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IGBO APPRENTICESHIP SYSTEM AND SMALL AND MEDIUM-SIZED ENTERPRISE DEVELOPMENT IN NIGERIA: EMPIRICAL EVIDENCE FROM ARIARIA INTERNATIONAL MARKET

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Abstract

This study empirically examined the impact of the Igbo Apprenticeship System (IAS) on Small and Medium-sized Enterprises (SMEs) development in Nigeria, using Ariaria International Market, Aba, Abia State, as the study area. The study specifically investigated the effects of informal mentorship, seed capital, and indigenous knowledge transmission on SMEs development. A survey research design was adopted, and primary data were obtained through structured questionnaires administered to 450 respondents comprising SME owners, apprentices, and business mentors, of which 384 were retrieved and analysed, representing an 85.3% response rate. Data were analysed using descriptive statistics and multiple regression analysis. Findings revealed that informal mentorship has a positive and significant effect on SMEs development ($\beta = 0.271$; $t = 6.610$; $p = 0.000$); seed capital exerts a positive and significant influence on SMEs development ($\beta = 0.348$; $t = 8.923$; $p = 0.000$); and indigenous knowledge transmission positively and significantly affects SMEs development ($\beta = 0.294$; $t = 6.837$; $p = 0.000$). The regression model jointly explained 70.9% of the variation in SMEs development ($R^2 = 0.709$). The study concluded that IAS remains a potent indigenous entrepreneurial framework capable of promoting SMEs development, employment generation, and inclusive economic growth in Nigeria. The study recommended that government formally integrate the apprenticeship system into national entrepreneurship development policies, while stakeholders strengthen mentorship structures, improve access to startup capital, and incorporate modern entrepreneurial training into the system.

Keywords: Igbo Apprenticeship System, Informal Mentorship, Seed Capital, Indigenous Knowledge, Transmission.

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Introduction

Small and Medium-sized Enterprises (SMEs) constitute the backbone of Nigeria's economic structure, contributing significantly to employment generation, poverty reduction, and economic diversification. According to the National Bureau of Statistics (2021), SMEs in Nigeria are defined as businesses with between 10 and 199 employees and assets valued between five million and five hundred million Naira, excluding land and buildings. These enterprises collectively account for nearly 50% of Nigeria's Gross Domestic Product (GDP) and represent approximately 80% of national employment, underscoring their critical role in fostering inclusive growth and stimulating innovation across diverse sectors (Nigerian SME Industry Report, 2025). Despite their enormous economic importance, Nigerian SMEs continue to face significant developmental challenges. Limited access to finance, inadequate infrastructure, and the absence of structured entrepreneurial development frameworks remains critical constraints that impede SME growth and sustainability. In response to these challenges, indigenous entrepreneurial systems, particularly the Igbo Apprenticeship System (IAS), have emerged as potent alternative mechanisms for skill development, capital provision, and enterprise establishment in informal economic settings.

The Igbo Apprenticeship System is a well-established indigenous entrepreneurial model deeply embedded in the cultural and commercial traditions of the southeastern Nigerian region. The system operates through a structured but informal arrangement in which an inexperienced individual (apprentice) is placed under the guidance of an established business owner (master) for a predetermined period. During this period, the apprentice acquires foundational entrepreneurial skills, practical business knowledge, and vocational competencies. Upon successful completion of the apprenticeship, the master provides the graduate with startup capital, known locally as 'idu-ulo' or settlement, to facilitate independent business establishment. This system has been described as a viable and replicable model for grassroots economic development, wealth creation, and poverty reduction in Africa (Ugwu, 2023). Ariaria International Market, located in Aba, Abia State, represents one of the largest and most vibrant informal SME clusters in Nigeria and sub-Saharan Africa. The market is widely recognised as a hub of indigenous manufacturing, entrepreneurial activity, and informal apprenticeship-based training, making it an ideal

site for empirically examining the relationship between IAS and SMEs development.

Despite the widespread practice of IAS, particularly in major commercial clusters such as Ariaria, existing empirical literature on the specific contribution of IAS components informal mentorship, seed capital, and indigenous knowledge transmission to measurable SME development outcomes remains limited and largely descriptive. This study addresses this gap by empirically investigating the impact of these three dimensions of IAS on SMEs development in Ariaria International Market, thereby providing evidence-based insights for policy and practice.

Literature Review

Conceptual Review

Igbo Apprenticeship System

The Igbo Apprenticeship System (IAS) is a communal, mentor-based framework through which young individuals typically from low-income backgrounds are trained by experienced business owners in the practical aspects of trade, commerce, and enterprise management. In recent scholarly discourse (2024–2026), IAS has been recognized as one of the most effective grassroots economic mechanisms for promoting self-reliance, reducing unemployment, and fostering inclusive economic development in Nigeria (Onoh, Amanze, & Esi-Ubani, 2025).

The system operates through three principal stages: induction, training, and settlement. During the induction stage, the apprentice is socialized into the norms, values, and expectations of the trade. The training stage involves direct, hands-on participation in business operations including buying and selling, customer relations, bookkeeping, and negotiation. The settlement stage, arguably the most distinctive feature of IAS, involves the master providing the apprentice with startup capital, goods, or other forms of support to initiate an independent business. This stage reinforces the social and moral obligation embedded within the system and ensures the continuous expansion of SMEs within the economy (Nwosu, 2025). The historical evolution of IAS reveals its remarkable adaptability. During British colonial rule, Igbo entrepreneurs expanded into emerging commercial centres such as Onitsha, Aba, and Nnewi, adapting apprenticeship training to include the trading of imported goods and mechanical services (Meagher, 2010).

Following the devastation of the Nigerian Civil War (1967–1970), IAS served as a critical mechanism for post-war economic reconstruction, with masters absorbing displaced youths and rebuilding commercial networks through trust-based apprenticeship arrangements (Afigbo, 1981; Forrest, 1994). This historical resilience underscores the enduring relevance of IAS as an indigenous entrepreneurial system.

Informal Mentorship and SMEs Development

Informal mentorship is a fundamental component of IAS through which experienced business owners guide, train, and support apprentices using practical, experience-based methods. Unlike formal instructional approaches, informal mentorship emphasizes hands-on training, tacit knowledge transfer, and the development of entrepreneurial values such as discipline, honesty, loyalty, and customer relationship management (Eze, 2024; Okorie, 2025). Research consistently demonstrates that informal mentorship enhances entrepreneurial competence, reduces business failure rates among new enterprises, and promotes long-term business sustainability within informal market environments (Obuseh, Nwankwo, & Eze, 2024). In the context of Ariaria International Market, informal mentorship facilitates the acquisition of critical business competencies including pricing strategies, negotiation techniques, supplier relationship management, and financial decision-making skills that are predominantly learned through observation and direct participation rather than formal instruction. The mentorship relationship also extends beyond technical skill development to encompass networking facilitation, psychological support, and the cultivation of entrepreneurial confidence (Iheanacho, 2025; Ndukwe, 2024).

Seed Capital and SMEs Development

Seed capital, within the IAS framework, refers to the initial financial resources, goods, or business support provided to an apprentice upon the successful completion of training. This settlement mechanism serves as a critical bridge between skill acquisition and business ownership, enabling trained individuals to transition into independent entrepreneurship without the constraints of formal financial institution requirements (Farayibi, 2021). Given the widely documented challenges that Nigerian SMEs face in accessing formal credit including stringent collateral requirements, high interest rates, and bureaucratic lending processes

the informal financing mechanism embedded in IAS represents a significant alternative source of entrepreneurial funding and economic inclusion (Okwuowulu, 2022). Empirical studies affirm that seed capital within IAS lowers barriers to business entry, promotes early business stability, and reinforces trust and social responsibility within the business community (Farayibi, 2021; Nwankwo & Okeke, 2022). Furthermore, seed capital strengthens the cycle of entrepreneurship, as beneficiaries of settlement often subsequently become masters who train and finance new apprentices, creating a multiplier effect for SMEs development and economic empowerment.

Indigenous Knowledge Transmission and SMEs Development

Indigenous knowledge transmission refers to the process through which local skills, cultural business practices, production techniques, and experiential knowledge are transferred from masters to apprentices over time. This dimension of IAS is largely informal, practical, and deeply rooted in cultural values and lived entrepreneurial experience. Indigenous knowledge transmission facilitates skill specialization, the preservation of local industries and cultural heritage, and the promotion of innovation through the adaptive combination of traditional techniques and modern market demands (Anyia, 2023; Ezeani, 2024). Research conducted within informal market clusters in southeastern Nigeria consistently demonstrates that indigenous knowledge transmission enhances entrepreneurial competence, builds problem-solving capacity, strengthens social cohesion within business communities, and ensures the intergenerational continuity of local enterprises (Eze, 2023; Onoh et al., 2025). In Ariaria International Market, indigenous knowledge transmission is particularly evident in the footwear, leather, and garment production sectors, where traditional craftsmanship is continuously refined to compete with imported goods.

Theoretical Framework

This study is anchored on three complementary theoretical frameworks: Social Learning Theory, Human Capital Theory, and Entrepreneurial Learning Theory. Social Learning Theory (Bandura, 1977) posits that individuals acquire behaviours, skills, and attitudes through observation and interaction within social environments, which directly explains how

apprentices in Ariaria International Market develop entrepreneurial competencies through mimetic learning and practical engagement with experienced masters. Human Capital Theory (Becker, 1964) conceptualizes investment in skills, knowledge, and training as a form of productive capital that enhances individual economic value and output. Within the IAS framework, the time and resources invested in apprenticeship constitute an investment in human capital that yields returns in the form of business establishment, income generation, and economic sustainability. Entrepreneurial Learning Theory (Cope, 2005) further complements these frameworks by emphasising that entrepreneurial capability develops through experiential learning, problem-solving, and continuous interaction with the business environment precisely the pedagogical model that IAS embodies.

These theoretical perspectives are undergirded by Schumpeter's Innovation Theory (1934), which posits that entrepreneurs serve as dynamic agents of economic transformation through the introduction of new combinations of goods, markets, production methods, and organisational forms. Within the IAS framework, apprentices who complete training and establish independent enterprises exemplify Schumpeterian entrepreneurship by deploying acquired skills and settlement capital to create new business ventures, generate employment, and stimulate local economic growth.

Empirical Review and Research Gap

Several empirical studies have examined the relationship between IAS and entrepreneurial outcomes in Nigeria. Onoh, Amanze, and Esi-Ubani (2025) employed a mixed-methods design to examine IAS and SMEs development in informal market clusters, finding that mentorship, settlement capital, and skill acquisition significantly enhance business creation, employment generation, and enterprise sustainability. Obuseh, Nwankwo, and Eze (2024) confirmed a strong positive relationship between apprenticeship participation and SME performance indicators including business expansion, managerial competence, and market development. Eze (2023) used a qualitative approach to demonstrate that IAS promotes self-reliance, poverty reduction, and entrepreneurial resilience. Farayibi (2021) established that the IAS settlement model significantly reduces financial barriers to business startup, while Okwuowulu (2022) confirmed that

informal financing through IAS positively influences business growth and sustainability.

Notwithstanding these contributions, significant gaps remain in the extant literature. Most prior studies examined IAS dimensions in isolation rather than as an integrated system, adopted qualitative or descriptive approaches that limit statistical generalisation, and devoted insufficient attention to specific informal commercial clusters such as Ariaria International Market. The present study addresses these gaps by adopting a quantitative regression framework to examine the joint and individual effects of informal mentorship, seed capital, and indigenous knowledge transmission on SMEs development within a specific, high-density commercial context.

Methodology

The study adopted a survey research design, considered appropriate for collecting primary data from large populations and enabling statistical generalization of findings. This design is consistent with prior empirical research on SMEs and entrepreneurial development in informal market environments (Onoh et al., 2025; Obuseh et al., 2024). The study population comprised SME owners, business mentors (masters), and apprentices operating within Ariaria International Market, Aba, Abia State. Given that the market accommodates over 37,000 registered shops in addition to numerous unregistered business units, the Cochran (1977) formula for infinite population sample size determination was employed:

$$n_0 = Z^2 \cdot p \cdot (1-p) / e^2$$

Assuming a 95% confidence level ($Z = 1.96$), a proportion of $p = 0.5$, and a margin of error of $e = 0.05$, the computed sample size was 384. To accommodate potential attrition, 450 copies of the questionnaire were distributed. A total of 384 copies were successfully retrieved and used for analysis, representing an 85.3% response rate. Purposive sampling was initially employed to identify respondents directly involved in IAS activities, after which simple random sampling ensured equal selection probability among eligible respondents.

Data were collected using a structured questionnaire divided into two sections. Section A captured demographic information, while Section B contained research instrument items measured on a five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1). The

independent variables informal mentorship, seed capital, and indigenous knowledge transmission were each operationalised with five items adapted from prior validated instruments (Onoh et al., 2025; Farayibi, 2021; Eze, 2023). The dependent variable, SMEs development, was also measured with five items reflecting business growth, profitability, employment generation, competitiveness, and sustainability.

Content and face validity were established through expert review by academics in Business Administration and Entrepreneurship, whose recommendations were incorporated before final administration. Reliability was assessed through a pilot study of 30 respondents, with Cronbach Alpha coefficients computed using SPSS version 27. All variables returned coefficients above the 0.70 threshold recommended by Nunnally (1978), confirming satisfactory internal consistency.

Table 1: Reliability Coefficients of Research Instrument

Variable	Number of Items	Cronbach Alpha
Informal Mentorship	5	0.812
Seed Capital	5	0.846
Indigenous Knowledge Transmission	5	0.801
SMEs Development	5	0.874
Overall Reliability	20	0.833

Source: Researcher's Field Survey (2026); Computed using SPSS Version 29.

Model Specification

The functional and econometric forms of the model are specified as:

$$SMED = f(IM, SC, IKT)$$

$$SMED = \beta_0 + \beta_1 IM + \beta_2 SC + \beta_3 IKT + \mu$$

Where: SMED = SMEs Development; IM = Informal Mentorship; SC = Seed Capital; IKT = Indigenous Knowledge Transmission; β_0 = Constant term; β_1 – β_3 = Regression coefficients; μ = Error term. A priori expectations: $\beta_1 > 0$, $\beta_2 > 0$, $\beta_3 > 0$, indicating that all independent variables are expected to positively influence SMEs development. Data were analysed using the Statistical Package for Social Sciences (SPSS version 27).

Results and Discussion

Demographic Profile of Respondents

Table 2: Demographic Characteristics of Respondents (n = 384)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	248	64.6
	Female	136	35.4
Age	18–25 years	72	18.8
	26–35 years	158	41.1
	36–45 years	104	27.1
	46 years and above	50	13.0
Educational Qualification	Primary Education	44	11.5
	Secondary Education	128	33.3
	OND/NCE	76	19.8
	HND/B.Sc	104	27.1
	Postgraduate	32	8.3
Business Status	Apprentice	112	29.2
	SME Owner	194	50.5
	Business Mentor/Master	78	20.3
Years of Experience	1–5 years	102	26.6
	6–10 years	146	38.0
	11–15 years	84	21.9
	16 years and above	52	13.5

Source: Researcher's Field Survey (2026).

Table 2 reveals that male respondents constituted the majority (64.6%), indicating that entrepreneurial and apprenticeship activities within Ariaria International Market remain predominantly male-dominated. The modal age bracket was 26–35 years (41.1%), suggesting that young and middle-aged individuals are most actively engaged in SME operations and apprenticeship participation. In terms of educational attainment, secondary education holders constituted the

largest group (33.3%), followed by HND/B.Sc holders (27.1%), confirming that entrepreneurship within the market involves individuals across diverse educational backgrounds. SME owners represented the majority of respondents (50.5%), ensuring that data collected reflects meaningful practical entrepreneurial experience. Respondents with 6–10 years of business experience formed the modal category (38.0%), indicating adequate experiential exposure for reliable responses.

Descriptive Statistics

Table 3: Descriptive Statistics of Research Variables

Variable	Cluster Mean	Std. Deviation	Decision
Informal Mentorship	4.01	0.956	Accepted
Seed Capital	4.06	0.940	Accepted
Indigenous Knowledge Transmission	4.05	0.940	Accepted
SMEs Development	4.07	0.925	Accepted

Source: Researcher's Field Survey (2026); Computed using IBM SPSS Statistics Version 29.

Table 3 presents the cluster means and standard deviations for all research variables. All variables returned cluster mean scores above the benchmark of 3.50, confirming positive respondent assessments across all dimensions of the study. SMEs development recorded the highest cluster mean of 4.07, followed by seed capital (4.06), indigenous knowledge transmission (4.05), and informal mentorship (4.01). Standard deviation values ranging from 0.925 to 0.956 indicate moderate variability in respondents' assessments and suggest broadly consistent perceptions across the sample.

Multiple Regression Analysis

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.842	0.709	0.706	0.418

The model summary in Table 4 reveals a multiple correlation coefficient (R) of 0.842, indicating a strong positive relationship between the combined independent variables and SMEs development. The coefficient of determination (R^2) of 0.709 demonstrates that approximately 70.9% of the variation in SMEs development is collectively explained by informal mentorship, seed capital, and indigenous knowledge transmission. The Adjusted R^2 of 0.706 confirms the robustness of the model after adjusting for the number of predictors, indicating that the model retains strong explanatory power.

Table 5: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	158.244	3	52.748	301.614	0.000
Residual	66.428	380	0.175		
Total	224.672	383			

The ANOVA result presented in Table 5 confirms that the overall regression model is statistically significant [$F(3, 380) = 301.614$; $p = 0.000 < 0.05$]. This indicates that the independent variables jointly exert a significant and meaningful effect on SMEs development in Ariaria International Market.

Table 6: Regression Coefficients

Variable	Unstandardised B	Std. Error	Beta	t-value	Sig.
Constant	0.714	0.132		5.409	0.000
Informal Mentorship	0.271	0.041	0.286	6.610	0.000
Seed Capital	0.348	0.039	0.382	8.923	0.000
Indigenous Knowledge Transmission	0.294	0.043	0.301	6.837	0.000

Source: Researcher's Field Survey (2026); Computed using IBM SPSS Statistics Version 29.

Table 6 presents the regression coefficients for each independent variable. Informal mentorship returned a positive and significant coefficient ($\beta = 0.271$; $t = 6.610$; $p = 0.000$), confirming that mentorship within IAS significantly enhances SMEs development. Seed capital recorded the highest beta coefficient among all variables ($\beta = 0.348$; $t = 8.923$; $p = 0.000$), indicating that it exerts the strongest individual influence on SMEs development. Indigenous knowledge transmission also returned a positive and significant coefficient ($\beta = 0.294$; $t = 6.837$; $p = 0.000$), demonstrating the critical role of practical knowledge transfer in enterprise growth.

Test of Hypotheses

H₁: Informal mentorship has no significant impact on SMEs development in Ariaria International Market. The regression results produced $\beta = 0.271$, $t = 6.610$, and $p = 0.000$. Since $p < 0.05$, the null hypothesis is rejected. Informal mentorship has a positive and statistically significant impact on SMEs development.

H₂: Seed capital has no significant influence on SMEs development in Ariaria International Market. The regression results produced $\beta = 0.348$, $t = 8.923$, and $p = 0.000$. Since $p < 0.05$, the null hypothesis is rejected. Seed capital has a positive and statistically significant influence on SMEs development.

H₃: Indigenous knowledge transmission has no significant impact on SMEs development in Ariaria International Market. The regression results produced $\beta = 0.294$, $t = 6.837$, and $p = 0.000$. Since $p < 0.05$, the null hypothesis is rejected. Indigenous knowledge transmission has a positive and statistically significant impact on SMEs development.

Discussion of Findings

Informal Mentorship and SMEs Development: The finding that informal mentorship positively and significantly affects SMEs development ($\beta = 0.271$; $p = 0.000$) is consistent with the theoretical postulates of Social Learning Theory, which holds that skills, behaviours, and attitudes are acquired through observation, interaction, and imitation within social environments (Bandura, 1977). Within Ariaria International Market, apprentices directly acquire entrepreneurial competencies including negotiation, pricing, customer management, and financial decision-making through close and sustained interaction with experienced masters. This form of mentorship provides continuous guidance, practical exposure, and role modelling that formal business education systems often cannot replicate. The finding corroborates Onoh, Amanze, and Esi-Ubani (2025), who found that mentorship within IAS significantly enhances entrepreneurial capability and SME sustainability. It also aligns with Obuseh, Nwankwo, and Eze (2024) and Eze (2023), who consistently demonstrated that informal mentorship improves managerial competence, reduces business failure rates, and strengthens entrepreneurial confidence among SME operators in informal markets.

Seed Capital and SMEs Development: The finding that seed capital exerts the strongest influence on SMEs development among the three predictor variables ($\beta = 0.348$; $p = 0.000$) aligns with Human Capital Theory (Becker, 1964), which posits that investment in entrepreneurial capacity and productive resources generates sustained economic returns. The settlement mechanism embedded within IAS functions as an informal investment instrument that converts acquired entrepreneurial knowledge and skills into productive business activity.

In the Nigerian context, where formal financial institutions impose high collateral requirements and stringent credit conditions, seed capital within IAS serves as a critical alternative financing mechanism that promotes economic inclusion and business establishment among economically marginalised populations. This finding is consistent with Farayibi (2021), who demonstrated that the IAS settlement model significantly reduces financial exclusion and enables successful business startup. It is further corroborated by Okwuowulu (2022) and Nwankwo and Okeke (2022), who similarly found that informal financing through apprenticeship settlement positively influences business growth, entrepreneurial independence, and poverty reduction.

Indigenous Knowledge Transmission and SMEs Development: The positive and significant impact of indigenous knowledge transmission on SMEs development ($\beta = 0.294$; $p = 0.000$) aligns with Entrepreneurial Learning Theory (Cope, 2005), which emphasises that entrepreneurial capability develops primarily through experiential learning and continuous engagement with real business environments. Indigenous knowledge within IAS encompasses production techniques, market negotiation strategies, supplier relationship management, and adaptive business practices that are largely tacit embedded in experience rather than codified in manuals or textbooks. In Ariaria International Market, this knowledge forms the foundation of competitive advantage in local manufacturing sectors, particularly footwear, leather goods, and garment production. The finding is consistent with Eze (2023), who reported that indigenous knowledge enhances entrepreneurial competence and business adaptability, and with Onoh et al. (2025), who found that practical knowledge transmission significantly contributes to enterprise sustainability and competitive performance.

Conclusion and Recommendations

Conclusion

This study empirically demonstrated that the Igbo Apprenticeship System (IAS) exerts a significant, positive, and multidimensional impact on SMEs development in Nigeria. Using Ariaria International Market as a case study, the study established that informal mentorship, seed capital, and indigenous knowledge transmission each independently contribute to SMEs development while jointly accounting for 70.9% of the variation in SMEs

developmental outcomes. The findings confirm that IAS functions not merely as a cultural practice but as a comprehensive, dynamic, and institutionally embedded entrepreneurial system that generates human capital, facilitates enterprise creation, and promotes economic inclusion.

The study concludes that IAS remains one of the most potent indigenous frameworks for promoting grassroots industrialization, employment generation, and inclusive economic development in Nigeria. Its ability to deliver practical entrepreneurial training, provide informal startup financing, and transmit accumulated business knowledge across generations positions it as a sustainable complement to formal entrepreneurship development programs. The system's continued relevance in an era of increasing economic complexity attests to its remarkable adaptability and cultural resilience.

Recommendations

Based on the findings and conclusions of this study, the following recommendations are advanced:

1. Government and relevant policy agencies, including SMEDAN and the Ministry of Trade and Investment, should formally recognise and integrate the Igbo Apprenticeship System into national entrepreneurship development policies and programs. This institutional recognition would provide legal protection for apprentices, standardise settlement agreements, and expand the system's reach beyond southeastern Nigeria.
2. Capacity-building programs should be designed to complement IAS training with modern business competencies, including digital marketing, financial literacy, record-keeping, and e-commerce. This hybrid approach would strengthen the competitiveness of IAS-trained entrepreneurs in contemporary market environments.
3. Formal financial institutions, including microfinance banks and development finance institutions, should collaborate with IAS stakeholders to design complementary credit products that supplement settlement capital, thereby enhancing the financial capacity of newly established SMEs.

4. Mechanisms for formalising and documenting apprenticeship agreements should be introduced to reduce disputes, prevent exploitation, and ensure equitable fulfilment of settlement obligations. Market associations within Ariaria International Market could serve as mediating bodies in this regard.

Future research should investigate gender differentials in IAS participation and outcomes, the moderating role of digital technology adoption on the relationship between IAS and SMEs performance, and the replicability of the IAS model in other cultural and regional contexts within Nigeria and Africa.

Contribution to Knowledge

This study makes several empirical and theoretical contributions to the literature on indigenous entrepreneurship and SMEs development. First, it provides original quantitative evidence on the simultaneous and combined impact of informal mentorship, seed capital, and indigenous knowledge transmission on SMEs development, addressing a significant gap in prior scholarship that examined these variables in isolation. Second, the study enriches empirical knowledge on IAS by situating its analysis within a specific, high-density commercial cluster Ariaria International Market thereby generating location-specific, context-sensitive findings with practical relevance. Third, the study advances theoretical understanding by demonstrating the applicability of Social Learning Theory, Human Capital Theory, Entrepreneurial Learning Theory, and Schumpeter's Innovation Theory as complementary frameworks for explaining indigenous entrepreneurial systems in developing economies.

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