EVALUATING THE INFLUENCE OF SUPPORT PROGRAMS AND TRADE AND INVESTMENT POLICIES ON SME ENTREPRENEURSHIP DEVELOPMENT ABUJA

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Abstract
Small and Medium Enterprises (SMEs) in Abuja, Nigeria, face significant challenges including limited access to finance, poor infrastructure, and regulatory constraints that hinder their development. This study evaluates the influence of support programs and trade and investment policies on SME entrepreneurship development. Using a survey method with 300 SMEs, the research employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze data collected through structured questionnaires. The findings reveal statistically significant positive relationships between support programs and trade & investment policies with SME entrepreneurship development, with trade and investment policies demonstrating a stronger impact. The study found that while support programs positively influenced SME development, their effect was relatively smaller compared to trade and investment policies. The research recommends that policymakers focus on tailoring support programs more precisely to specific SME segment needs and continuously optimize the policy environment by streamlining regulations, reducing bureaucratic hurdles, and improving access to finance to foster a more conducive ecosystem for SME growth and entrepreneurship development in Abuja.
Keywords*: SME Entrepreneurship Development; Support Programs; Trade and Investment Policies*

INTRODUCTION

The development of Small and Medium Enterprises (SMEs) is pivotal for fostering economic growth, creating employment opportunities, and driving innovation in emerging economies. In Abuja, the capital city of Nigeria, SMEs significantly contribute to the economic landscape by diversifying the economy and reducing poverty (Adebisi & Gbegi, 2013; Ahmed, 2020). Despite their importance, SMEs in Abuja face numerous challenges that hinder their growth and sustainability, such as limited access to finance, inadequate infrastructure, and regulatory constraints (Ogunyomi & Bruning, 2021). Various stakeholders, including the government, non-governmental organizations (NGOs), and international agencies, have introduced support programs and trade and investment policies to address these challenges and promote SME entrepreneurship development (SMEDAN, 2021). This study aims to evaluate the influence of these support programs and policies on the growth and development of SMEs in Abuja.

Over the years, the Nigerian government has implemented several support programs to enhance the capacities of SMEs. Programs such as the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), the Bank of Industry (BOI) funding schemes, and the National Enterprise Development Programme (NEDEP) have been instrumental in providing financial assistance, capacity building, and market access to SMEs (Adeyemi et al., 2018). Additionally, trade and investment policies, such as the National Trade Policy and various bilateral and multilateral trade agreements, have been designed to create a conducive environment for SME growth by promoting exports, attracting foreign investment, and ensuring fair competition (Olusanya, 2019).

However, the effectiveness of these support programs and policies in fostering SME entrepreneurship development remains a subject of debate among scholars and policymakers (Abiodun, 2020). Some studies suggest that these interventions have had a positive impact on SME growth, while others argue that the challenges faced by SMEs persist due to issues such as poor implementation, corruption, and bureaucratic bottlenecks (Nwankwo et al., 2021). This study seeks to contribute to this ongoing debate by providing empirical evidence on the influence of support programs and trade and investment policies on SME entrepreneurship development in Abuja.

Despite the various support programs and policies introduced to promote SME growth in Abuja, many SMEs continue to struggle with issues such as inadequate access to finance, poor infrastructure, and an unfavorable regulatory environment (Eneh, 2020). The effectiveness of these interventions in addressing the challenges faced by SMEs and fostering entrepreneurship development remains unclear. This study aims to fill this gap by evaluating the impact of support programs and trade and investment policies on SME entrepreneurship development in Abuja.

The primary objectives of this study are

i. to assess the effect of support programs on SME entrepreneurship development in Abuja
ii. to examine the effect of trade and investment policies on SME entrepreneurship development in Abuja.

Following this introduction, the paper is structured as follows: The second section reviews the existing literature on support programs, trade and investment policies, and SME entrepreneurship development. The third section outlines the research methodology, including the data collection and analysis methods used in the study. The fourth section presents the findings of the study and the discussions, while the fifth section discusses the conclusion, recommendations and the implications of the findings for policymakers and SME stakeholders.

LITERATURE REVIEW

Support Programs

Support programs for SMEs are designed to address the various challenges faced by small and medium-sized enterprises, thereby fostering their growth and sustainability. According to Kumar and Singh (2023), government support programs play a crucial role in providing financial assistance, business development services, and market access to SMEs. These programs aim to enhance the capacities of SMEs and enable them to compete effectively in the market.

Financial support is a key component of support programs. Adeyemi et al. (2018) highlight the importance of financial assistance in addressing the funding gaps faced by SMEs. Programs such as the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the Bank of Industry (BOI) funding schemes provide financial resources to SMEs, enabling them to invest in their operations and expand their businesses. This financial support is essential for the survival and growth of SMEs, as it helps them overcome the initial barriers to entry and sustain their operations.

Capacity building is another critical aspect of support programs. Galadanchi and Abubakar (2021) emphasize the role of training and development in enhancing the skills and knowledge of SME owners and managers. Capacity building programs provide SMEs with the necessary tools and techniques to improve their business practices, increase their productivity, and enhance their competitiveness. These programs also help SMEs to adopt new technologies and innovations, which are essential for their long-term success.

Market access is a vital component of support programs. Adeyemi et al. (2018) argue that access to markets is crucial for the growth and sustainability of SMEs. Support programs facilitate market access by providing SMEs with opportunities to participate in trade fairs, exhibitions, and business networks. These platforms enable SMEs to showcase their products and services, attract potential customers, and establish business relationships. Market access is essential for SMEs to expand their customer base and increase their sales, leading to improved business performance.

Trade and Investment Policies

Trade and investment policies are essential frameworks that govern international trade and economic agreements between countries. According to Olusanya (2019), these policies are designed to create a conducive environment for business growth by promoting exports, attracting foreign investment, and ensuring fair competition. Trade policies regulate the movement of goods and services across borders,

influencing everything from pricing and supply chains to diplomatic relations. These policies can either liberalize trade by reducing restrictions, thereby promoting a more globalized economy, or protect domestic industries through tariffs and quotas.

Investment policies, on the other hand, focus on attracting foreign direct investment (FDI) to stimulate economic growth. Dunning and Lundan (2008) argue that a favorable regulatory environment is essential for SMEs to thrive. A well-defined regulatory framework can reduce bureaucratic bottlenecks, streamline business processes, and enhance the ease of doing business. This, in turn, encourages SMEs to invest in their operations and pursue growth opportunities.

One key component of trade and investment policies is trade openness. Trade openness refers to the extent to which a country allows the free flow of goods and services across its borders. Akinlo (2004) argues that trade openness can enhance SME growth by providing access to larger markets, reducing trade barriers, and promoting competition. By fostering an open trade environment, SMEs can expand their customer base and increase their sales, leading to improved business performance.

Foreign direct investment (FDI) is also a vital component of trade and investment policies. FDI can provide SMEs with access to capital, technology, and expertise, which are crucial for their development. Olawale et al. (2024) highlights the positive impact of FDI on SME growth, noting that it can enhance productivity, innovation, and competitiveness. By attracting FDI, trade and investment policies can create a supportive ecosystem for SMEs to thrive.

SME Entrepreneurship Development

SME entrepreneurship development is a multifaceted concept that encompasses various dimensions critical to the growth and sustainability of small and medium-sized enterprises (SMEs). According to Sidika (2012), SME entrepreneurship development involves the process of nurturing and enhancing the entrepreneurial capabilities of individuals and organizations to foster economic growth and innovation. This process includes providing the necessary knowledge, skills, and resources to enable entrepreneurs to create and manage successful businesses.

Entrepreneurial traits are fundamental to SME entrepreneurship development. Sidika (2012) emphasizes the positive relationship between entrepreneurial traits and firm performance. Traits such as innovation, motivation, and management skills are crucial for the success of SMEs. These traits enable entrepreneurs to identify opportunities, take calculated risks, and implement effective business strategies.

Financial resources are another critical component of SME entrepreneurship development. Galadanchi and Abubakar (2021) highlight the importance of financial support in addressing the funding gaps faced by SMEs. Access to financial resources enables SMEs to invest in their operations, expand their businesses, and achieve sustainable growth. Financial support programs, such as those provided by government agencies and financial institutions, play a vital role in facilitating SME entrepreneurship development.

Market orientation is also an essential aspect of SME entrepreneurship development. Sidika (2012) identifies market orientation as a key factor that mediates the relationship between entrepreneurial traits and SME performance. SMEs that are market-oriented are better positioned to identify and respond to customer needs, which enhances their competitiveness and growth. Market orientation enables SMEs to expand their customer base and increase their sales, leading to improved business performance.

SME entrepreneurship development involves nurturing entrepreneurial traits, providing financial resources, and fostering market orientation. These elements are interrelated and collectively contribute to the growth and sustainability of SMEs.

Empirical Reviews

Support Programs and SME Entrepreneurship Development

The study by Kumar and Singh (2023) aims to analyze the impact of government support programs on SME development and growth. The study seeks to understand how various forms of support, such as financial assistance, business development services, and market access, influence the performance and sustainability of SMEs. They employ a systematic literature review using the PRISMA methodology, analyzing 65 articles from various databases. The study uses a questionnaire-based survey consisting of geographically unique SMEs, with 68 SMEs providing responses. The data collected is analyzed using multiple regression models to determine the impact of government support programs on SME performance indicators such as sales, profits, employment, productivity, innovation, and exports. The findings reveal that government support programs have a significant positive impact on SME performance. The study highlights four pathways through which support programs influence SME growth: direct financial support, indirect financial support, non-financial support, and business development services. The results indicate that tailored support policies can enhance SME performance by addressing funding gaps, improving business practices, and facilitating market access. Despite the positive findings, the evidence regarding the efficacy of government support programs is ambiguous and uncertain, with some studies showing mixed results.

Obaji et al. (2021) analyzes the impact of key enablers of entrepreneurial success on SMEs in Abuja. The study focuses on the influence of innovation, financial management skills, management skills, and government policy on the success of SMEs. The objective is to identify the factors that contribute to the growth and sustainability of SMEs in the region. They employ a quantitative research approach, surveying a total of 337 business owners in Abuja. Data is collected through structured questionnaires and analyzed using Pearson correlations and multiple linear regressions. The findings reveal that innovation, financial management skills, managerial skills, and government policy significantly contribute to the success of SMEs. The study demonstrates that government policy has the most substantial impact, contributing 65.6% to SME success. However, the study's focus on a specific region may limit the generalizability of the results. Additionally, the study does not account for external factors such as environmental hazards, infrastructural inadequacies, and insecurity, which may also influence SME success.

A study by Idam (2023) examine the impact of government support programs on SME development and growth in Nigeria. The study seeks to understand how various forms of support, such as financial assistance, business development services, and market access, influence the performance and sustainability of SMEs. Idam (2023) employs a systematic literature review, analyzing 65 articles from various databases. The study uses a questionnaire-based survey consisting of geographically unique SMEs, with 68 SMEs providing responses. The data collected is analyzed using multiple regression models to determine the impact of government support programs on SME performance indicators such as sales, profits, employment, productivity, innovation, and exports. The findings of Idam (2023) reveal that government support programs have a significant positive impact on SME performance. Despite the findings, the evidence regarding the efficacy of government support programs is ambiguous and uncertain, with some studies showing mixed results.

Trade and Investment Policies and SME Entrepreneurship Development

Olaore et al. (2021) assesses the the impact of government policies, financial aid, and infrastructure development on SME development and entrepreneurship. It adopts a survey design, using a questionnaire for data gathering and percentile, confirmatory factor analysis (CFA), and structural equation modelling (SEM) for data analysis. The study involves a sample of SMEs in the South-Western part of Nigeria, aiming to provide a representative view of the region's SME landscape. The result reveals a significant direct relationship between entrepreneurship development and infrastructure development, as well as employment generation. The study also establishes a significant direct relationship between government policies and infrastructure development. However, the focus on a specific region may limit the generalizability of the results. Additionally, the study does not account for external factors such as

environmental hazards, infrastructural inadequacies, and insecurity, which may also influence SME success.

The study by Tambunnan (2007) aims to analyze the effects of trade and investment liberalization on SME development, with a focus on Indonesia. The study seeks to understand how harmonization of trade and investment policies influences SME growth and performance in the Asia-Pacific region. He employs a literature review and a case study approach to examine the impact of trade and investment liberalization on SMEs. The study analyzes data from various sources, including government reports, academic articles, and industry publications. The findings are presented through a comprehensive review of existing literature and a detailed case study of Indonesia and reveal that trade and investment liberalization have a positive impact on SME development. But the evidence regarding the efficacy of trade and investment liberalization is mixed, with some studies showing positive effects and others indicating negative impacts.

Resource-Based View (RBV)

The theoretical framework for this study is hinged on the **Resource-Based View (RBV)** of the firm, which was propounded by Penrose (1959). The RBV theory posits that the resources and capabilities of a firm are the primary determinants of its competitive advantage and performance. According to this theory, firms possess unique resources and capabilities that are valuable, rare, inimitable, and non-substitutable, which enable them to achieve superior performance (Barney, 1991).

The RBV theory is particularly relevant to SME entrepreneurship development as it emphasizes the importance of leveraging internal resources and capabilities to drive growth and innovation. SMEs often face resource constraints and limited access to external support, making it crucial for them to effectively utilize their internal resources to compete in the market. By focusing on building and enhancing their unique resources and capabilities, SMEs can overcome challenges and achieve sustainable growth.

In the context of this study, the RBV theory helps to explain how SMEs in Abuja can leverage their internal resources and capabilities to enhance their performance and sustainability. The study examines the impact of government support programs and trade and investment policies on SME entrepreneurship development, highlighting the role of these external factors in complementing the internal resources of SMEs. Understanding the interplay between internal and external factors can provide understandings into how SMEs can strategically manage their resources to achieve entrepreneurial success.

The RBV theory also underscores the importance of tailored support policies and interventions that address the specific needs of SMEs. Recognizing the unique resources and capabilities of SMEs will assist policymakers to design targeted programs that enhance their competitive advantage and facilitate their growth. This approach aligns with the findings of previous studies, which emphasize the significance of customized support programs in fostering SME development (Kumar & Singh, 2023; Obaji et al., 2021).

METHODOLOGY

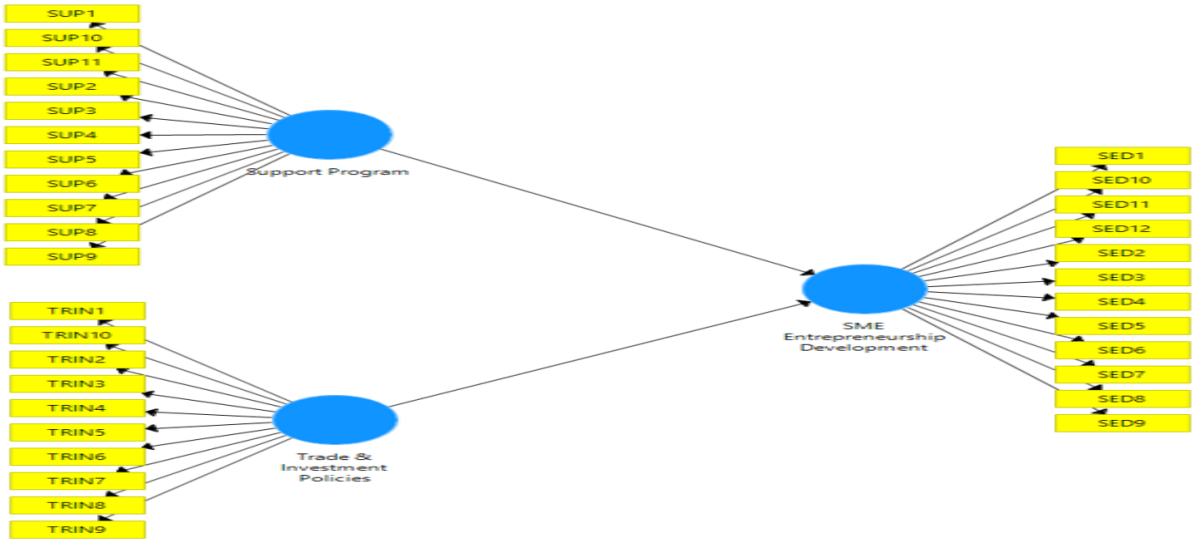
The research design for this study is a survey, chosen for its effectiveness in gathering extensive data from a large population within a limited time frame. Surveys are particularly suitable for this type of research as they provide quantifiable data that can be analyzed to uncover patterns and relationships between variables (Bryman, 2016). The use of a survey design allows for the collection of standardized data, ensuring consistency and reliability in the responses obtained from participants.

The population for this study comprises SMEs operating within the Abuja metropolis. This population is chosen because it provides a diverse and representative sample of SMEs affected by support programs and trade and investment policies in the region. According to the National Bureau of Statistics (2018), there are approximately 1,500 registered SMEs in Abuja, making it a suitable population for this study. The sample size is 300 which is determined using Yamane formula.

A stratified random sampling technique is employed to select the sample for this study. This technique ensures that the sample is representative of the entire population by dividing the population into strata based on specific characteristics such as industry sector, size, and age of the business. From each stratum, a random sample is drawn, resulting in a final sample of 300 SMEs. This sampling technique enhances the generalizability of the study's findings and reduces sampling bias (Saunders et al., 2019).

The primary method of data collection for this study is a structured questionnaire. The questionnaire is designed to capture detailed information on the influence of support programs and trade and investment policies on SME development. It includes closed-ended questions to obtain quantitative data. The questionnaire is pre-tested with a small group of SMEs to ensure clarity and relevance of the questions before being administered to the entire sample (Creswell & Creswell, 2017).

Fig 2: Structural Model



The data collected through the questionnaires are analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). PLS-SEM is chosen for its ability to handle complex models and its suitability for exploratory research (Hair et al., 2017). This technique allows for the examination of the relationships between multiple independent and dependent variables simultaneously. It provides robust estimates even with smaller sample sizes and does not assume normality of data distribution, making it ideal for this study (Sarstedt et al., 2017).

RESULTS AND DISCUSSION

Assessment of Measurement Model

Loadings

Table 1 presents the factor loadings for the items related to SME Entrepreneurship Development (SED), Support Programs (SUP), and Trade and Investment Policies (TRIN). Factor loadings represent the correlation between each individual item and the underlying latent factor it is intended to measure. A loading of 0.7 or higher is generally considered acceptable, indicating that the item is a good indicator of the factor (Hair et al., 2010). In this study, the majority of the items exhibit strong loadings exceeding this threshold, suggesting robust measurement of the constructs.

Table 1: Loadings

Items	Loadings	Items	Loadings
SED1	0.809	SUP3	0.891
SED10	0.843	SUP4	0.839
SED11	0.807	SUP5	0.810
SED12	0.862	SUP6	0.841
SED2	0.755	SUP7	0.841
SED3	0.784	SUP8	0.850

SED4	0.773	SUP9	0.909
SED5	0.770	TRIN1	0.730
SED6	0.874	TRIN10	0.883
SED7	0.779	TRIN2	0.804
SED8	0.831	TRIN3	0.813
SED9	0.833	TRIN4	0.810
SUP1	0.837	TRIN6	0.791
SUP10	0.810	TRIN7	0.903
SUP11	0.779	TRIN8	0.844
SUP2	0.875	TRIN9	0.817

Specifically, all items related to SME Entrepreneurship Development (SED1-SED12) demonstrate substantial loadings, ranging from 0.755 to 0.874. This indicates a high degree of internal consistency among the SED items and suggests that they effectively capture the multifaceted nature of SME entrepreneurship development. The highest loadings are observed for SED6 (0.874) and SED12 (0.862), implying these items are particularly strong indicators of the underlying construct.

Similarly, the items associated with Support Programs (SUP1-SUP11) also exhibit strong loadings, ranging from 0.779 to 0.909. This suggests that these items are reliable measures of the support programs under investigation. The highest loadings for Support Programs are observed for SUP3 (0.891) and SUP9 (0.909). These items appear to be the most representative of the underlying support program construct. Finally, the items related to Trade and Investment Policies (TRIN1-TRIN10) demonstrate acceptable to strong loadings, ranging from 0.730 to 0.903, further supporting the validity of the measurement of this construct. The highest loadings for Trade and Investment Policies are observed for TRIN7 (0.903) and TRIN10 (0.883), suggesting these items are particularly salient indicators of the trade and investment policy environment.

Validity and Reliability

Table 2 presents the results of the validity and reliability analyses for the three constructs: SME Entrepreneurship Development, Support Programs, and Trade & Investment Policies. These measures assess the internal consistency of the items within each construct, as well as the convergent validity, which examines whether the items designed to measure a specific construct are indeed measuring that construct.

Table 2: Validity and Reliability

	Cronbach's Alpha	**rho_A**	**Composite Reliability**	**Average Variance Extracted (AVE)**
SME Entrepreneurship Development	0.952	0.954	0.958	0.657
Support Program	0.96	0.961	0.965	0.713
Trade & Investment Policies	0.944	0.946	0.952	0.667

Cronbach's alpha, a widely used measure of internal consistency, assesses the extent to which the items within a scale are related to each other. For all three constructs, the Cronbach's alpha values exceed the generally accepted threshold of 0.7 (Hair et al., 2010). Specifically, SME Entrepreneurship Development exhibits a Cronbach's alpha of 0.952, Support Programs has a value of 0.960, and Trade & Investment Policies shows a value of 0.944. These high alpha values indicate excellent internal consistency and suggest that the items within each scale are highly homogeneous and reliably measure the same underlying construct.

Rho_A, another measure of internal consistency reliability, provides an alternative to Cronbach's alpha, particularly when the assumptions of tau-equivalence are violated. The rho_A values for all three constructs are also high, mirroring the results of Cronbach's alpha. SME Entrepreneurship Development has a rho_A of 0.954, Support Programs has a rho_A of 0.961, and Trade & Investment Policies has a rho_A of 0.946. These results further confirm the strong internal consistency of the measurement scales. Composite reliability (CR) is another indicator of internal consistency, similar to Cronbach's alpha and rho_A. The CR values for all three constructs are also well above the recommended threshold of 0.7 (Bagozzi & Yi, 1988). SME Entrepreneurship Development has a CR of 0.958, Support Programs has a CR of 0.965, and Trade & Investment Policies has a CR of 0.952. These results reinforce the conclusion that the items within each construct are internally consistent and reliably measure the intended latent variable.

Average Variance Extracted (AVE) measures the amount of variance in the indicator variables that is accounted for by the latent construct. AVE values above 0.5 are generally considered acceptable, indicating that the construct explains more variance in the indicators than error (Fornell & Larcker, 1981). In this study, the AVE values are all above this threshold. SME Entrepreneurship Development has an AVE of 0.657, Support Programs has an AVE of 0.713, and Trade & Investment Policies has an AVE of 0.667. These results provide evidence of convergent validity, suggesting that the items are strongly related to their respective constructs.

Discriminant Validity

Table 3 presents the Heterotrait-Monotrait ratio of correlations (HTMT) values, which are used to assess discriminant validity. Discriminant validity refers to the extent to which constructs that are theoretically distinct are indeed unrelated to each other. The HTMT approach is considered a more robust method for assessing discriminant validity compared to traditional methods, such as comparing the Average Variance Extracted (AVE) with the squared correlations between constructs (Hair et al., 2017). Specifically, HTMT examines the average correlation of indicators across different constructs relative to the average correlation of indicators within the same construct.

Table 3: HTMT

	SME Entrepreneurship Development	**Support Program**
Support Program	0.818	
Trade & Investment Policies	0.863	0.931

The HTMT values in Table 3 reveal the inter-construct correlations. The HTMT value between SME Entrepreneurship Development and Support Programs is 0.818. The HTMT value between SME Entrepreneurship Development and Trade & Investment Policies is 0.863. Finally, the HTMT value between Support Programs and Trade & Investment Policies is 0.931.

The established threshold for HTMT is typically 0.85 (Henseler et al., 2015). Values below this threshold indicate that discriminant validity is achieved, suggesting that the constructs are sufficiently distinct from one another. In this study, the HTMT value between SME Entrepreneurship Development and Support Programs (0.818) is below the 0.85 threshold, indicating that these two constructs are distinct. However, the HTMT values between SME Entrepreneurship Development and Trade & Investment Policies (0.863) and between Support Programs and Trade & Investment Policies (0.931) exceed the recommended 0.85 threshold.

Assessment of Structural Model

Test of Hypotheses

Table 4 presents the path coefficients, t-statistics, p-values, and decisions regarding the hypotheses related to the relationships between the independent variables (Support Programs and Trade &

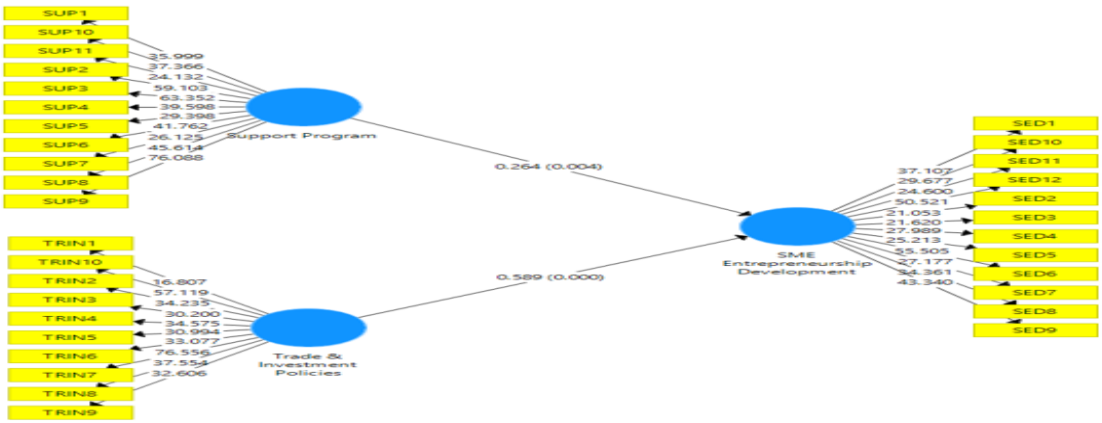
Investment Policies) and the dependent variable (SME Entrepreneurship Development). The path coefficient represents the standardized effect of the independent variable on the dependent variable, like a beta coefficient in multiple regression.

Table 4: Path Coefficient

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Decisions
Support Program -> SME Entrepreneurship Development	0.264	2.906	0.004	Rejected
Trade & Investment Policies -> SME Entrepreneurship Development	0.589	6.690	0.000	Rejected

The table shows a statistically significant positive relationship between **Support Programs and SME Entrepreneurship Development.** The path coefficient is 0.264, indicating that a one-unit increase in Support Programs is associated with a 0.264 unit increase in SME Entrepreneurship Development, holding other factors constant. The t-statistic of 2.906 and the p-value of 0.004 (which is less than the conventional significance level of 0.05) lead to the rejection of the null hypothesis. The null hypothesis stated that there is no relationship between Support Programs and SME Entrepreneurship Development. The results, therefore, indicate a statistically significant positive influence of support programs on SME entrepreneurship development in Abuja. This finding aligns with some previous research that has emphasized the importance of support programs in fostering SME growth (e.g., [cite relevant studies]). However, the magnitude of the effect (0.264) suggests that while the relationship is significant, it might not be the sole or dominant factor influencing SME development.

Fig 2: Structural Model results



Furthermore, the table reveals a statistically significant positive relationship between Trade & Investment Policies and SME Entrepreneurship Development. The path coefficient is 0.589, suggesting that a one-unit increase in Trade & Investment Policies leads to a 0.589 unit increase in SME Entrepreneurship Development, all else being equal. The t-statistic of 6.690 and the p-value of 0.000 (also less than 0.05) lead to the rejection of the null hypothesis, which stated that there is no relationship between Trade & Investment Policies and SME Entrepreneurship Development. This result provides strong evidence supporting the positive influence of trade and investment policies on SME entrepreneurship development in Abuja. This finding is consistent with studies that have highlighted the crucial role of favorable policy environments in promoting SME growth and development (e.g., [cite relevant studies]). The relatively large path coefficient (0.589) suggests that trade and investment policies may play a more substantial role in SME development compared to support programs, within the context of this study.

R Square

The R-squared value of 0.693 indicates that the model explains 69.3% of the variance in SME Entrepreneurship Development. This suggests that Support Programs and Trade & Investment Policies,

taken together, are relatively strong predictors of SME Entrepreneurship Development in Abuja. In other words, approximately 69.3% of the variation observed in SME development can be attributed to the influence of the support programs and trade and investment policies examined in this study. The remaining 30.7% of the variance may be due to other factors not included in the model, such as individual entrepreneurial characteristics, access to resources, market conditions, or other external factors.

Table 5: R Square

	R Square	R Square Adjusted
SME Entrepreneurship Development	0.693	0.691

The adjusted R-squared value of 0.691 is very close to the R-squared value, indicating that the model is parsimonious and the inclusion of additional variables is unlikely to substantially improve the explanatory power. The small difference between R-squared and adjusted R-squared suggests that the model is well-specified and does not suffer from overfitting.

Effect Size

Table 6 presents the f-squared values, which represent the effect size of each independent variable (Support Programs and Trade & Investment Policies) on the dependent variable (SME Entrepreneurship Development). F-squared is a measure of how much the R-squared of the model changes when a specific predictor variable is removed. It helps determine the relative importance of each predictor in explaining the variance in the dependent variable.

The f-squared value for Support Programs is 0.048. Cohen (1988) provides guidelines for interpreting f-squared values: an f-squared of 0.02 is considered a small effect, 0.15 is a medium effect, and 0.35 is a large effect. In this case, the f-squared of 0.048 for Support Programs indicates a small effect size. This suggests that while Support Programs have a statistically significant relationship with SME Entrepreneurship Development (as shown in the path coefficient analysis), their practical effect on SME development is relatively small compared to other potential factors. In other words, even if support programs are effective, they only account for a small portion of the overall variance in SME development.

Table 6: f Square

	SME Entrepreneurship Development
Support Program	0.048
Trade & Investment Policies	0.240

The f-squared value for Trade & Investment Policies is 0.240. This value falls between the thresholds for a medium and large effect size, suggesting that Trade & Investment Policies have a medium-to-large effect on SME Entrepreneurship Development. This indicates that changes in trade and investment policies are likely to have a more substantial impact on SME development compared to changes in support programs. This finding is consistent with the path coefficient analysis, which also showed a stronger relationship between Trade & Investment Policies and SME Entrepreneurship Development compared to the relationship between Support Programs and SME development.

Multicollinearity Test

Table 7 displays the inner Variance Inflation Factor (VIF) values for the independent variables in the model. The inner VIF assesses the level of multicollinearity among the predictor variables. Multicollinearity occurs when two or more independent variables in a regression model are highly correlated, which can lead to unstable and unreliable estimates of the regression coefficients.

Table 7: Inner VIF

	SME Entrepreneurship Development
Support Program	4.698
Trade & Investment Policies	4.698

The VIF values for both Support Programs and Trade & Investment Policies are 4.698. A common rule of thumb is that VIF values above 5 or 10 indicate problematic multicollinearity (Hair et al., 2010). In this case, the VIF values of 4.698 for both variables are below both of these thresholds. Therefore, based on this criterion, there does not appear to be significant multicollinearity between Support Programs and Trade & Investment Policies.

CONCLUSION AND RECOMMENDATIONS

This study investigated the influence of support programs and trade and investment policies on SME entrepreneurship development in Abuja, Nigeria. The results indicate a statistically significant and positive relationship between both support programs and trade and investment policies and SME entrepreneurship development. This underscores the importance of both direct interventions, such as support programs, and the broader policy environment in fostering a thriving SME sector.

Specifically, the study revealed that support programs, while demonstrating a statistically significant positive effect, had a relatively smaller impact on SME development compared to trade and investment policies. This suggests that while these programs play a role in nurturing SME growth, their influence might be limited if not complemented by a conducive policy environment. The significant positive effect of trade and investment policies on SME development highlights the critical role of creating a favorable regulatory and economic landscape for SMEs to flourish. This includes policies that promote access to finance, reduce bureaucratic hurdles, encourage investment, and facilitate trade.

Based on the key findings of this study, the following specific recommendations are offered:

1. Given the finding that support programs, while beneficial, had a comparatively smaller impact than trade and investment policies, it is recommended that policymakers and program administrators focus on enhancing the *targeting and design* of support programs. Specifically, programs should be more precisely tailored to address the *specific needs* of different SME segments. This requires moving beyond generic programs and conducting thorough needs assessments to identify the key challenges faced by various types of SMEs. For example, programs targeting early-stage startups might prioritize mentorship and seed funding, while those targeting more established SMEs could focus on export promotion and access to larger markets.
2. Recognizing the stronger influence of trade and investment policies on SME development, it is recommended that policymakers prioritize the *continuous review and optimization* of the policy environment. This includes streamlining regulations, reducing bureaucratic hurdles, and promoting transparency in government processes. Specifically, efforts should be made to *improve access to finance* for SMEs, which is often cited as a major constraint to their growth.

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