable – Respondent expressed strong agreement and satisfaction	High impact – Strong implementation and alignment with ASEAN IB dimensions such as inclusivity and innovation
2.50 – 3.24	3 – Agree	Favorable – Respondent agreed, showing general satisfaction	Moderate impact – Adequate implementation with potential for improvement toward ASEAN IB standards

1.75 – 2.49	2 – Disagree	Unfavorable – Respondent disagreed, indicating dissatisfaction	Low impact – Weak integration of ASEAN IB practices; needs substantial enhancement
1.00 – 1.74	1 – Strongly Disagree	Unfavorable – Respondent strongly disagreed, indicating dissatisfaction or negative experience	Very low impact – Critical implementation gaps and non-compliance with ASEAN IB principles

Table 2. Distribution of Survey Items Aligned with ASEAN Inclusive Business (IB) Dimensions

Category	Item Numbers
Value Proposition	1 – 5
Value Creation and Delivery System	6 – 10
Value Capturing System	11 – 15
Commercial Viability	16 – 20
Social Impact	21 – 25
Innovation for the BoP	26 – 30

Data Gathering Procedure

The study sought ethical approval, which was obtained from the College Research Technical Committee and the University Research Ethics Committee. Permission letters were issued and given to town administrators, and data were gathered in person. The respondents completed the surveys, which were subsequently encoded, cleaned, and validated using Microsoft Excel.

Data Analysis/Statistical Treatment

The collected data were encoded in Microsoft Excel and analyzed using Jamovi. Descriptive statistics, such as the mean, frequency, and percentage, were used to identify the overall levels of implementation per dimension. A 4-point scale was used to determine the perceived level of implementation and the degree of sustainability of each business operation.

The use of Likert scales allows for ease of respondent comprehension and reduces cognitive burden, making them particularly effective in capturing nuanced community insights (Joshi et al., 2015; Subedi, 2016).

Ethical Considerations

It was first sent to the university institutional review board of the research ethics committee for technical and ethical evaluations before the study commenced. Furthermore, authorized and with reference number 2024-290 was the certificate with notice to proceed.

RESULTS AND DISCUSSION

Bearing down on the apparent actual implementation of ASEAN Inclusive Business (IB) aspects among the food delicacy-based businesses in Cebu's 5th District, this section makes possible the findings and discussion based on the particular aims of the research, which are both highly grounded and grassroots. Under the strict use of the four-point Likert scale, the research works on six basic

dimensions: Value Proposition, Value Creation and Distribution, Value Capture, Commercial Viability, Social Impact, and Innovation for the Base of the Pyramid (BoP.). Cultural and social value offers long-term financial sustainability and innovation for discounted and marginalized communities, and every dimension points to the relevant facets of inclusive company development. These fundamental foundations serve as assessment tools and guides to gauge and determine how well food delicacy-based businesses fit inclusive and sustainable business models. (ASEAN Secretariat, 2023; UNESCAP, 2023; OECD & European Commission, 2023; World Bank, 2023).

Cultural Anchoring of Delicacies

Table 3. Established Delicacy Products per Town

Town	Established Delicacy Product(s)
Danao City	Casajos/ Tinap-anan
Carmen	Galletas
Compostela	Queseo/ Cheese
Liloan	Rosquillos/ Masi
San Francisco	Camote Products
Sogod	Budbud Kabog/ Torta
Borbon	Tuba/Suka// Takyong
Catmon	Tuba/ Suka/ Bingka/ Budbud Kabog
Poro	Camote Products
Pilar	Camote Products
Tudela	Camote Products

Table 3 summarizes the food delicacies officially known through town archival records and validated via key informant interviews.

The identification and verification of culturally significant food delicacies in the 5th District of Cebu revealed the integral and important role of food as a vessel and the connection of intangible heritage. These were identified and determined through the assistance and unwavering help of the Business Permits and Licensing Officer (BPLO) in each town. These delicacies are not merely local food products but embody deep-seated historical, cultural, religious, and social narratives and stories specific to each town.

Implementation Levels of IB Dimensions (Value Proposition, Value Creation and Delivery, and Value Capture)

Table 4. Mean Scores of IB Dimensions by Town-SOP 2

Town	Value Proposition	Value Creation & Delivery	Value Capture
Borbon	3.03	2.8	2.6
Carmen	2.85	2.75	2.5
Catmon	2.94	2.68	2.55
Compostela	2.8	2.7	2.58
Danao City	3.0	2.85	2.7

Liloan	3.1	2.9	2.75
Pilar	2.65	2.5	2.3
Poros	2.71	2.55	2.4
San Francisco	2.76	2.6	2.45
Sogod	2.88	2.65	2.5
Tudela	2.6	2.4	2.2

This presents the perceived actual implementation levels of the core ASEAN Inclusive Business (IB) dimensions—Value Proposition, Value Creation and Delivery, and Value Capture—as assessed and evaluated across the eleven (11) towns in Cebu’s 5th Congressional District.

The data drawn together through a structured quantitative survey, as presented above in Table 4, displayed high-priority figures into how food delicacy MSMEs in the 5th Congressional District of Cebu implement three core ASEAN Inclusive Business (IB) dimensions: Value Proposition, Value Creation and Delivery, and Value Capture. These data were guided by a 4-point Likert scale, with impact descriptors aligned with ASEAN IB standards (ASEAN Secretariat, 2023; OECD & European Commission, 2023).

In reference to the Value Proposition, Liloan ($M = 3.10$), Borbon ($M = 3.03$), and Danao City ($M = 3.00$) loomed ahead as peak and standout town performers. These towns earned and achieved scores within the value of 3.25-4.00 and 2.50–3.24 ranges, pointing out a high to moderate after effect. Their food delicacies-based Small Medium Enterprises, such as locking in the *Rosquillos* and *Budbod Kabog*, serve and provide not only boxed and limited economic consumer goods but also deep-seated and in full harmony with the cultural products that reflect local cultural identity, tying in well with the ASEAN IB strong focus on culturally built-in value creation. These findings support Mintz’s (1997) argument that food is a medium of identity construction and Avieli’s (2017) bold statement that local gastronomy reflects socio-cultural narratives and stories. In comparison, Pilar ($M = 2.65$) and Tudela ($M = 2.60$) dropped slightly, reflecting the need for well-built branding strategies, cultural alignment, and congruency.

In terms of Value Creation and Delivery, the best performance and ratings were registered on record in Liloan ($M = 2.90$) and Danao City ($M = 2.85$), indicating moderate implementation. These towns made known progress in operational cross-functional connection, associated directly with better infrastructure and LGU support and assistance. However, several towns, including Tudela ($M = 2.40$), Pilar ($M = 2.50$), and Poros ($M = 2.55$), did not meet the threshold for moderate impact, indicating a low integration of production efficiencies and limited systematic transportation development. This supports the findings of UNESCAP (2023) and the ASEAN (2021), which emphasize that inclusive businesses must develop structured delivery models to ensure that value reaches marginalized consumers.

In terms of Value Capture, Liloan ($M = 2.75$) and Danao City ($M = 2.70$) ranked highest in the district. These towns were moderately market leading in action pricing mechanisms, return-on-investment awareness, and financial reinvestment strategies. However, the marked-down scores of Pilar ($M = 2.30$), Tudela ($M = 2.20$), and Poros ($M = 2.40$) suggest weak mechanisms for sustainable revenue generation and informal financial practices. According to the World Bank (2023), such weaknesses provide common ground for enterprise viability and long-term economic growth.

Overall, this section shows that while some towns have moderately harmonized their operations with ASEAN IB frameworks and guidelines, others still operate at the borderline. It pointed out the high-priority need for targeted capacity-building in delivery efficiency, customer engagement, and financial reinvestment practices, particularly in towns scoring below 2.50 across these dimensions. These gaps emphasize the lopsided growth in implementation and the necessity of town-specific strategies to sustainably scale inclusive business principles.

Implementation of IB Dimensions: Commercial Viability, Social Impact, and Innovation for the BoP

Table 5. Mean Scores of IB Dimensions by Town-SOP 3

Town	Commercial Viability	Social Impact	Innovation
Borbon	3.12	3.35	2.85
Carmen	2.89	3.15	2.70
Catmon	3.01	3.28	2.95
Compostela	3.08	3.31	2.88
Danao City	3.27	3.45	3.10
Liloan	3.21	3.38	3.05
Pilar	2.74	2.97	2.50
Poros	2.80	3.00	2.60
San Francisco	2.95	3.05	2.78
Sogod	3.03	3.22	2.90
Tudela	2.79	3.00	2.65

This section examines the level of implementation across three additional ASEAN IB dimensions: Commercial Viability, Social Impact, and Innovation for the Base of the Pyramid (BoP). On the quantitative data collected and interpreted using a four-point Likert scale, as shown in Table 5, this section provides a nuanced round-table discussion of the town-level scores and their implications.

Commercial viability, clearly stated as the ability of enterprises to achieve sustainable profitability and meet stakeholder obligations, received a mean score ranges from 2.74 (Pilar) 3.27 (Danao). Most towns, including Borbon (3.12), Catmon (3.01), Compostela (3.08), and Sogod (3.03) scored within the value of 2.50–3.24 range. This pointed out a "Moderate Impact" rating, meaning there is favorable performance with room for improvement and development. The highest-performing towns, such as Danao and Liloan (3.21), benefit from urban proximity and better access to financing and logistics, which contributes to improved operational resilience and diversified markets. These results align with the OECD & European Commission (2023) observation that financial literacy, consistent product availability, and scalable distribution models are essential for ensuring that rural MSMEs reach profitability.

The Social Impact dimension brought forth some of the best standing results across all ASEAN IB indicators. Danao City (3.45), Borbon (3.35), Liloan (3.38), and Catmon (3.28) carried out a scores within the "Strongly Agree" threshold (3.25–4.00), indicating a high level of active and harmonious engagement with local stakeholders, particularly women, elderly, and other marginalized and discounted communities and groups. Other towns such as Pilar (2.97), Poros (3.00), and Tudela (3.00) remained slightly below the highest threshold but still within a "Moderate Impact" range. These results

pointed out the strong embeddedness of social inclusivity within delicacy production, as corroborated by the ASEAN Secretariat (2024), which emphasized that inclusive employment fosters community stability and reduces local inequalities.

Innovation for the BoP, which mentions the use of affordable and accessible technologies and business models to reach marginalized consumers, scored lower than other dimensions. Danao City (3.10) and Liloan (3.05) were the only towns to reach scores above 3.00, while the majority, including Pilar (2.50), Poro (2.60), and Tudela (2.65), remained within the lower "Agree" or upper "Disagree" value of range. This suggests that while some towns are experimenting with packaging innovation, mobile ordering, and online branding, widespread digital transformation and affordability-centered innovation are yet to be held. The OECD & European Commission (2023) and UNESCAP (2023) both stress that innovation targeted at BoP communities, especially in rural areas, requires not only technological tools, but also enables ecosystems such as public-private partnerships and training incubators.

The data collected point out that while Social Impact registers the highest average performance across towns, Innovation for the BoP remains the weakest area. This imbalance points to a potential misalignment in ASEAN IB dimension execution, where social inclusion is recognized but not sufficiently amplified through innovative practices. Furthermore, commercial viability lags behind due to financial constraints, inconsistent product flow, and a lack of market intelligence.

The study's findings draw a line the must-have for differentiated, town-specific interventions, especially for more isolated areas, such as Pilar and Tudela. Future strategies must concentrate on building innovation capacity, cooperative financing, and operational integration of inclusive design across all value chain activities. As highlighted by the World Bank (2023), through unified policy frameworks and guidelines, local businesses in developing economies thrive when innovation is localized and supported.

Cross-Municipal Comparison

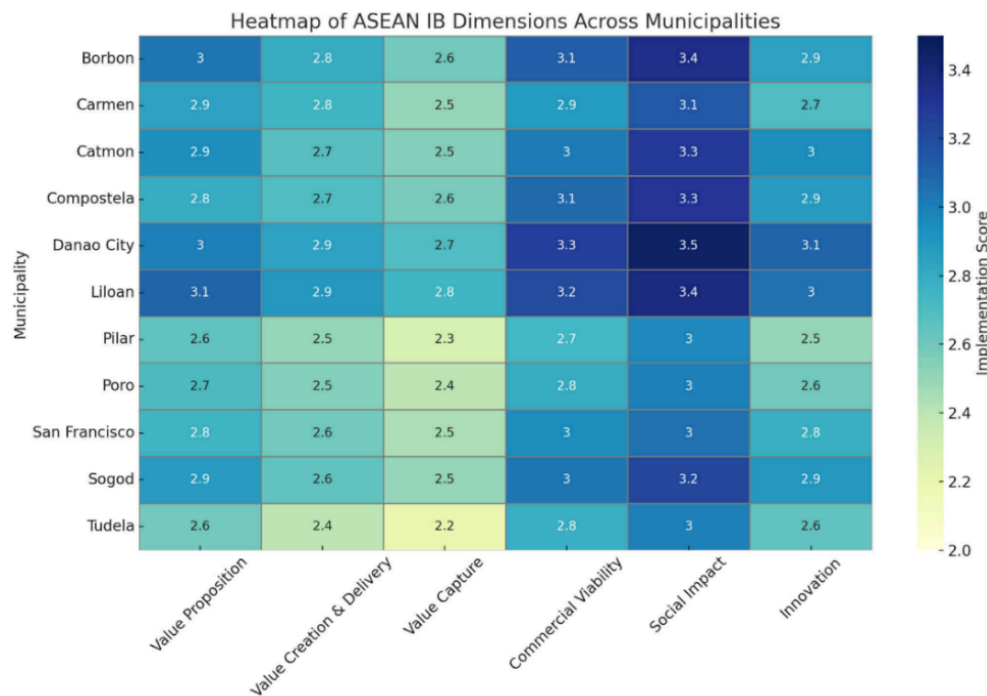


Figure 2. Heatmap of ASEAN IB Dimensions Across Towns

The heatmap highlights and presents a visual synthesis to guide towns, national agencies, and other stakeholders in customizing policy responses and enterprise support tailored to each town's actual performance. This affirms the need for differentiated and context-specific implementation, rather than a one-size-fits-all approach.

- Top-performing LGUs, such as Danao City and Liloan on a regular basis, demonstrated high scores across Commercial Viability, Social Impact, and Innovation, an implication of strong harmony with ASEAN IB priorities on inclusion and sustainability.
- Least-performing towns, Tudela and Pilar, illustrated lower implementation markings in Value Creation & Delivery, Value Capture, and Innovation, indicating critical areas needing immediate intervention.
- Social Impact and Value Proposition emerged as the strongest dimensions in the entire 5th district, showing robust cultural and community involvement.

Conversely, Innovation for the BoP and Value Capture remain the most lagging areas, a similar regional MSME challenge, as pointed out by the OECD & European Commission (2023) and ASEAN Secretariat (2024).

Quantitative Analysis Interpretation

This section highlights the quantitative interpretation of the study's outcome with due consideration of Specific Objectives 1 to 3, with emphasis on the established delicacies per town and the implementation levels of ASEAN Inclusive Business (IB) dimensions. The interpretation is guided

by a standardized 4-point Likert scale and its corresponding impact descriptors, ensuring vertical and horizontal alignment across indicators and towns.

The study first addressed SOP 1: the identification of delicacies per town in the 5th district of Cebu. These findings illustrate that each town in the 5th district has one or more culturally significant food delicacies. For example, Borbon's *Takeyong* and *Tuba*, Liloan's *Rosquillos*, and Danao City's *Casajos* and *Tinap-anan* are deeply in the community's heritage and identity. These food delicacies reflect what Avieli (2017) and Mintz (1997) describe and illustrate as food serving as a socio-cultural narrative and story, where culinary practices and traditions become a medium of cultural and heritage expression and continuity. This setting down initiative for food products in history and tradition sets the foundation for evaluating their sustainability within the ASEAN IB framework.

In SOP 2, the analysis assessed the perceived levels of actual implementation for Value Proposition, Value Creation & Delivery, and Value Capture. Value Proposition received the highest mean score across towns ($M = 2.75$), indicating a moderate impact and favorable alignment with ASEAN IB standards. This dimension captures the extent to which delicacies represent cultural identity and offer value to both consumers and communities. Borbons ($M = 3.03$) and Liloans ($M = 3.10$) ranked highest in this category, supported by heritage branding and local pride.

However,, Value Creation & Delivery ($M = 2.18$) and Value Capture ($M = 2.33$) scored significantly lower. The results of the study suggest that the production efficiency and effectiveness, distribution system in transportation, and income generation are all extremely bad, and it is seen that the towns of Pilar (Value Creation & Delivery = 2.5) and Tudela (Value Capture = 2.2) had the biggest discrepancies. The articles released by the ASEAN Secretariat last 2024 and the OECD for the year 2023 both mention that many local firms in the ASEAN area do not have the structures and digital tools they need to create and capture value.

SOP 3 evaluated the dimensions of the BoP's Commercial Viability, Social Impact, and Innovation, as well as its implementation in various food delicacy businesses. Social influence had the highest average score ($M = 3.05$), indicating that businesses thought it was good and had a relatively high influence. This indicates that women, the elderly, and other communities that are often ignored are well represented in the food delicacy-based industry, such as Danao City ($M = 3.45$) and Borbon ($M = 3.35$). Commercial Viability was next, with a mean of 2.95, remaining in the moderate effect category. This is visible in areas such as Danao City ($M = 3.27$) and Liloan ($M = 3.21$), which benefit from better access to the market and steady client demand.

Innovation for the BoP, on the other hand, was the weakest area ($M = 2.75$), with Pilar ($M = 2.5$) and Tudela ($M = 2.65$) having the lowest scores. Even if the areas are important in the culture and heritage of the town, not many business owners apply inclusive design principles or embrace new technologies or models that make them more affordable. This supports what the World Bank (2023) and UNESCAP (2023) say that rural micro-enterprises typically lag behind when it comes to using new ideas to access base-of-the-pyramid markets.

Table 6 shows the average scores for six ASEAN Inclusive Business (IB) dimensions that were used in the towns. It points out the average rating, a vocal explanation, a broad description of how to apply it, and the amount of influence and impact on sustainability for each dimension. These metrics

provide a combined guide for judging or assessing how well food delicacy businesses work in terms of cultural relevance, operational procedures, financial processes, market viability, social inclusion, and creativity in underrepresented groups.

Table 6. Summary of Mean Scores and Sustainability Impact of ASEAN Inclusive Business Dimensions

IB Dimension	Mean Score	Verbal Interpretation	Description	Impact Toward Sustainability
Value Proposition	2.75	Agree	Favorable level of implementation	Moderately high impact Strong cultural resonance and customer value, but gaps remain in market positioning
Value Creation & Delivery	2.18	Disagree	Low implementation	Limited impact, operational inefficiencies, outdated practices, and inadequate logistics
Value Capturing	2.33	Disagree	Low implementation	Limited reinvestment in scaling; weak pricing and revenue strategies
Commercial Viability	2.45	Disagree	Low to moderate implementation	Unstable income sources, lack of consistent profitability
Social Impact	2.83	Agree	Favorable level of implementation	Moderate to high impact; promotes livelihoods and local employment
Innovation for the BoP	2.12	Disagree	Low implementation	Minimal impact lacks affordability innovations and inclusion of marginalized markets

Integration with the ASEAN Inclusive Business (IB) Framework

The findings of this study point out a nuanced interpretation of the ASEAN Inclusive Business (IB) Framework's application to the actual grassroots of Cebu's 5th Congressional District. Some strong alignment was observed in the Value Proposition dimension, where delicacy-based enterprises, such as in the towns of Borbon's Takyong, Liloan's Rosquillos, Danao's Tinap-anan, and Casajos, demonstrated a high degree of cultural embedding. The findings validate the UNESCAP (2023) assertion that inclusive businesses in Southeast Asia must be deeply rooted in local sociocultural capital to generate meaningful value and differentiation.

However, the study also uncovered critical disconnects across other ASEAN IB dimensions, particularly in Innovation for the Base of the Pyramid (BoP), and Value Creation & Delivery Systems. Towns such as Pilar and Tudela, for example, will continue to struggle with inefficiencies and limited innovation adoption, especially in digital integration, product diversification, and packaging redesign. Thus, the results align with the article released by ADB in 2023, which emphasizes that rural MSMEs in the region often lack institutional support and infrastructure to adopt inclusive innovation systems. Meanwhile, the Value Capture dimension also underperforms in most towns, which highlights a gap in sustainable profit reinvestment and financial literacy in the case of internal customers. This reflects

OECD & European Commission's (2023) study that informal business operations in ASEAN frequently exhibit weak cost recovery structures and limited capacity to scale due to the absence of pricing and value chain optimization strategies.

Therefore, from these gaps, it is now evident that the standard ASEAN IB model should be localized and tailored to the grassroots to reflect the realities of heritage-based micro-enterprises in rural or urban Philippine settings. The study, therefore, supports the creation of a localized IB Business Model Canvas (IB-BMC) tailored specifically to the 5th District. Hence, this flexible model integrates cultural identity, innovation systems for marginalized groups, LGU-academic collaborations, and town-specific commercialization strategies is a vital tool, making it a grounded and transformative tool for rural enterprise development.

As recommended by the UNESCAP (2023) and ASEAN Secretariat (2023), inclusive business initiatives must not adopt a one-size-fits-all template but instead reflect local ecosystems, stakeholder capabilities, and cultural economic assets. This study contributes in this direction by offering a vertically and horizontally rooted model that bridges heritage entrepreneurship with inclusive development.

Conclusion

The study confirmed that while food delicacies across the 5th Congressional District of Cebu serve as powerful cultural anchors, such as Takyong of Borbon, Rosquillos of Liloan, and Tinap-anan and Casajos of Danao, they remained structurally limited in achieving full commercial viability and inclusive innovation. The study's quantitative results pointed out that while the Value Proposition and Social Impact dimensions achieved moderate to high levels of implementation, dimensions such as Value Creation & Delivery, Value Capture, and especially Innovation for the Base of the Pyramid (BoP) scored low, indicating a recurring barrier in operational systems, financial reinvestment, and technological adaptability.

Theoretically, the study is congruent and challenges the current ASEAN Inclusive Business (IB) framework. It is congruent, in a sense, that, in terms of the heritage, it is culturally embedded in the food delicacy based businesses and serve as the key tool for delivering value and fostering identity-driven entrepreneurship (UNESCAP, 2023; Avieli, 2017). However, it also revealed some unfavorable markings in the current framework's ability to solve existing structural issues in rural and micro-enterprise ecosystems. Hence, this research proposes a contextualized Inclusive Business–Business Model Canvas (IB-BMC) that integrates cultural heritage, town-level development trajectories, and innovation pathways, refining ASEAN's model for more inclusive, place-based enterprise development.

Empirically, the findings support and validate the importance of dimension-specific and town-sensitive interventions. For instance, Danao and Liloan showed relatively stronger performance in most IB dimensions, whereas Pilar and Tudela consistently underperformed. This initiative promotes and underscores the nonviability of a one-size-fits-all model. This supports the OECD & European Commission (2023), which calls for an adaptive IB framework and guidelines that consider the spatial, infrastructural, and dynamics of the socio-economic contexts of local business landscapes.

At the academic level, this study advanced the discourse on inclusive business by contributing a replicable and adaptable IB-BMC grounded in rural Filipino enterprise realities. It bridges the theoretical divide between heritage preservation and economic sustainability by emphasizing hybrid models that simultaneously promote cultural identity and social innovation. This contribution is crucial to shaping future policy, curriculum design, and interdisciplinary development approaches that prioritize people, culture, and innovation.

Drawing from the study's quantitative findings and guided by the ASEAN Inclusive Business framework, the following recommendations are proposed to strengthen the implementation, sustainability, and replicability of inclusive business practices across the 5th Congressional District of Cebu. These aim to respond to the identified strengths in Value Proposition and Social Impact, and as to the gaps in Innovation for the BoP, Value Capture, and Delivery Systems, it also provides strategies.

For Local Government Units (LGUs). Local governments should institutionalize and localize town-based Inclusive Business (IB) ordinances or movements to create a governance framework that empowers micro-enterprises rooted in local heritage. Priority funding should be allocated to the following:

- Cooperative development programs to formalize production clusters.
- Youth-led innovation centers that cultivate enterprise continuity and fresh thinking.
- Digitization support for MSMEs, especially logistics, e-commerce, and financial literacy.

Empirical data show that Danao, Liloan, and Borbon excelled where local infrastructure and LGU support were present. These circumstances provide replicable models for municipal IB empowerment (OECD & European Commission, 2023).

For National Agencies (DTI, TESDA). To enhance scalability and capacity, DTI and TESDA should integrate ASEAN-IB frameworks into the community development modules. This includes:

- Targeted capacity-building programs that reflect IB dimensions and municipal context.
- Formal labeling and heritage seal programs, such as a DTI or DOT "Heritage Product of Cebu," to market cultural authenticity and to establish a product with trust and identity in the district and internationally (UNESCAP, 2023).

These will position Filipino delicacies as both cultural symbols or representations and economic drivers.

For Academe and Civil Communities. Academic institutions and NGOs should become incubators in inclusive innovation.

- Establish an inclusive food innovation laboratory in partnership with local entrepreneurs to experiment with eco-packaging, health-focused recipes, and scaling models.
- Funding community-based participatory research and development (R&D) focused on heirloom recipe preservation, value chain mapping, and climate-resilient ingredients.

This is consistent with the study's finding that innovation is the weakest IB area across towns, showing the need for cross-sector collaboration (ASEAN Secretariat, 2023).

For Business Practitioners. Entrepreneurs and micro-enterprise leaders are encouraged to adopt the contextualized Inclusive Business–Business Model Canvas (IB-BMC) developed in this study. This framework highlights the following aspects.

- Cultural traditions and market logic will be harmonized to enhance competitiveness.
- Use mobile and digital platforms to expand access for BoP consumers, improve product traceability, and enable customer co-creation in product design.

Danao and Liloan’s success provides a benchmark for adaptive and technology-enabled approaches.

For Policymakers. At the national level, agencies such as DTI and DA should consider scaling this model in the district wide and nationally as follows:

- The IB-BMC should be embedded in existing enterprise development programs and toolkits.
- The findings of this study need to be made known to all stakeholders, especially in regional planning, food tourism, rural livelihood strategies, and cultural economy frameworks.

This is critical for supporting the national inclusive growth agenda and meeting ASEAN’s 2025 inclusive business targets (OECD & European Commission, 2023; ASEAN Secretariat, 2024).

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