A CRITICAL EXAMINATION OF THE DIRECT AND INDIRECT EFFECTS OF GOVERNMENT POLICIES ON EXPORT PROMOTION ON THE EXPORT PERFORMANCE OF SMALL AND MEDIUM SIZE (SME) COCOA EXPORTERS IN CAMEROON

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Declaration Sheet

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Abstract

The research examines the effectiveness of the Cameroonian government policies for export promotion on export performance of SMEs in Cocoa production in the South West and Centre Regions of the Cameroon which are the major production centres. The theoretical contribution of the research is divided into two parts. The first consists of the robustness of existing theory using confirmatory factor analysis (CFA) model. The second constructs a structural equation model (SEM) based on the testing of the CFA model to test the effectiveness of government policies for export promotion on export performance. 101 questionnaires were collected through snowball sampling and analysed using SEM. The findings on the robustness of existing theories (resource-based view) are that government policies represent an external resource that enables SMEs to overcome the barriers to exporting and improve export performance through the provision country and firms specific advantages. The findings on SEM are that government policies have positive effects on export performance both directly and indirectly through Country and firms specific advantages. However, the positive and significant effects were through the provision of export marketing information. As a result of the analysis, normative policy recommendations are made on the government to improving access and usage of these policies and for SMEs to make concerted efforts in accessing information. The discussion of the reliability and validity of the research, its limitations, and implications for future studies, the theoretical underpinnings of the CFA and SEM models are carefully examined.

Statement of Copyright

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List of Abbreviations

SSA	Sub-Saharan Africa
SMEs	Small and medium size enterprises
WTO	World Trade Organisation
RBV	Resource Base View
SEM	Structural Equation Modelling
LBA	Licence Buying Agent
ULBA	Unlicensed Buying Agent
ICCO	International Cocoa Organisation
UNCTAD	United Nation on Trade and Development
IMF	International Monetary Fund
GDP	Gross Domestic Product
OECD	Organisation for Economic Corporation and Development
FAO	Food and Agricultural Organisation
ONCPB	National Board for the Marketing of Basic Commodities
SODECAO	Cocoa Development Society
UCA	Union of Agricultural Cooperatives
ONCC	National Cocoa and Coffee Board
CICC	Inter-professional Council for Cocoa and Coffee
SAP	Structural Adjustment Program
PRS	Poverty Reduction Strategy
HIPIC	Heavily Indebted Poor Country Initiative
CCIB	Cocoa and Coffee Interprofessional Board

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Chapter 1. Introduction to the Research

1.1 Introduction

How can governments in developing countries effectively promote exporting? The above statement is the central research issue; The context is Cocoa exporting in Cameroon. The research considers the effectiveness of current government policies towards export promotion. The conceptual model is based on Structural Equation Modelling (SEM). The robustness of existing theories about export promotion is tested by the extent to which the categorisation of observable variables into factors or latent variables fits the Cameroonian data. The conceptual Structural Equation Model is constructed, and the impact of policy variables is tested using 101 questionnaires collected through snowball sampling technique over a seven week period in 2014 attempting to distinguish the most relevant policy variables. Then recommendations are made on government policy.

This chapter is therefore, an introduction to the entire thesis. It begins by discussing the background and the motivation for the research. It also discusses the research problem, the research question, objectives, methodology, and the contribution of the study. The last section concludes with an overview of how the thesis is organised and a chapter conclusion.

There are threats and opportunities brought about by globalisation (Julian and Ali, 2009). However, SMEs especially in developing countries, are still finding it difficult to cope with the threats of globalisation and benefit from the opportunities created by globalisation. This is because they are constrained by many factors (export barriers) that make them unable to compete with large firms (Julian and Ali, 2009; Julian and Ahmed, 2005). When one extends these line of argument to the context of Cameroon, it could be seen that lack of finance, high taxes, and poor transport facilities, lack of technical knowledge, education and training has made it difficult for many SMEs to growth and

expanded (Njinyah and Ngoasong, 2014).

Building from the macro and micro benefits of exporting to the economy (Julian and O'Cass, 2004), the role of the government becomes instrumental in promoting exporting through its policies for export promotion (Gençtürk and Kotabe, 2001). This is because the government represents the largest provider of external resources to firms in every economy (Gençtürk and Kotabe, 2001). This, therefore, implies for SMEs to continue in playing their role in economic development, the government must give them a big push through its policies for export promotion (Wilkinson and Brouthers, 2006). Export promotion programmes are therefore instrumental in providing the knowledge base and capabilities needed by SMEs to overcome barriers to exporting and improve their export performance. By providing a knowledge base and capability for successful exporting, export promotion programmes can therefore, affect export performance directly and indirectly as discussed in chapter two.

The chapter presents an overview of the research. It takes into account the research background to situate the research within context; the motivation for the research which explains why the researcher is undertaking the research; the research problem which discusses and state the main problems to be investigated; the research questions which presents questions emanating from the research problem; the research objectives which explains how the research questions are to be answered, the research method to introduce the methods of data collection; sampling and data analysis that have been used, the research contribution to summarise what contribution has been made with respect to theory; policy and managerial implications; thesis outline to show how the research is structured and the conclusion of the chapter.

1.2 The Research Background

Cameroon is an underdeveloped and a relatively developing country within Sub-Saharan Africa (SSA). One of the key ways of introducing development

is to focus on international trade and increase export performance. This is because export promotion seems to be the way forward for emerging economies. Furthermore, an analysis of the literature on export trade and economic growth in developing economies gives a positive relationship (Johansson and Nelson, 1997). This further strengthens the researcher's view that one way of stimulating growth in Cameroon is through exporting.

Cameroon is a country with abundant resources such as Cocoa, Timber, Rubber, Palm Oil, Bauxite, Aluminium, and Crude Oil among others (Molua, 2008). However, the commodity of interest in this research is Cocoa. Cocoa is one of the oldest major traditional exports for the country and has stood the test of time as a major source of foreign exchange (ICCO, 2012). The marketing of Cocoa within the Cameroon economy is very complex and dominated by SMEs (SME Cocoa exporters). In Cameroon, licensed buying agents (LBAs) buy cocoa directly from farmers and farmers' cooperatives and sell either to local processing firms or small independent Cocoa exporters who in tends sell to foreign markets through large multinational enterprises. Some of these LBAs also export directly. Farmers' cooperatives also buy from other farmers and unlicensed buying agents (ULBAs) and sell or export through large multinationals and other independent exporters (Coulter and Abena, 2010). It is the export performance of the above SME cocoa exporters that are of interest in this research. In the literature survey, any member within the Cocoa value chain who directly or indirectly exports Cocoa is categorised as SME cocoa exporters (Boansi, 2013; Coulter and Abena, 2010) a categorisation that is consistent with international comparisons (UNCTAD, 2005; 2010).

Furthermore, the benefit of exporting to an economy cannot be underestimated. Exporting represents a source of foreign exchange, economic growth, reduces unemployment and stimulates production. Exporting also allows a country to make maximum use of its competitive advantages by extending its existing market and creating new opportunities (Ahmed, 2005). With continued economic integration and globalisation which

is creating opportunities and threats, exporting has become an internationalisation strategy for SMEs within every economy (Ahmed, 2005). The researcher's field survey also reveals that some SMEs Cocoa exporters not only look at exporting of Cocoa as an internationalisation strategy but also because domestic production is more than domestic demand. However, SMEs are always at a disadvantage in pursuing exporting because of their liability of smallness, newness and the other main challenges such as lack of resources (Julian and Ali, 2009). This situation is not different when one considers the problems facing SMEs Cocoa exporters in Cameroon as captured by the questionnaire used in this research. Looking at the benefits of exporting and the disadvantages SMEs encountered in exporting; one can easily justify why the government of every economy and Cameroon, in particular, needs to intervene in exporting.

The aim of Government policies for export promotion, therefore, is to provide market information about domestic and foreign markets, training and workshops on export documentation to make SMEs more competitive and to improve their performance (Coudounaris, 2012; Gençtürk and Kotabe, 2001). Government policies for export promotion also provide opportunities for networking among SMEs (Martins, 2012). This networking enables SMEs to benefit from economies of scale and creates connections that may lead to sales. The government, therefore, represents the external change agent and through its policies for export-led growth, it stimulates the international business activities of domestic firms in a variety of ways ranging from granting subsidies, laws, degrees, an institutional development that help SMEs to overcome some of the barriers in exporting. These policies are confirmed to be having both direct and indirect effects on export performance (Lages and Montgomery, 2005; Shamsuddoha et al., 2009) and studies are being focused more on developed than developing economies (Leonidou et al., 2011).

1.3 The Motivation of the Study

SME Cocoa exporters in Cameroon is a proper research context to investigate the effectiveness of government policies for export promotion on export performance for various reasons. The first is related to the evolution of international Cocoa marketing from a predominantly state-owned before the late 1980s and the increasing privatisation after that which saw the growth of SMEs Cocoa exporters (Coulter and Abena, 2010). Since this evolution, the effectiveness of export promotion programmes on the export performance of SME in Cameroon has been very limited (Memfih, 2008). The case of Cocoa exporting cannot be any different. The researcher, therefore, takes pride in such investigation because the researcher is from Cameroon, this therefore, makes such research an interesting one to usher a flow of research streams about SME Cocoa exporters in Cameroon.

Secondly, studies on Africa are important because they reveal a limited depth of international involvement among African firms which makes advancing theory in Africa a paramount issue to export development (Darlene, 2015; Jieke et al., 2016). Thirdly, the researcher is a Cameroonian and has years of involvement in the Cocoa Sector in Cameroon both as a farmer and a buying agent which gives him greater access to respondents. Fourthly, Cameroon's Cocoa export is ranked 5th in the world (ICCO, 2012) which makes it a global phenomenon that needs re-examination. Fifthly, Cameroon is a less developed country (Forgha and Sama, 2014) and one of the ways of improving development is through Cocoa export. The reason is that Cocoa export is a priority sector and even contributes as a percentage of total earnings stood at 14% between 2002/2009 (ICCO, 2012). Finally, the implementation of export promotion programmes needed an assessment of its direct and indirect effects on SME Cocoa exporters from a developing country perspective. The reasons being that prominent studies are based on developed countries such as Francis and Collins-Dodd (2004) in Canada. The is also Leonidou et al., (2011), Morgan et al., (2012) in Britain, Gençtürk and Kotabe (2001), Wilkinson and Brouthers (2006) in America, Lages and Montgomery (2005) in

Portugal. These studies cited above have reported both significant and non-significant effects of export promotion policies on export performance and will be discussed in the next chapter. Such result, therefore, raises serious concerns about the effectiveness or ineffectiveness of these policies on the export performance of SME Cocoa exporters in Cameroon. Investigating such relationship will, therefore, help in developing better resources for SME Cocoa exporters. Since that the researcher has a good understanding of the problems within the Cocoa sector, it has always been a dream and passion to help these SMEs develop a model for exporting. One of the ways of archiving this dream was to pursue studies to the level of a PhD. It is expected that meaningful engagement with the government at the very top level is facilitated when you are well educated

1.4 Research Problem

Cameroon is underdeveloped and highly indebted and was ranked 136th most highly indebted developing countries in the world (Wold Economic Indicator, 2014). Exporting, therefore, is the way forward for most commodity-dependent economies (Sisay, 2011) like Cameroon due to its macro and micro effects on the economy. The macro and micro effects of exporting to an economy regarding job creation, increase in foreign reserves, building capabilities through the learning process of exporting cannot be argued (Julian and O'Cass, 2004). However, research has shown that lack of knowledge and expertise are critical factors in today's economy that hinders SMEs to successfully compete in domestic and international markets (Leonidou et al., 2011). SME Cocoa exporters in Cameroon are therefore not exempted from such barriers to exporting. To successfully export and improve export performance, information, knowledge, experience and other resources are needed to overcome the obstacles of exporting (Ghane et al., 2014). According to Gençtürk and Kotabe (2001), Wilkinson and Brouthers (2006) and Leonidou et al., (2011) government policies for export promotion has emerged as a bundle of external resources available to SMEs to help them

overcome the barriers of exporting. This is because export promotion programmes provide information, expertise, experience, knowledge, networking, creates an enabling business environment and other resources that help overcome barriers to exporting.

However, research into government policies for export promotion are well documented within the developed economies; such literatures are very limited in developing economies and Cameroon in particular. These include research such as; Francis and Collins-Dodd (2004) in Canada, Leonidou et al., (2011); Morgan et al., (2012) in Britain, Gençtürk and Kotabe (2001); Wilkinson and Brouthers (2006) in America, Lages and Montgomery (2005) in Portugal and Shamsuddoha et al., (2009) in Bangladesh. Based on the methods used, these studies have reported contradictory findings of the effectiveness of government policies for export promotion on the export performance. Proponents such as Memfih (2008) and Forgha and Sama (2014) have argued that economic liberalisation has not achieved its goals due to corruption and bad governance within the Cameroon government. This raises serious problems about export promotion programmes among SME Cocoa exporters. The lack of empirical literature on these programmes in Cameroon raises questions as to the effectiveness of these programmes on the export performance of SMEs Cocoa exporters.

1.5 Research Question and Objectives

Economic liberalisation in the 1990s in Cameroon paved the way for an open economy (Wold Bank, 2014). This openness of the economy was characterised by export promotion to encourage exporting and motivate SMEs to export. SME Cocoa exporters in the context of Cameroon consist of all those who are exporting either directly or indirectly to foreign markets as shown in chapter two below. A better understanding of their performance by critically examining the effects of government policy for export promotion as a determinant will go a long way in informing the government on how to assist

them and those who are still to commit to exporting to export more. It will also help SME Cocoa exporters understand how they can benefit from government policy for export promotion to improve their performance.

Based on the fact that government of every nation uses export promotion programmes to stimulate exports, the effectiveness of these programmes on export performance are contradictory. The research question needed to build a conceptual framework for this research is: what is the direct and indirect effect of government policies on export promotion on the export performance of SME Cocoa exporters in Cameroon? To answer this question, the main objective of the research is to develop a framework for understanding and testing the direct and indirect effects of export promotion programmes on SME export performance. To achieve this objective, the research will;

1. Investigate the level of awareness, usage, and benefit of government policy for export promotion by SME Cocoa exporters in Cameroon.
2. Analyse the direct and indirect effects of government policy for export promotion on export performance.
3. Examine how the effect of government policy on export promotion on the export performance of SME Cocoa exporters in Cameroon can be best understood.

1.6 The Research Method

In order answer, the research question and objective of this investigation, both secondary and primary data were obtained. Secondary data were obtained from sources both within Cameroon and the world like the ICCO, IMF World Bank, academic journals among others. Primary data was obtained with the help of a questionnaire which was done in two phases. After a pilot study had been done in 2013, this investigation was carried out in 2014 on a sample of 101 SME Cocoa exporters within the South West, and Centre Regions in Cameroon considered as the highest production areas. The respondents were managers of SMEs in The Cocoa sector. A self-administered questionnaire

was used to collect the data by the researcher and his trained team. The questionnaire contained four latent variables country specific advantages, export finance, export marketing, management capability and export performance). Snowball sampling technique which is a non-probability sampling technique was used to gain access to networks. Cameroon like many emerging nations or developing nations is not a transparent society.

Factor analysis was used to reduce these observed variables by grouping them into factors. The factors considered for further analysis were based on the researcher's evaluation of the eigenvalue, the percentage of variance explained, the value of Cronbach's alpha and the relevance of the observed variables to the model. Moreover, while Confirmatory Factor Analysis (CFA) was used to generate the model, SEM was used to test the model.

1.7 Research Contribution

By answering the research questions, this research contributes to the recent debate in international marketing in a sector (Cocoa sector) that is unique in a natural resource-rich developing country (Cameroon). This uniqueness is due to the fact that, Cocoa exporting in Cameroon was under the monopoly of the government control marketing board from independence in the 1060s to the 1990s when it was liberalised and saw the growth of SME Cocoa exporters - SMEs involved in the buying and selling of Cocoa directly or indirectly (Coulter and Abena, 2010). Answering the above questions will help SME Cocoa exporters understand the effectiveness of government policies for export promotion and how they can benefit more to improve their performances. It will also inform the government of ways in which the effectiveness of export promotion policies on export performance can be improved.

Secondly, this research contributes to theoretical literature on international export marketing (e.g., Francis and Collins-Dodd, 2004) by exploring the resource based veiw (RBV) and SEM techniques to develop and empirically test a model depicting nine propositions and thereby uncovering the direct and

indirect effects (through country and firms specific advantages) of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon. There has been much representation of export promotion policies in the developed world (Jieke et al., 2016) with little in developing economies such as those in Africa and especially Cameroon where such research is under-research. The empirical model explored in this research can be applied to under-research contact – beyond Cameroon (Jieke et al., 2016; Francis and Collins-Dodd, 2004; Ibeh 2003; Tore, 2013). Even though country advantages have been conceptualised as determinants of export performance, empirical analysis has been so far very limited especially in Cameroon. This researcher has therefore achieved the call from Francis and Collins-Dodd (2004) to explore different country/context and different sectors.

1.8 Thesis Outline

This research process is divided into some stages. It may be useful for the reader to divide this outline into two parts; first the conceptual model and second a chapter by chapter outline.

The theoretical model construction based on factor analysis and SEM. Factors or latent variables are derived from observable variables. This part is concerned with partitioning of observed variables relating to how government export promotion policy affects export performance of SME Cocoa exporters in the South West and Centre Regions of the Cameroon, into factors or latent variables suggested by the RBV. The factor model is then tested against a questionnaire based sample consisting of N = 101 respondents, and V = 36 observed variables (See discussion in section 5.4). This might be described as the data reduction stage resulting in the extraction of 4 principal factors suggested by the RBV literature.

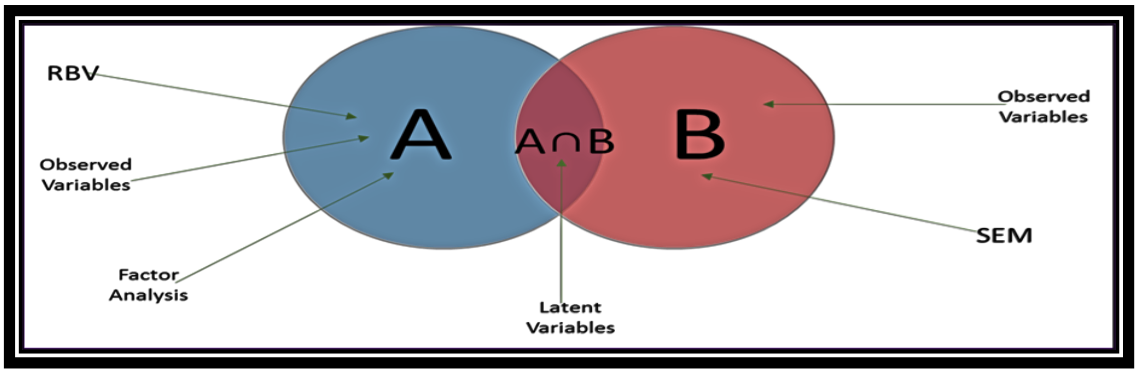
Then the derived factors are formed into a structural equation model (SEM). The SEM suggests causal hypotheses relating the four latent variables or

factors and government policies for export promotion to export performance variables derived from data sources outlined in Chapter two below. The analysis was based on the period relating to 2011 -2014.

In both stages, statistical properties of the model and the sample are discussed, and the extent to which the sample is valid and reliable on the population of SME Cocoa exporters in the Cameroon are discussed critically.

Calculation of the weightings of the factors in the sample derived from the RBV enables the robustness of the RBV in the research context to be examined. Calculation of the parameters of the SEM based on the sample enables hypotheses about the impact of government policy to be tested. The diagram below (figure 1) acts as the basis for providing an understanding of the conceptual model and how the research also develops. Looking at figure 1, area A illustrates the factor analysis component of the theoretical model. Area B shows the structural equation part of the conceptual model and A∩B represents the latent variables or factors. The entire figure represents the structural equation model as a whole. The figure (fig. 1) illustrates the variable reduction carried out by principal component and factor analysis (areas A and B). The intersection A∩B contains the latent variables or factors which have lower dimensionality than the observed variables. This figure (fig. 1) will be extended throughout the thesis showing how the ideas progress and are related and hopefully providing a helpful guide to the reader.

Figure 1: The Framework for the Conceptual Model



The presentation of the research will be divided into seven chapters which are distributed as follows:

Chapter one is the introduction. This chapter has introduced the research by presenting the background of the study, the role of government policies for export promotion, the motivation for doing the research, how the literature will be reviewed, research problem, questions and objectives, research methods, the contribution of the study, thesis layout, and summary.

Chapter two reviews relevant literature relating to the RBV, government policies for export promotion and export performance. This chapter roots the research in the critical literature that enables the reduction of observable variables in the sample to their underlying factors. As a result, the factor analysis component of the conceptual model is constructed.

Chapter three outlines the Cameroon context; this includes discussion of the Cameroon government's policy development from independence in the 1960s. The chapter also discusses the structure of the Cocoa Sector about the principal characteristics of the Cameroon economy.

Chapter four outlines the research method which sets out the model. The chapter also looks at the research context, which includes; the sample data (content and analysis), data sources, the method of data collection, a brief description of how difficulties of obtaining data were overcome and related ethical considerations.

Chapter five presents the analysis of the results of factor and SEM analysis embodied in the conceptual model. Extensive use of software packages (AMOS and SPSS) was used to analyse the data.

Chapter six focuses on interpreting the results derived from the analysis in chapter five. Hypotheses relating to the factor analysis component of the conceptual model evaluated as are parameters of the SEM component. The robustness of the RBV literature in the context of the sample is examined.

Estimated parameters of the SEM also provide an indication of the robustness of RBV model. In anticipating the discussion, the results show a positive direct and indirect effects of government policies on export promotion on export performance as discussed in chapter six

In chapter seven, the findings are summarised. Building on the findings of this research and its limitations, suggestions are made for further research. Contributions and addition to the academic literature base, the RBV on which the research is founded are outlined. Most important, policy recommendations emerge from the research which in the Authors' viewpoint is significance and relevance to government export promotion policy in the Cameroon.

1.9 Chapter Summary

To conclude, the researcher has presented a summarised context for the research. This has been done by presenting the research background, problem statement which leads to the generation of research questions and presents how these issues will be answered and using appropriate techniques, the contribution of the research and how it is divided. By so doing, the chapter has achieved its aim as stated in the second paragraph of section 1.1 (to present an introduction to the thesis).

Building from the information provided in this chapter, the next chapter will, therefore, start the development process of building the conceptual model by reviewing the relevant literature.

Chapter 2. Review of Relevant Literature

2.1 Introduction

Chapter two reviews the relevant literature relating to the RBV, government policies for export promotion and export performance. This chapter roots the research in the critical literature that enables the reduction of observable variables in the sample to their underlying factors. As a result, the factor analysis component of the conceptual model as shown in section 1.8 is constructed.

In setting out the background literature, the chapter begins at a very general level with a brief outline of the contributions of international trade theory to understanding the benefits of trade and in particular - its relevance for understanding the importance of export promotion and export performance. It then goes on to discuss the explanations provided by the resource-based view (RBV) of the firm performance and by implication export performance. The hypothesis of the RBV is that competitive performance is asset based. The fundamental justification for using RBV is that government policies for export promotion enhance assets and capabilities which help SME Cocoa exporters overcome barriers to exporting.

Figure 1 in Section 1.8 page 26 places the literature discussed in this chapter into the context of the thesis as a whole and the conceptual model in particular. As the reader can see, section A and B in figure 1 relate to the factor analysis and SEM component of the conceptual model to be tested. The chapter then continues to discuss the role of SME both regarding capabilities and contribution to export performance. Having generated the latent factors from the literature the model used in the research is outlined. Finally, the two equations that form the conceptual model are set out and discussed further in chapter four and five respectively. The formal model is illustrated with a diagram as figure 1, and the CFA categories are elucidated in some detail.

2.2 Theoretical Underpinnings of Export Performance

The reason for exploring these theoretical foundations is to have a better understanding of their applicability to export performance within various contexts and then select and justify which of the theories will be adopted for this research. The section has reviewed theories of international trade, internationalisation theories, and the competitive strategy theories.

2.2.1 Theories of International Trade

Pioneers of international trade theories have mostly been an economist who had different views on how nations should trade. These various positions, however, will enable nations to gain from trade by increasing national income through specialisation.

Around the 16th, 17th and 18th century, there was a view that maximising net export was the best way for economic prosperity. This way of thinking was known as mercantilism and can be attributed to William Petty and Thomas Mun. Moreover, Mercantilism holds the view that the wealth and power of a nation were based on the amount of gold in its reserves. This view, therefore, saw nations export more goods in exchange for precious metal/gold and less import because the more gold a country has, the more powerful it was. Besides, Mercantilist prevailed mostly among European countries that had the capacity to export and at the same time producing for their domestic market. The case of African countries and Cameroon, in particular, was different. Cameroon in particular practised import substitution after gaining independence in 1960 to protect domestic firms from foreign Multinationals (Bamou et al., 2006). Declining economic performance in Cameroon in the mid-1980s made the country to abandon the import substitution policies for export promotion programmes. This was due to the macro and micro benefits of exporting to the economy (Bamou et al., 2006; Bamou and Masters, 2007). The Mercantilist view was criticised by Smith (1976) because more money was chasing fewer goods and later on develop his theory (The absolute

advantage).

The absolute advantage was pioneered by Smith (1976) in his book - "The Wealth of Nations" in which he said that nations should export goods that they can be produced at a relatively lower or cheaper cost and import goods that they cannot produce at a cheaper cost. Cameroon presents a practical example of the logic of absolute advantage. Cameroon is a commodity dependent economy (Molua, 2008) which has rich human and natural resources available at almost no cost when compared to their European counterparts. The problem however with the absolute cost advantage is that trade cannot take place for a particular product between two countries if they both can produce goods at a relatively lower cost (both countries have an absolute advantage over trade for that good). It was against such drawbacks that David Ricardo (1817) came up with the concept of comparative cost advantage which was an advancement of Adam Smith absolute cost advantage. Ricardo said that countries should import goods for which they have a relative cost disadvantage and export goods for which they have a relative cost advantage in production.

However, these theories were based on certain assumptions as zero transport cost, factors of production being mobile domestically and immobile internationally. Later, neoclassical theories have been developed to fill the gap with the most prominent being the Heckscher-Olin Samuelson's (H-O-S) theory by Samuelson (1948), Ohlin (1933) and Heckscher (1919). This theory is known as the factor endowment theory. This theory holds the view that nations are endowed with factors of production (labour and capital). Countries should, therefore, export goods for which they have abundant factors of production and import goods for which they have relatively scarce factors of production in producing them. All of the above theories have provided enough reasons as to why nations should be involved in international trade. However, they do not have a detailed explanation as to why individual firms should trade and their behaviour in the export market. Despite the complexity of international trade and trade theories, they have been able to show that trade

in goods and services can be beneficial to both countries involved in the trade.

2.2.2 Internationalisation Theories

Two types of internationalisation theory will be reviewed. Theories of international trade have only explained the economic reasons for exporting for a nation, without looking at the behaviour of firms involved in exporting. Internationalisation theories, therefore, contextualises the behaviour of individual firms from their initiation, development, and sustainability of their export processes. These theories include the Uppsala model (Johanson and Vahlne, 1990) and the innovation model (Czinkota, 1982; Cavusgil, 1980).

The Uppsala model shows an incremental path through which firms become internationalised (Johanson and Vahlne, 1990). This theory sees knowledge gained by firms about the global market and the resource commitment as very fundamental in the internationalisation process. These processes involve no regular exporting, indirect exporting (exporting through representatives, possessing overseas sales subsidiary, and finally different production/ processing). Because management has little knowledge about the global market at the beginning of their internationalisation process, the model suggests they will commit very limited resources which make the internationalisation process very slow (Johanson and Vahlne, 1990). However, the theory is criticised by Anderson (1993) because it has not given a detailed explanation as to how and why the process starts and how the external environmental factors affect firms in the internationalisation process.

However, the innovation model (Cavusgil, 1980) which is quite similar to the Uppsala model considers internationalisation as a sequence of incremental changes gearing towards innovation within the firm. This innovation gradually evolves as the firms gradually gain experience and knowledge within the process. Nevertheless, Root (1994) criticised the theory for suggesting that firms internationalise without any deliberate planning but just gradually gaining experience. This is because foreign trade is a major undertaking that comes

with significant challenges that need to be confronted with a well-developed strategy (Root, 1994).

2.2.3 Competitive Strategy Theories

The competitive strategy has received considerable attention in recent times. However, this strategy can be attributed to Porter (1980). A competitive strategy should explore all available options needed for a firm to succeed (Porter, 1980). These approaches have been developed by researchers as alternative approaches for firms to achieve competitive advantage and superior performance. These approaches include; the resource-based view, industrial organisation theory, and the eclectic paradigm.

The resource-based view theory (RBV) can be attributed to Penrose (1995). The RBV suggested that the firm's resources are the most important in archiving and sustaining competitive advantage. These resources can either be tangible or intangible assets and for such resources to yield competitive advantage, they must be rare (no competing firm should possess it), valuable (bring value to an organisation through revenue), difficult to imitate and should not have any substitute (Barney, 1991). Resource heterogeneity and resource immobility are seen as two basic assumptions that generate competition within this framework (Purchase, 2004). The RBV approach suggests that because firms cannot have all the resources needed to function effectively and efficiently from the domestic market, going international is not by choice.

SMEs, therefore, face difficulties to break out of the domestic market due to limited resources which have retarded their ability to export. This concept is a good fit to argue success factors between SMEs and MNCs or the performance difference between two economies. Even though the concept adopts an inward approach by looking at a competitive advantage regarding the firm's resources, the external environment also provides support for firms to achieve their goals. Government policy then comes into place to provide resources needed to overcome export barriers and encourage exporting

(Gençtürk and Kotabe, 2001). The failure of the RBV has been its inability to take into consideration the external environment (Porter, 1980).

Also, the industrial organisation (IO) framework owes credit to the work of Porter (1980) and adopted by Zou et al., (2003) to show that the profitability of an industry is influenced by five industrial forces. Zou et al., (2003) also studied firm's export strategy, characteristics and external factors as the major determinants of export performance. The approach suggests that obtaining and sustaining competitive advantage by firms requires a better analysis of the external environment and developing strategic decisions based on that analysis. The primary notion of this theory is that the external environment, in which the firms operate, imposes pressure on firms to which they have to respond (Ellis and Williams, 1995). Firms who respond using developing and implementing an appropriate marketing strategy will normally benefit from high performance (Cavusgil, Zou, and Naidu, 1993). Such strategies may include product adaptation, promotion adaptation, price adaptation and channel relationships (Cavusgil et al., 1993).

Similarly, the eclectic paradigm is also known as the ownership, location, and internationalisation model (OLI-Model) seeks to explain how and why firms internationalise. Tribute is paid to Dunning (1980) in the development of the eclectic paradigm also known as the OLI-Model. The eclectic theory is a transaction cost-based theory that seeks to explore MNEs ownership, location and internationalisation advantages to explain its operations in international markets. The core objective of this theory is to explain the existence of MNEs and why they are more successful than domestic firms (Dunning, 2001). The theory states that for trade to be productive, both the ownership, location, and internationalisation advantages must be present. This ownership, location and internationalisation advantages represents institutional determinants that can be both firms as well as country specific advantages (Dunning, 2006).

As noted above, trade theories provide an understanding of the benefits of trade and in particular, its relevance for understanding the importance of

export promotion and export performance. As discussed above, trade can only take place between two or more countries. Theories have developed above the point in which countries have to export goods for which they can produce more cheaply to the point where firms need to consider not only the external or internal environment but also the Ownership, Location, and Internationalisation (OLI) advantages present in the export market. Furthermore, because SMEs may not have the resources to produce goods for export more cheaply than their competitors due to limited resources and because they may not have the OLI advantages in the export market, export promotion programmes by the government comes in to play a very important role by providing support for SMEs to export. This, therefore, is expected to have an effect on the firms export performance.

2.2.4 Justification of the Theoretical Underpinning for the Research Framework

In this section, the researcher makes a claim for adopting the resource base theory to explain the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon.

The resource-based perspective has evolved over time, and its applicability is now being extended to new concepts of capabilities and the knowledge management assets (Teece, 2000). These capabilities and knowledge assets are important in improving the performance of firms (Arthurs and Busenitz, 2006; Kor, Mahoney, and Michael, 2007). These capabilities and knowledge consist of tangible and intangible assets that exist in routine (Sveiby, 2001). These assets are the basis of capability development which is also a set of processes that creates value for the firm (Teece, 2000).

The RBV provides a theoretical underpinning associated with SME export activity, and this is based on different aspects of the SMEs resources and capabilities (Morgan et al., 2004). The RBV sees a firm as a unique bundle of tangible and intangible resources (assets, capabilities, processes, managerial

attributes, information, and knowledge) that enable the firm to conceive and execute strategies aimed at improving its efficiency and effectiveness (Barney, 1991). In other words, Wernerfelt (2014) argued that a resource is anything that can be considered as a strength (tangible and intangible assets) tied to the operations of a firm. Examples of such resources include skilled employees, networking, and development of trade contacts and knowledge about business environments. Therefore, it is the properties of the resources and their mode of acquisition that enhance the operation of the firm (Wernerfelt, 2014). Specifically, the RBV argues that these resources are important determinants of the firm's export performance (Barney, 2001). This is because resource advantages empower firms to create a competitive advantage with their resource position making it difficult for other competitors in the industry to emulate or catch up with the market leader. Therefore, management of the firm has to focus on their strong resource positions to influence their operations to create a competitive advantage for export performance enhancement (Barney, 2001; Wernerfelt, 2014).

Expanding the basic assumption of the resource-based view, Celec et al., (2014) explains that resource bundles and capabilities underlying production are heterogeneous across firms based on their capabilities to access such resources, utilise and sustain the advantages derived from accessing such resources. According to Barney (2001), resources such as training and experience of managers are available to firms to enable them to apply and generate competitive advantage making the routines and capabilities virtually homogeneous (Helfat and Peteraf, 2003; Wernerfelt, 2014). The capabilities generated by management help develop new strategies, as these resources are transformed into value, helping to create sustained competitive advantage (Barney et al., 2011). Moreover, a firm's success or failure can be envisaged from the specific resources available and capabilities developed in the market in which the firm is operating (Freeman et al., 2012). The resource-based view further argues that it will take competitors in the same industry longer to discover the secrets behind the leading firm's success because the beneficiary

firm holds intangible and imperfectly imitable resources (Barney, 1991). Therefore, while the possession of such resources will accrue competitive advantage to the industry leader(s) in the short term, the industry leader(s) can still sustain competitive advantage in the long run because rival firms usually take longer to catch up; as a result leading firms can achieve long-term sustainable competitive advantage (Barney et al., 2011).

Roth (1995) further added that intangible resources are characterised by assets, know-how skills that are difficult to be reproduced by competitors. This asset, therefore, becomes very strategic in generating competitive advantage for the firm (Delgado-Gómez et al., 2004). Among these intangible resources owned by firms, managerial capabilities occupy a key place (Barney, 2001). Referring to the assumption that the resources of the firm are heterogeneous and immobile, this study argues that management teams that exploit their resource advantages are simply behaving efficiently and effectively (Lado et al., 2004). The resource-based view further explains how a firm can utilise its superior tangible and intangible resources to formulate and implement strategies for enhanced firm performance in international operations through networking or partnerships (Eisenhardt and Schoonhoven, 1996). This is because most managers will try to fill the information and knowledge gap in their business by gaining access to export market-related information obtained from the government.

Indeed, the role played by the management of the firm in the typical firm setting becomes of utmost importance, like decision making and consequently, the firm's activities and commitment to exporting are likely to be determined by the management team (Hutchinson et al., 2006). Furthermore, managers' skills are a source of differential advantage for the internationalised firm (Manolova et al., 2002). This is evident in the fact that decision on export involvement, entry mode, and choice of export market is largely dependent on the firm's ability to network, the skills of its management team, knowledge about its export market and its ability to commit more resources (Griffith and Hoppner, 2013). According to Barney et al., (2011), the management of the

firm has the responsibility to search for, develop and utilises these resources. This is because success in export performance will be based on the extent to which the resources acquired have been utilised (Wheeler et al., 2008).

Exporting is increasingly becoming the most common form of internationalisation because of it structural flexibility (Leonidou, 2004). This structural flexibility has made it possible for SMEs to involve in exporting increasingly. The case of SME Cocoa exporters in Cameroon is no difference. Efficient resource utilisation has, therefore, become very important for SMEs to export successfully. However, the extent of their internationalisation is limited by the barriers to exporting and the resource constraints faced by SMEs (Leonidas, 1995; Leonidou, 2004). This resource constraint is seen in terms of lack of capabilities , lack of networking or contacts with other business partners that can actually lead to sales, lack of knowledge about the international trade environment and standards, training, knowledge about foreign markets business partners, accessing finance, management experience among others (Bello, 2009).

However, due to the macro and micro benefits of exporting to every economy, the government through its policies, intervenes to provide these capabilities and knowledge required to help SMEs overcome the barriers of exporting and improve their export performance (Francis and Collins-Dodd, 2004; Leonidou, 2004; Gençtürk and Kotabe, 2001). This form of government policy intervention to improve exporting and export performance is called export promotion programmes (Francis and Collins-Dodd, 2004; Gençtürk and Kotabe, 2001). These programmes, therefore, represent the resources; capabilities, and knowledge that SMEs need to overcome their barriers to exporting and build competitive advantage in the business place. The more knowledge a firm has about the market for its products and other markets globally, foreign market uncertainties are reduced, and the pursuit of internationalisation now becomes more than ever (Johanson et al., 1975). When firms gain plenty of market knowledge and experience, their perception of the export market environment becomes more and more positive. Empirical

support has been given by Gençtürk and Kotabe (2001), Johanson et al., (1975), Lages and Montgomery (2005) and Lages (2000) that government policy as an external change agent can help firms improve their resource base and benefit from high performance. This, therefore, implies that providing an enabling business environment, providing financial assistance, providing export market-related information, organising trade shows to create networking, training programmes that help managers acquire skill knowledge which is important for exporting among others and help improve the management capabilities of SME Cocoa exporters in Cameroon will help them overcome some of the barriers to exporting and encourage them to commit more resources to exporting and improving their export performance.

Furthermore, firms' resources can either be internal or external and have been shown to be determinants of export performance (Wheeler et al., 2008). Because SMEs do not have these resources to improve export performance, the role of government policy for export performance becomes imperative. This is because through participating the programmes such as trade shows, SMEs gain contacts that are often expected to lead to sales. Attending training sessions or seminars for exporters help develop their knowledge and skills for successful exporting. Obtaining export market information from government departments and the distribution of export leaflets also provide market information about various foreign markets such as prices, exchange rates, tariffs among others. Government subsidies and policies to encourage banks to reduce interest rates and borrow more also create finance for exporting. Government policies for export promotion, therefore, becomes an important determinant of export performance because it has the power to influence both internal and external determinants of export performance (Lages and Montgomery, 2005). This, therefore, makes the applicability of the RBV in the context of government policy for export promotion the best theoretical underpinning for investigating the direct and indirect effects of export promotion programmes on the export performance of SME Cocoa exporters in Cameroon. The applicability of the RBV has received due consideration

from many studies on export performance and its determinants (Francis and Collins-Dodd, 2004).

The above discussion shows that theories in international business have evolved over time. While theories of international trade have justified why nations should trade, theories of internationalisation bring to light the behaviour of individual firms in international trade and the competitive strategy explains how firms can gain a competitive advantage to sustain their performance. These theories are in one way or the other explaining how firms can improve their performance in the international market. However, the RBV has been selected to underpin the conceptual framework due to the justifications as given in section 2.2.4. The next section will now focus on definitions, determinants and how export performance and export promotion programmes are being measured.

2.3 An overview of Government Policies for Export Promotion

In this section, the research will discuss definitions, the role of export promotion programmes, and measures of the government policies for export promotion which represents the dependent variable in this investigation. This review is important in developing the conceptual framework for the research. The review is also important because it has shown that the operationalisation of the measures is consistent with previous research.

2.3.1 Definition of Government Policies for Export Promotion

Government policies for export promotion are also known as export promotion programmes (Gençtürk and Kotabe, 2001). Specific sets of measures such as laws that guide the activities of firms in Mexico for the growth of the firms and the nations alike have also been considered export promotion programmes (Truett and Truette, 1994). Lall (1997) looks at selective policies for export promotion in the Asian Tigers to mean specific incentives given to firms that face barriers to exporting and a gradual reduction in import protections

coupled with institutional support of exporters and a duty-free regime, establishment of free trade zone and or export processing zones, duty drawback schemes and or tariff exemptions. Gençtürk and Kotabe (2001) have also viewed export promotion programmes to include seminars, for potential exporters, export financing, how to export handbooks, export counseling, participation in foreign trade shows, and preparation for market analysis among others. Francis and Collins-Dodd (2004) looked at export promotion programmes for Canadian High technology SMEs to consist of the trade mission, foreign trade shows, export training initiative, Canadian international development agency, export development corporation, market opportunity seminars, newsletters on how to export among others. Government policies for export promotion from the above definitions can, therefore, be seen as a vector of government actions taken to influence or encourage exporting. In the next section, the research will discuss the role of these policies in export promotion. The above illustrations are proof of lack of a comprehensive definition. However, the OECD broadly defines it as the set of 'specific measures that amount to the government bearing a portion of the private cost of production of exporting' (OECD, 1984).

2.3.2 The Role of Government Policies for Export Promotion

As shown in section 2.3.1, government policies for export promotion are diverse, and it is expected to provide resources to SMEs to overcome the barriers of exporting (Gençtürk and Kotabe, 2001). Moreover, since exporting is a learning process, these policies are expected to provide the necessary information they required to move through the stages of internationalisation (Johanson and Vahlne, 1977). Such critical information needed to internationalise are being provided through policies for export promotion. SMEs are also disadvantaged as to the level of resources and information acquaintance which can be gained through benefiting from government policies for export promotion (Crick and Batstone, 2001). Effective utilisation of this knowledge act as export stimuli which helps SMEs deal with the

complexity of exporting and increases firm's competitiveness and performance (Shamsuddoha et al., 2009; Wilkinson and Brouthers, 2006).

However, export promotion programmes do not only provide knowledge of exporting to SMEs. It has also been shown that these programmes are a major source of finance for SME exporting (Onaolapo and Odayemi, 2011). Looking at the eclectic paradigm of Dunning (1980), locational advantages are largely created by the government through these policies. The domestic marketplace also acts as a source of competitive advantage for SMEs and government through it policies is expected to make the domestic marketplace attractive for business by providing country specific advantages (Rudman, 2010).

Moreover, Khazragui (2011) sees the role of government policies for export promotion in Egypt to be broadening the export base of the country and to promote products and markets that offer best opportunities for the economy rather than risk limiting the number of products as a source of foreign exchange. Another study by Francis and Collins-Dodd (2004) shows that the role of government policies for export promotion is to bolster the export strategies and competencies as well as enabling firms to achieve their objectives. Shamsuddoha and Ali (2006) said the government of every stimulates the international activities of domestic firms through policies for export promotion and that such, policies are intended to improve the international competitiveness of domestic firms and to reinforce the motivation to export. Gençtürk and Kotabe, (2001) and Lages and Montgomery (2005) also suggest that the role of government policies for export promotion is to enable firms to improve their strategy and ultimately improve their performance. Given the role these policies play to exporting SMEs, it is also very important to discuss how these policies are being measured as shown below.

2.3.3 Measuring Government Policies for Export Promotion

Researchers such as Bruning (1995) and Wheeler (1990) uses program

awareness and usefulness as the measure of the effectiveness of government policies for export promotion. While program awareness was based on the number of programmes identified by respondents, program important of each program was calculated as a mean value of the respondent's assessment of the usefulness of each program (Bruning, 1995; Wheeler, 1990). However, awareness and usage are not measures of impacts (Diamantopoulos et al., 1991).

Also, Lages and Montgomery (2005) and Shamsuddoha and Ali (2006) went beyond awareness and usage to create a usage index. This usage index represents the weighted mean for the usage and associated usefulness for each program used by respondents. Moreover, measuring of obstacles that firms face in order to provide the required needs have also been used to measure the export promotion programmes (Crick and Czinkota, 1995). Given the obstacles firms faced in exporting, a judgment is being made as to the extent to which needs are being met as a measure of the impact of export promotion programmes (Crick and Czinkota, 1995).

Given the above evidence, there is no general consensus on how government policies for export promotion can be measured (Francis and Collins-Dodd, 2004). This is as a result of the fact that it is not a business activity on its own but a catalyst for the firm's own operations (Czinkota, 1996). Moreover, another issue emanates from the fact that it is difficult to separate government policies for export promotion from other variables responsible for influencing firms export performance (Seringhaus and Rosson, 2001). The next section will now discuss export performance and its determinants.

2.4 SME Exporting and Export Performance

Exporting can be defined as the act of doing business internationally which can either be directly or indirectly (Ghane et al., 2014). Direct exporting may occur when the firm has sales representatives or sales offices in a foreign country which makes it have a physical presence in the export market. Indirect

exporting is a situation where firms export their products through intermediaries. SMEs are generally small and lack adequate resources to pursue exporting directly. The situation of SME Cocoa exporters in Cameroon is no difference. Irrespective of the fact that some SME Cocoa exporters in Cameroon pursue direct exporting, many lack the resources and therefore pursue indirect exporting.

Moreover, Cavusgil and Zou (1994) has conceptualised the term export performance as the extent to which a firm's objectives, both economic and strategic can be achieved through proper planning and execution of the marketing strategy or to be the outcome of a firm's activities in the global markets. Shoham (1998) broadly defines export performance as a firm's outcomes achieved in international sales. Penrose (1995) sees export performance as a measure of how well the firm achieves its goals (organizational and financial goals).

This definition captures some keywords such as extent and objectives. Firms' objectives can be perceived differently across respective firms or SMEs. A firm can decide to place customers' satisfaction top priority objectives for its activities. Firms can also see increase profit, retends on investment, sales growth, developing trade links with other stakeholders, increase in size, opening up new branches among others as their objectives. All these objectives, however, depend on the extent to which they are achieved. The word, 'extent'**,** may bring in some form of judgment. This is why export performance should be measured using the economic and noneconomic approach while incorporating aspects of objectiveness and subjectivity. The researcher will measure export performance based on profit growth, retends on investment, increase in the scale of business, change in business orientations and the establishment of direct relationships with export partners.

2.4.1 SME Contributions and Challenges

This research focuses on analysing the direct and indirect effects of

government policies for export promotion on the export performance of SME Cocoa exporters. However, looking at SME exporters, in general, will give a better understanding of their contribution to growth and the type of problems they faced in archiving growth. Singh et al., (2008) say SMEs are making use of scare resources and improving the efficiency of domestic markets and growth within the economy. Exporting has received considerable attention in the past and has been studied in different contexts ranging from manufacturing to service firms. Exporting has been regarded as the fastest means of internationalisation by small firms (Leonidou et al., 2007). SMEs are the easiest form of internationalisation because it requires minimal resources, and allows for greater structural and strategic flexibility (Czinkota and Ronkainen, 2012). SMEs are the fastest growing segment of every economy in the world (Khazragui, 2011). SMEs create jobs, provide an opportunity for job creation and act as distributors or suppliers of goods and services to large companies. Making comparison between SMEs and large organisations, Singh et al., (2008) claims SMEs are having very simple procedures and system which always offers flexibility, quick decision making, immediate feedback and response to customers than large organisations. (Islam et al., 2011) looks at SMEs to be heavily dependent on external finance for growth. The size of the SMEs also plays a role in determining their level of performance as large size has always been associated with high success level.

Globalisation and economic integration were seen as a threat to the existence of SMEs in line with competing with large firms, multinationals or born global. Nevertheless, they have been seen as a catalyst for growth and development and have been the targets of major policies in recent times (Hinson and Sorensen, 2006). SME exporters are also very heterogeneous in terms of skills, activities, and contribution to export (Knight and Cavusgil, 2005). SME internationalisation is a gradual and complex phenomenon. Exporting can either be direct or indirect, or indirect, passive or active. However, the whole process is seen as a learning curve (Knight and Cavusgil, 2005)

However, SMEs in SSA and other developing countries are struggling to reap the benefits of globalisation. They have not made a significant investment in export capabilities, and the entry of foreign firms with cheap goods possess a threat to the domestic market (Ibeh, 2003). This threat is not different from what SME Cocoa exporters encounter in Cameroon. Famers are more likely to sell to foreign firms who may buy at a higher price and provide some offerings like chemicals at the end of the season. It is difficult for the domestic buyer to do so. Due to their contribution to the economy, their growth and survival should be considered a top priority for every government and Cameroon in particular through the design of good policies that will provide an enabling environment for them to flourish. The survival and expansion of these firms will not only depend on the role the government policy will play but also on the identification of the factors that determine their performances.

2.4.2 Determinants of Export Performance

The discussion of the determinants of export performance correlates with section “A” of figure 1 which was about the factor analysis. In this section, the researcher now reviews determinants of export performance, and as will be seen from the following discussions below, these determinants are countless and can be grouped into various categories and divided into internal and external factors (Beleska-Spasova, 2012).

The determinants of export performance are numerous consisting of different conceptualisation on how export performance can be influenced (Lages, 2000). The determinants of export performance in all this growing body of research can be conceptualised into either internal or external determinants (Lages, 2000; Cavusgil and Zou, 1994; Beleska-spasova, 2012). The internal and external determinants of export performance can be categorised into firms specific and country specific factors respectively and have been found to have positive, negative and neutral effects on export performance (Beleska-Spasova, 2012).

The internal determinants which constitute firms' specific factors can be grounded within the context of the resource base perspective. The resource-based perspective assumes a firm as a unique bundle of tangible and intangible "resources" (assets, capabilities, processes, managerial attributes, information, and knowledge) that are controlled by a firm and that enable it to conceive and implement strategies aimed at improving its performances (Barney, 1991). These internal determinants as suggested by Beleska-Spasova (2012) are numerous. They include among others management characteristics such as management perception, export commitments (Shamsuddoha et al., 2009) and the knowledge based factors such as export customer, market and competitor's information (Francis and Collins-Dodd, 2004), network and innovation breath (Gronum et al., 2012). On the other hand, external determinants have included among others domestic market characteristics such as export promotion programmes (Francis and Collins-Doss, (2004), Shamsuddoha et al., (2009), Gençtürk and Kotabe, (2001), Lages and Montgomery, (2005) which is the focus of this research.

According to Zou et al., (2003) low-cost strategy was an important determinant of export performance that influences performance positively. This is due to the fact that low-cost strategy increases sales volume by influencing communication and distribution capabilities which have facilitated the market-sensing abilities of exporters. This market sensing abilities of the exporter improve product development and distribution thereby making customers being willing to pay a premium price for the products (Zou et al., 2003). Apart from low-cost strategy, networking and innovation breath is also another internal determinant with a positive effect on export performance (Gronum, 2012). Networking gives SMEs access to more resources, complementary skills, and capabilities and knowledge which they never had and which are essential to innovation (Gronum, 2012). Networking which takes various forms generates commitments and trust among SMEs (Styles et al., 2008). By trusting and being committed in networking, SMEs share valuable knowledge that helps them to innovate and keep pace with the ever-changing demand

from the market place. Why networking leads to innovation, it also reduces cost through economies of scale and therefore increases firm's performances (Gronum, 2012; Styles et al., 2008).

Based on Gençtürk and Kotabe (2001), organisational and managerial characteristics were important determinants that influenced the level of export involvement and hence export performance. This was because the level of export involvement by the firm was dependent the level of its managerial characteristics such as their international experience and orientation (Shamsudoha and Ali, 2006; Shamsuddoha et al., 2009) and the level of education (Lages and Montgomery 2005). Firms with better international experience and market orientation, therefore, had a positive effect on export performance (Gençtürk and Kotabe, 2001). Management capabilities are also important because the management is responsible for the allocation of resources, decision marketing, formulation, implementation, and evaluation of strategies (Nazar and Saleem, 2011). These management capabilities range from management international orientation, management commitments to exporting, and the way management perceived the benefits and the barriers of exporting (Shamsuddoha et al., 2009). Management capability therefore positively affects export performance (Ibeh, 2003; and Suárez-Ortega and Álamo-Vera, 2005). Export finance also is another determinant that influences export performance positively (Onaolapo and Odayemi, 2011). This is because the lack of finance has been major barrier to exporting for many SMEs (Gençtürk and Kotabe, 2001). Finance for exporting, therefore, may include tax or financial incentives, the establishment of free trade zones that enable firms to reduce cost (Shamsuddoha and Ali, 2006; Shamsuddoha et al., 2009; Mah, 2011). Onaolapo and Odayemi (2001) see export finance in terms of self-financing, Money market financing, Development Bank financing, and Capital market financing.

Location factors influence export performance through resource provisions (Freeman et al., 2012). It offers SMEs access to financial, non-financial resources and networking opportunities. These locational factors can be

categorised as Country specific advantages (CSA) by Rugman (2010). CSA also acts as potential drivers for internationalisation (Pinho, 2007). However, CSA originates from economic actions from the government (Zhang, 2016). This is because the government is the largest providers of external resource (Gencturk and Kotabe, 2001). CSA has been used in this research to include networking facilities, provision of financial intermediaries, subsidies and laws that facilitate business creations. These advantages are the starting point of developing a competitive advantage for successful exporting because SMEs are unlikely to be given free access to such resources in another country (Xinming and Yingqi, 2013; Freeman et al., 2012; Song et al., 2013). Different conditions in home countries, therefore, create their own trade and location advantages (Zhang, 2016). Rugman (2010) see country specific advantages (CSA) as a foundation for SMEs internationalisation. This is because their absence will have a negative impact on their growth and profitability (Freeman and styles, 2014). In terms of providing network infrastructures, locational advantages will lead to improving in export performance (Xinming and Yingqi, 2013). The positive effect of CSA on export performance is also supported by chai et al., (2014); Song et al., (2013); Freeman and Styles (2014) and Rugman (2010).

Export promotion programmes is also another important determinant of export performance. These programmes include among others seminars for potential exporters, export financing, how to export handbooks, export counselling, participation in foreign trade shows, preparation for market analysis, sector investment and promotional strategies, education and skills interventions, and tax incentives (Gençtürk and Kotabe, 2001; Shamsuddoha et al., 2009; Francis and Collins-Dodd, 2004; Lages and Montgomery 2005). These programmes have been found to positively affect export performance directly and indirectly through other determinants (Shamsuddoha et al., 2009). By participating in export promotion programmes like the ones listed above, SMEs will benefit from by building network relationships with foreign buyers (Lages and Montgomery, 2005). Moreover, through trade shows, how to

export handbook, SMEs develop the management capability required for successful exporting (Leonidou et al., 2011). Benefiting from tax incentives provides SMEs with the necessary finance to pursue exporting (Onaolapo and Odayemi, 2011; Mah, 2011).

The table below shows the determinants of export performance. However, the literature suggests these determinants are many. Moreover, it may be helpful to indicate the sources that have been used to select variables underlying export promotion programmes, export finance, export marketing, management capability and export finance.

Table 1: Determinants of Export Performance

List of Variables	References
Export promotion programmes	Francis and Collins-Dodd (2004); Wilkinson and Brouthers (2006); Gençtürk and Kotabe (2001); Köksal (2009) and Marandu (1995); Shamsuddoha and Ali (2006); Shamsuddoha et al., 2009; Lages and Montgomery (2005); Mah (2011); Leonidou et al., (2011).
Export finance	Onaolapo and Odeyemi (2011), Grigoryan (2012), Gençtürk and Kotabe (2001); Shamsuddoha and Ali (2006); Shamsuddoha et al., (2009).
Country advantages	Truett and Truett (1994), Martincus et al., (2011), Rudman (2010), Xinming and Yingqi, (2013), Song et al., (2013); Freeman et al., (2012)
Management Capability	Shamsuddoha et al., (2006), Lages and Montgomery, (2005). Wilkinson and Brouthers (2006); Gençtürk and Kotabe (2001); Leonidou et al., (2011).

To conclude, the importance of the factors that influence export performance cannot be under estimated. Their influence may also vary based on the context of the study. It is for this reason that Beleska-Spasova (2012) the effects of these factors have been shown to be either positive, negative or neutral. However, government policies for export promotion are becoming an important determinant because of its ability to influence other determinants as shown above. This is why in this research, it is postulated that government policies for export promotion provide country and firms' specific advantages

that indirectly influence the export performance of SME Cocoa exporters in Cameroon. This relationship is discussed in section 2.8. In the next section, the research discusses the effectiveness of export promotion programmes on export performance.

2.4.3 The Effects of Export Promotion Programmes on Export Performance

The researcher will like to refer the reader to back to figure 1 with the focus on section “B.” This section represents the SEM aspect of the research by looking at the structural effects of export promotion programmes on export performance. In this section, the researcher discusses the effectiveness of export promotion programmes on export performance by discussing empirical research streams that have investigated such relationships.

The numerous variables determining export performance have made it difficult to obtain consistent results on their effects on export performance (Francis and Collins-Dodd, 2004; Gençtürk and Kotabe, 2001). Extant literature as discussed below has reported both positive and negative effects which have left the discipline opened for more investigation.

A significant relationship between government export promotion programmes and export performance has been reported by Weaver et al. (1998) in their study of Norwegian exporters. While the level of awareness of these programmes is tied to the perceived information need for the SMEs, Donthu, and Kim (1993) in their study on 640 US firms also show a positive relationship between export promotion programmes and the firms export growth. Despite the fact that Donthu and Kim (193) focused on export growth as a measure of export performance, Gençtürk and Kotabe (2001) have used a three export performance dimensions to establish a relationship with the export assistance of US firms and the study produced mixed results. The study shows that the relationship between export promotion programmes effectiveness and export shares was non-significant but also report a positive relationship found between export promotion programmes and the competitive position of the

firm. While also reporting that no significant relationship exists between export promotion programmes and profitably, Gençtürk and Kotabe (2001) argued that even though export promotion programmes are an important factor, their effects are different based on the measure of performance used. Trade mission seen as part of export promotion programmes have been reported to lead to incremental sales in international markets (Spence, 2003).

It has also been shown that firms benefiting more from these programmes are better placed to adapt their pricing strategy in the foreign market thereby increasing their export performance (Lages and Montgomery, 2001). Firms at the early stages of internationalisation required more support to develop their capabilities, develop networks with foreign buyers, train their management and improve their knowledge about foreign markets (Francis and Collins-Dodd, 2004). For such group of exporters, export promotion programmes will have a positive effect on their export performance (Francis and Collins-Dodd, 2004). Market development related programmes were also found to have a positive effect on the firm's export performance (Shamsuddoha et al., 2009). Moreover, Julian and Ali (2009) studied government incentives in Australia and found out that the export performance of Australian export market ventures was positively influenced by the export incentive. Also, Leonidou et al., (2011), Gillespie and Riddle (2004); Lages and Montgomery (2005) and Wilkinson and Brouthers (2006) have all reported direct and positive effects of export promotion programmes on firms export performance.

On the other hand, Gençtürk and Kotabe (2001) found a not- significant relationship between export promotion programmes and the firms export growth. This was because firms incur cost on their planning strategy that offsets the benefits of export promotions programmes and because of the fact that export promotions themselves are not enough to improve export performance (Gençtürk and Kotabe, 2001). Moreover, finance and guarantee-related programmes also had a negative effect on the firms' export performance according to Shamsuddoha et al., (2009). This negative relationship has also been reported by Stottinger and Holzmuller (2001) who

discovered a non-significant relationship between the use of export programmes and export performance in a comparative study of the US and Austrian firms.

In a study by Gronum et al., (2012), firms' performance in SMEs was considered a function of networks and innovation breadth. Innovation occurs in a social network of actors (Schilling and Phelps, 2007). This social network of actors, therefore, can be created by the government through the organisation of trade shows/fair, trade missions, and other trade seminars. Also since SMEs lack economies of scale have less access to information and other resources that are crucial to their innovation and performance, export promotion programmes can, therefore, be seen as a potential source of resources available to mitigate this disadvantages. Moreover, Innovation in firms also occurs when the firm's knowledge is commercialised in the form of new products, services or processes (Baldwin and Gellatly, 2003).

Similarly, networking also gives SMEs access to more resources, complementary skills, and capabilities and knowledge which are essential to innovation and which also improves performance which is not found within the firm (Gronum et al., 2012). Within this network, social capital is being created which has been found to influence firms' performance (Ozman, 2009). Empirical studies have also shown that the breadth of innovation output increases firms' performances due to the fact that it increases competition, transform internal capabilities of the firm and helps the firm to be increasing adaptive to change. This again is proof that innovation and networking are other determinants of export performance.

Styles et al., (2008) developed a model where commitment (to future exchanges) of each partner was a critical determinant of export performance. This commitment also influences the trust (from past exchanges) from each partner. Trust and commitment were, therefore, two interpersonal factors that are critical in defining the relationship (performance) (Leonidou et al., 2011). Styles et al., (2008) concluded by saying that even though trust and

commitment were the main variables in their studies, other factors do exist that also influences performance such as cultural customs and legal systems.

Gençtürk and Kotabe (2001) look at the determinants of export performance from three dimensions. They include organisational and managerial characteristics, export involvement and the use of state export promotion assistance programmes. Empirical studies have consistently indicated a positive relationship between export involvement and export performance. In these study (Gençtürk and Kotabe, 2001), high level of export involvement was positively related to performance in terms of profit and export sales. The extent of export involvement is determined by whether an exporter is passive or active (Piercy, 1981). Active exporters (exporters with a broader market coverage and high level of export involvement) benefited from rapid sales growth than the nearest neighbour exporters.

Leonidou and Kaleka (1998) in a study of a behavioural aspect of an international buyer-seller relationship, identified a number of constructs that influence export performance among which was the commitment to resources and personnel's, good communication, trust and understanding among business partners. From their empirical studies, they were able to show that export performance/development was closely linked to higher level of communication sufficiency and cooperation, increase resource and personnel commitment and an excessive degree/level of trust from both partners.

On another hand, the marketing environment of the economy has been shown to provide both positive and negative effects on export performance. The positive effects are seen in the context where the domestic market provides resources for competitiveness (Rudman, 2010; Cadogan et al., 2012). On the contrary, when the domestic market does not over opportunities for competitiveness and growth, export performance has been negatively affected (Julian and O'Cass, 2004).

Managers are responsible for the success or failure of their business because they are responsible for making and implementation of key decision (Nazar

and sale, 2011). Therefore for managers, to be able to make a well-informed decision, they must have knowledge about their product, they must be able to network, and they should be able to handle and understand the documentations of exporting, have knowledge about their markets and where to collect reliable information. These managerial characteristics were also confirmed to have significant effects on improving performance by Zou and Stan (1998), Cavusgil and Zou (1994) and Shamsuddoha et al., (2009). These characteristics can be considered as management capability in this research. Nazar and Saleem (2011) also cited export experience, foreign language proficiency, and level of education and considered then as skill based characteristics that determine export performance. This implies for these programmes to have a significant effect, the management of the receiving SMEs will need to have the right skills and capabilities to make use of the programmes. These determinants have also lent support from Ibeh (2003) and Suárez-Ortega and Álamo-Vera, (2005).

The above discussion clearly demonstrates the mixed results emanating from the relationship between government policies for export promotion and export performance. These relationships have also been influenced based on the measures of performance used. In the section below, the researcher will review literature based on how export performance has been measured.

2.4.4 Measuring Export Performance

This section deals with arear ‘B’ in figure 1 page 26. ‘B’ represents measuring export performance. Therefore, this section will analyse how export performance has been measured over time and the challenges emanating from it measurement. It is important to provide justification for the measures of export performance that will be used in this research and how it has been measured. This justification will clarify the methods used in measuring export performance in this research.

Measuring export performance is vital not only for the firm but also to the

economy as a whole. According to Lu and Beamish (2001), it helps the firms improve its utilisation of productive capacity, improves financial performance and competitive edge as well as provides a foundation for future expansion. At the national level, exporting enhances accumulation of foreign exchange reserves improves employment levels and productivity in addition to driving economic growth (Ural, 2009).

Moreover, measuring export performance is complex. This complexity has not brought any uniform measure within the literature (Cavusgil and Zou, 1994). This complexity in measuring performance can be due to the fact that firms are at different stages in the export process. Also, the disparity in results still exists with those at the same stage in the export process (Leonidou and Katsikeas, 1996; Wheeler et al., 2008). Moreover, the multiplicity of approaches, methodologies, and measurements have further increased the complexity (Diamantopoulos, 1999). Despite this complexity, Francis and Collins-Dodd (2004) expressed the need for performance measures. Shoham (1998) said performance should be looked at in the context of the firm's objectives. The performance will be relevance based on what measures are used and how they are measured (Lages, 2000).

Measures of export performance are numerous, and the study of Beleska-Spasova (2012) gives an elaborate list of these measures classified as either financial or non-financial measure. This categorisation consists of the economic, non-economic and miscellaneous measures. Despite this classification, a reliable measure of export performance should involve both objective and subjective measures. The objective is mainly based on absolute value while the subjective measures are based on perception (Beleska-Spasova, 2012).

According to Lages and Montgomery (2005), the lack of an acceptable definition of export performance has led to the use of various measurement dimensions which has left the discipline to be more problem-driven and not theory driven. The table above presents a holistic view of various

measurements of export performance extracted from Beleska-Spasova (2012) which also contain some of the references used in this research. The measures of export performance can be grouped into two broad categories namely the objective (economic/financial measures) and subjective measures (non-economic/financial measures).

Financial measures can be measured objectively while non-financial measures can be measured subjectively (Evangelista, 1994). These financial measures include aspects like profitability, sales, and retends on investment among others (Julian and O'cass, 2004). The non-financial measures include aspects of increase in market share, attainment of a competitive position in the global market, establishing a network, satisfaction with the export venture among others (Cavusgil and Zou, 1994; Styles et al., 2008). There has been an increasing use of non-financial measures due to the limitations of the financial measures (Axinn et al., 1994). Financial measures have focused more on export performance forgetting to know that it is the firm's overall performance that really matters (Axinn et al., 1994). Moreover, the exporting environment creates opportunities, and financial measures have not given any indication as to whether the firms have adequately responded to these opportunities (Cavusgil, 1984). Non-financial performance has therefore come to prominence involving a critical evaluation by managers on variables like satisfaction (Evangelista, 1994), perceived success (Cavusgil, 1984), competitive positioning (Gençtürk and Kotabe, 2001). Due to the lack of documented evidence, poor archiving, and fear of the unknown as cited in Ngoasong (2007), this research has made use of composite indicators to measure performance in a subjective manner with the views of the managers accepted as a representation of the firm's status

Despite this complexity of performance measures, it is always very important to choose which measures suits your research context. According to Beleska-Spasova (2012), such decision is based on the availability and accessibility of data, firms' characteristics (size, export experience), unit and or level of assessment, time frame of assessment (short-term vs. long-term), strategic

objectives, position of the assessor in the firm (manager, export manager, financial manager, general manager, etc.). In line with the above assessment, the researcher concludes that the decision to choose a variable is context specific. Extending this line of discussion to SME Cocoa exporters in Cameroon, it is difficult to use absolute values because of data scarcity and availability among SME Cocoa exporters in Cameroon. This data scarcity seems to be due to lack of the use of technology to manage their businesses and due to fear of the unknown from the government with reference to taxes. Based on the short comings of both financial and non-financial measures of export performance, this research has used a combination of both.

The discussion under section 2.4 clearly shows the contribution of SMEs in terms of job creation and contribution to GDP and shows the problem faced by SMEs in their pursuit of exporting. The section discusses export performance and its determinants and shows how the determinants can be grouped into internal and external determinants. Government policies for export promotion were considered as an important determinant because of its power to influence other determinants of export performance. Given that the focus is on government export promotion programmes as determinants of export performance, the section discusses empirical literature that has investigated such relationships and the findings reveal mixed results. These empirical studies were based on some models that were tested. The section below now discusses some models of export performance to aid the researchers understanding of developing the framework for this research.

2.5 Models of Export Performance

The determinants of export performance are varied and very complex as shown in section 2.4.2 above. These determinants were also shown to be either internal or external and are affecting export performance in various ways based on the different measures of performance shown in section 2.4.4. These determinants have also enabled researchers to conceptualise or build

a variety of models for export performance. In this section, the researcher will discuss some of the models of export performance that have been identified within the literature.

Shamsuddoha and Ali (2006) developed a model of export performance in which they grouped government policies for export promotion into two. These two consist of policies for market development and policies for finance and guaranteed support. In their research, Shamsuddoha et al., (2009) grounded their studies on the internationalisation theory and the resource base view of the firm. They argue that while export promotion programmes represent a source of external resources that enable firms to overcome their barriers to exporting and that as they start to export, they gain knowledge that also helps them improve their performance. Export promotion programmes were conceptualised to influence the firm's export performance direct and indirectly through international market knowledge, management perception of the foreign market environment, commitment to international marketing. These variables also influence the international marketing strategy and the international marketing strategy also influences export performance (Shamsuddoha et al., 2009).

On the contrary to Shamsuddoha and Ali (2006) in which export promotion programmes were classified as either finance related and market development information related, Francis and Collins-Dodd (2004) developed a model of export performance by presenting a list of export programmes and arguing that these programmes influence export performance directly and not indirectly. This direct effect was based on the type of exporter being considered (Francis and Collins-Dodd, 2004). They classified exporters in terms of pre-exporters, sporadic exporters, and active exporters. This classification of exporters was based on the number of programmes used by the firms. They developed a model in which the number of export promotion programmes used by pre-exporters, passive exporters, and active exporters was positively related to the achievement of export market knowledge objectives, product market objectives, marketing and export marketing

competence and export planning and that all of these variables are positively associated with export performance. The model of the export performance of Francis and Collins-Dodd (2004) is contrary to that of Shamsuddoha and Ali (2006) in that it only using more programmes will lead to improved export performance but did not detail out how benefiting from these programmes provides resources needed by the firms to improve export performance.

Moreover, Gençtürk and Kotabe (2001) also came up with another contradictory model to Shamsuddoha and Ali (2006); Shamsuddoha et al., (2009) and Francis and Collins-Dodd (2004) discussed above. In their study, Gençtürk and Kotabe (2001) did not group export promotion programmes as Shamsuddoha et al., (2009) did but treated them independently. Rather than looking at the type of exporters and the number of programmes used as in Francis and Collins-Dodd (2004) developed a model in which the effects of export promotion programmes is dependent on the level of export involvement, Gençtürk and Kotabe (2001) argued that the effectiveness of export promotion programmes are based on the level of export involvement. The model, Gençtürk and Kotabe (2001) therefore, stipulates that the use of export promotion programmes by the firm is positively associated with the efficiency, competitive positioning but negatively associated with its effectiveness and that the firm's level of export involvement in the international market is positively associated with its efficiency, competitive positioning, and effectiveness.

As noted above, the three models cited have all considered export promotion programmes to be the independent variable that influences export performance directly and indirectly through others variables. However, a contrast to this consideration can be seen in the model of Lages and Montgomery (2005). This model (Lages and Montgomery, 2005), conceptualises export promotion programmes as a dependent and as an independent variable. Lages and Montgomery (2005) argued that why export promotion programmes influence export performance both directly and indirectly, management international experience was also seen as a

determinant of export promotion programmes because the government tends to give assistance but to firms that already have international experience. This, therefore, makes export promotion policies to act both as a dependent and independent variable. This model was similar to that of Shamsuddoha and Ali (2006) because it also captures the direct and indirect effects of export promotion programmes on firms export performance. As a dependent variable, the model shows that management international experience, the degree of export market competition is associated with export promotion programmes. The model also saw management international experience, the degree of export market competition and export promotion programmes to be positively associated with the pricing strategy adaptation of the firm. Management international experience, the degree of export market competition, pricing strategy adaptation and export promotion programmes were also shown to influence the export performance of firms in their model.

Another model that was in contrast to that of Shamsuddoha et al., (2009) and Lages and Montgomery (2005) who developed a model based on the direct and indirect effects was that of Wilkinson and Brouthers (2006). They developed a model in which government-sponsored programmes affected firms export performance only directly. In their model, Wilkinson and Brouthers (2006) hypothesised that firms' internal resources were positively associated with the firms' satisfaction of export performance. They also said government sponsored trade shows and government sponsored programmes that helped identify agents and distributors were positively associated with the firm's export performance.

Moving away from the direct and indirect relationship, Köksal (2009) and Marandu (1995) developed a model of export performance based on the level of awareness, utilisation, and usefulness of export promotion programmes. The model of Köksal (2009) and Marandu (1995) shows the existence of significant differences among firms based on their size, export experience, the number of export market, and distance of their market, their export involvement with the level of their export promotion awareness, utilisation, and

usefulness. This studies Köksal (2009) and Marandu (1995) therefore provide an even better understanding of how to improve the effectiveness of government policies for export promotion. This is because they argue that for firms to utilise these policies, they should be aware of their existence. Awareness and utilisation, therefore, becomes an important aspects of understating government policies for export promotion on export performance. This is because the export environment has a positive effect on the managers' awareness of incentive programmes a positive effect on performance (Kumcu et al., 1995).

The model of Leonidou et al., (2011) has been in complete contrast to the previous model discussed above because it explores only the indirect effects of export promotion programmes on firms export performance as compared to the direct effect (Francis and Collind-Dodd, 2004), direct and indirect effect (Shansuddoha and Ali, 2006), awareness and utilisation of programmes (Köksal (2009) and Marandu (1995). In their model, Leonidou et al., (2011) postulate that the adoption of national export promotion programmes by exporting firms has a positive effect on export-related resources and export related capabilities. They also postulated that export-related resources and export related capabilities would positively influence the firm's export marketing strategy. Furthermore, the firms export marketing strategy is positively associated with its export cost, export product and export service a competitive advantage. Export cost, export product and export service competitive advantage will then influence the export performance of the firm. They, however, said small firms and inexperienced exporters would exhibit a stronger effect on national export promotion programmes in enhancing export-related resources, export related capabilities than large firms and experienced exporters. The export related marketing (production, promotion, and distribution) are positively affecting export performance and that this relationship was moderated by export involvement (Al-Aali et al., 2013).

Zou et al., (2003) designed a model on export performance in which they said pricing capability, product capability, distribution capability and communication

capability has a positive relationship with low cost and branding advantage and that this low cost and branding advantage also has a positive effect on export performance. Nevertheless, Singer et al., (1994) stressed that export promotion programmes used by firms are based on the firms' level of internationalisation, and the commitment of management to exporting were all positively associated with the number of export outcomes achieved. Davar and Wheeler (1995) developed their model based on the export product. They concluded that marketing knowledge arising from the use of export promotion programmes help the firms to improve and differentiate their products. Product differentiation and product quality, therefore, influences export growth.

Taken a critical analysis of the determinants of export performance as shown in section 2.4.2 and how export performance has been measured over the past as shown in section 2.4.4, it is argued that there is no best way for developing a successful model of export performance. These difficulties are due to the complex typologies of the determinants and measures of export performance. Section 2.5 has shown that the development of a successful model has not been very consistent. This is because while others have focused on the direct effects of export promotion programmes on export performance, others have explored but the indirect effects. Moreover, some have focused on both direct and indirect effects while others have based their analysis on the level of awareness, usage, and benefits of these programmes. While other models have shown export promotion programmes as a dependent variable, some have indicated it as an independent variable which is being influenced by management international experience. The table below provides a brief of the above discussion.

Table 2: Models of Export Performance

Measurement Effects	References
Direct effects	Francis and Collins-Dodd (2004); Wilkinson and Brouthers (2006); Julian and Ali (2009); Gençtürk and Kotabe (2001); Köksal (2009) and Marandu (1995);
Direct and Indirect effects	Lages and Montgomery (2005); Shamsuddoha and Ali (2006); Shamsuddoha et al., (2009); Davar and Wheeler (1995); Singer et al., (1994); Davar and Wheeler (1995)
Indirect effects	Leonidou et al., (2011)
Awareness and Utilisation	Köksal (2009); Marandu (1995); Kumcu et al., (1995), Shamsuddoha and Ali (2006).

Table 2 gives a summary of some of the measurement models that have been used. All of these models have used different types of determinants and measures of export performance which also makes it very difficult to benchmark one model against the others. However, the literature has also shown that export promotion programmes do not only influence export performance directly but also indirectly through other determinants of export performance in which this research considers as country and firms' specific advantages. The above literature has shown that not many studies have explored the direct and indirect relationship in great depth and in connection with the level of awareness, usage, and benefits of these programmes on export performance. This is the contribution that this research intends to make. The next section will provide a summary of the literature reviewed to pave the way forward for the development of the hypotheses and model.

2.6 Summary of the Review of Relevant Literature

The focus of the above chapter was to review relevant literature that will enable the researcher to develop a conceptual framework for analysing the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon.

The literature review shows that the use of government policies for export promotion as a determinants of export performance has focused more on the

developed economies (e.g., Francis and Collins-Dodd (2004), Gençtürk and Kotabe (2001), Wilkinson and Brouthers (2002), Lages and Montgomery (2005)) with very little on the developing world like in Africa and Cameroon in particular. This justifies why such research is relevant to the Cameroon. Based on the theoretical foundation, the RBV was adopted to inform the conceptual framework because it provides the knowledge base necessary to build capabilities for successful exporting. This can be explained from the point of view that SMEs will benefit from export promotion programmes to build capabilities used in overcoming barriers to export and thereby improving export performance. This, therefore, makes export promotion programmes to have both direct and indirect effects on export performance which further justifies its role as a strong determinant of export performance.

Looking at the determinants of export performance, it became clear the many variables influence export performance which could be grouped into either internal or external. These internal and external determinants, however, have sub categorisation such as managerial characteristics, organisational capabilities, relational factors, firms' charactetistics, export and domestic market characteristics (Beleska-Spasova, 2012). These sub categorisations are considered as latent factors captured through some observed variables as discussed above. This is where factor analysis comes in to play a great role not only as a data reduction tool but also to identify other underlying variables.

In addition to the above, the RBV proposes that firms' competencies in the form of knowledge and expertise are important for superior performances. While these competencies are internal, others can be acquired from the external environment. Government policies for export promotion, therefore, enable firms to obtain market information, knowledge of exporting, finance and to other resources needed to overcome the barriers of exporting and improve their export performance. Even though the internationalisation theories are useful in explaining the exporting, they do not fit the context of SME Cocoa exporters in Cameroon because these SMEs do not have a physical presence in international markets. This makes the resource base perspective a suitable

theory to explain the export performance of SME Cocoa exporters in Cameroon who are in need of these resources to overcome the barriers of export and to improve their export performance. It is against this background that the research postulates that export promotion programmes will affect export performance directly and indirectly by providing country and firms' specific advantages.

Also, the literature has shown that there is a lack of a consensus as to how export performance should be measured (Cavusgil and Zou, 1994) as shown in section 2.4.4 with many studies using different measures of export performance. In addition to the differences in measuring export performance, the literature has also shown that export promotion programmes have been measured differently as shown in section 2.3.3. While others have measured respective programmes distinctively (e.g., Wilkinson and Brouthers, 2006), Gençtürk and Kotabe (2001) and Shamsuddoha et al., (2009) have used an aggregate measure arguing the fact that these programmes have multiplier effects. A case in point is trade fair in which firms do not only go to showcase their products but also to network and obtain business contacts and learn from other firms. This aggregate measure that analyses policies collectively will be adopted and used in this research for the purpose that policies for export promotion are complimentary in the way the work.

More so, when one looks at the methods used by previous researchers, it becomes clear that there have been some inconsistencies in the analytical methods. While some have used regression with ANOVA, few have used structural equation modeling (SEM). Nevertheless, those using regression have also employed factor analysing to regroup their variables under specific constructs before performing their ANOVA. However, regression analysis does not allow for the computation of the direct and indirect effects which is the point of interest in this research. SEM, therefore, presents itself as the only reliable method of analysis that can achieve both the direct and indirect effects by means of a path diagram drawn in the AMOS software.

The above literature review and the empirical studies that have explored the relationship between government policies for export promotion and SME export performance do present a necessity for further investigation. The contributions and limitations of previous studies provide a case of exploring the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon using the resource base theory and SEM techniques. The context of Cameroon and SME Cocoa exporters will lead to the application of existing theory in a new context and generate new data to explain the existing theory. The next section will therefore, focus on developing a conceptual framework with testable hypotheses on the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon based on the above literature review.

2.7 Conceptual Framework and Hypotheses Development

2.7.1 Introduction

The above review of the literature provides the opportunity to identify observable variables to be used for the factor analysis. This, therefore, enables the robustness of the RBV to be tested within the context of Cameroon. This research seeks to draw from the resource base theory and structural equation modeling techniques to develop and test nine hypotheses thereby uncovering the direct and indirect effects of government policies for export promotion on the export performance of small and medium size enterprise (SME) Cocoa exporters in Cameroon.

During the review of literature in chapter two, section 2.3.3 and 2.4.4 shows how difficult it is to measure policies for export promotion and the export performance of SMEs. The chapter shows that policies for export promotion have been measured collectively or using aggregate measures and individually. Based on the relationship between export promotion programmes

and export performance, the literature also shows that the impact has been examined by either looking at the direct effect, indirect effect or both direct and indirect effect.

Drawing from the resource-based perspective, government policies for export promotion are expected to provide both country and firms' specific advantages to help them overcome the barriers to exporting and improve their export performance. Country and firms' specific advantages become important determinants of export performance that can be influenced by export promotion programmes. Government policies for export promotion are considered a determinant of export performance that influences other determinants such as country and firms specific advantages. The literature review shows that little research is known that explore the direct and indirect effects of these policies on SME export performance within Africa and Cameroon in particular. A model is therefore developed to explore these direct and indirect effects of these policies on the export performance of SME Cocoa exporters in the Cameroon which presents a new application of existing theory and generate new data to test existing phenomenon.

2.8 Research Model and Hypotheses

In the past decades, the government of every economy has been implementing export promotion strategies to influence the performance of SME exporters (Gençtürk and Kotabe, 2001). A critical review of the extant literature enables us to understand the context in which government policies can facilitate the performance of SME exporters. Studies in both advanced western economies (Wilkinson and Brouthers, 2006; Francis and Collins-Dodd, 2004) and developing countries (Shamsuddoha and Ali, 2006) illustrates how government policy can stimulate exporting. Based on the existing literature, the role of government policies can be understood in terms of its effects on firm-specific advantages (export finance, export marketing and management capabilities) and in terms of country-specific advantages

(government policies aimed at creating an enabling environment for all firms within the industry and the economy as a whole). The research, therefore, posits that export performance for SME cocoa exporters varies depending on the direct effects of government policies on export promotion on firm-specific and country-specific advantages and the indirect effects in terms of the use of these policies to overcome barriers to exporting and improve their export performance. Government policy, in this case, include a vector of government actions to help firms that have limited export experience, limited resources, and those who face obstacles to exporting to achieve their objectives related to exporting.

The conceptual framework presented is derived from the review of the literature and represents the results of benefiting from the use of government policies for export promotion. This conceptual framework represents an export performance model. The section below develops the hypotheses by analysing the indirect relationship and then the direct relationship between policies for export promotion and the export performance of SME Cocoa exporters in Cameroon.

2.8.1 Government Policies for Export Promotion and Country Specific Advantages

Truett and Truett (1994) studied government policy in terms of its effects on the Mexican automobile industry focusing on laws and degrees including production quotas and incentives for some automobiles; it also penalises firms that fail to meet local content requirements which stimulate domestic economic activities. Martincus et al., (2011) have considered export promotion institutions/organisations in importing countries as major government policy moves to influence trade and export performances by providing business information about importing markets (culture, language, buyers behaviour among others). (Clarke, 2009) highlighted the use of export processing zones and granting generous tax breaks to new firms. Government policy becomes important to hear in terms of its role among different stakeholder groups

through trade fair, exhibitions, export-related events, foreign trade mission.

Based on the above, government policies for export promotion, therefore, creates country-specific advantages through strong institutions, such as laws and regulations as well as procedures for their enforcement. We follow North (1990) in defining an institution as formal (laws and regulations) and informal (procedures, bureaucracies, and enforcement guidelines) rules of the game that guide the conduct of businesses in the cocoa industry. In the case of SME Cocoa exporters, this includes institutions such fiscal and monetary authorities, homeland revenue and customs, and export-related institutions (Grigoryan, 2012). Informal institutions include procedures, such as those for applying for a license to create a new SME exporting firm and securing licenses to export. Other effects of government policy can be seen in terms of its effects on supporting related firms within the cocoa industry. This includes government's agricultural policies targeting farmers (e.g. support for agricultural inputs to increase production), government measures to develop the domestic transport network, and efficient regulation of the cocoa industry supply chain (UNCTAD, 2005; (David, 2013).

In a study of international buyer-seller relationships, Leonidou and kaleka (1998) suggest that export performance/ development is closely linked to higher level of communication and cooperation, increase resource and personnel commitment and an excessive degree/level of trust from both partners that emanates from the benefiting from government policies. Moreover, the government through its policies for export promotion create country specific advantages by making the economy attractive and competitive for investments (Rudman, 2010). This, therefore, leads to the proposition that:

H1: Government policies for export promotion will have a positive and significant effect on country specific advantages.

2.8.2 Government Policies for Export Promotion and SME Export Finance

Although the role of government policy is linked to firm-specific and country-specific advantages, it is important to note that many policies interact to shape these advantages. We, therefore, take this interaction into account in developing the remaining hypotheses. The first firm-specific factor is export finance. Using the case of Germany, Grigoryan (2012) identified fiscal (tax relief and tax reduction) benefits and monetary (export credit, export guarantees, and insurance) to help SMEs cover working capital deficits, prevent defaults in payments by buyers and to protect exporters not covered by export credit and export guarantee. In a study of the Asian Tigers (Lall, 1997) looks at duty-free support, (deliberately undervaluing exchange rates to assist exporters), incentives to include direct subsidies such as income tax incentives. Gençtürk and Kotabe (2001) talks of export financing.

Moreover, while Gençtürk and Kotabe (2001) talks of export financing, Mah (2011) extends it to include tax incentives, financial incentives, the establishment of free trade zones and the supporting organizations. Also, policy loan (base on interest rate), export finance (finance provided to exporters at various stage of their activities), export insurance (to protect exporters against losses), free trade zones (areas exempted from customs requirements, tariffs and receive tax relief), exchange rates, trade promotion organisations to help firms overcome trade barriers. Looking at the effect of export promotion institutions on trade, Onaolapo and Odayemi (2011) look at export financing as a major challenge for SMEs in the cocoa industry. Export Financing = Self-financing, Money market financing, Development Bank financing and Capital market financing. This leads to the proposition that:

H2: Government policies for export promotion have a positive and significant effect on SME export finance.

2.8.3 Government Policies for Export Promotion and Export Marketing Information

Government policy can also promote SMEs' export performance through policy measures that promote export marketing and provide export marketing information. Grigoryan (2012) promotion of national trade fairs and exhibition that creates networking among exporters that further leads to sales and helps SMEs obtain the right marketing information and build knowledge required for their business. Gençtürk and Kotabe (2001) also added more light on providing export marketing information through the use of how to export handbooks, export counseling, participation in foreign trade shows, and preparation for market analysis among others.

Looking at export marketing as the management of the marketing activities for good that crosses the border, it is but normal that SMEs exporters should have a fair knowledge of their products in both home and foreign markets. They should have information that enables them to make the best deal with foreign partners. Export promotion programmes such as foreign trade shows, export training initiative, market opportunity seminars, and newsletters on how to export all constitute major state policies to encourage export marketing (Oly Ndubisi et al., 2009; Francis and Collins-Dodd, 2004; Shamsuddoha et al., 2009). This leads to the proposition that:

H3: Government policies for export promotion have a positive and significant relationship on export marketing information.

2.8.4 Government Policies for Export Promotion and Management Capabilities

Government policy can contribute to the development of SMEs' management capabilities. Grigoryan (2012) looked at advisory services and training, financial aids to new start-ups, promotion of national trade fairs and exhibition. (Gençtürk and Kotabe, 2001) identified policies such as seminars for potential exporters, export financing, how to export handbooks, export counseling, participation in foreign trade shows, and preparation for market analysis

among others. These policies are expected to provide SMEs with the capability to network with distributors, to understand basic documentations, have the right information required to make sales to foreign buyers, know where to obtain marketing information, and how to distribute their goods to various exporters among others. All of these policies constitute an external resource that the firms need to help build management perception, improves their level of education about exporting and increases their knowledge about exporting (Lages and Montgomery, 2005). This is where government policies such as seminars, training, become useful (Seringhaus and Rosson, 2001). Programmes such as export seminars, overseas visits among others do not only help in propagating the benefits of exporting but also encourages management of firms who are sluggish in pursuing exporting to get more involved. This leads to the hypothesis that:

H4: Government policies for export promotion have a positive and significant effect on the management capability of SME Cocoa exporters.

2.8.5 Country Specific Advantages and SME Export Performance

The effects of country-specific advantages on the export performance of SME Cocoa exporters is related to effects of external environmental factors such as the structure and operations of the industry, domestic and foreign market characteristics (Lages, 2000). The business environment provides both threats and opportunities to which firms have to respond to achieve competitive advantage and these, in tends, depends on the resources at the disposal of the firm (Gençtürk and Kotabe, 2001). While the government has been the largest provider of external resources to firms in every economy, it has also helped in developing the awareness of opportunities massively through policies like trade shows, workshops, and newsletters among others (Gençtürk and Kotabe, 2001).

Government policy has also enabled SMEs to the network. This networking has improved trust and commitment within trading partners and reduces cost

which is all very critical aspects in determining performance (Styles et al., 2008). The government through it policy provides market information which reduces the cost for the firm in terms of time and money spent searching for market information. Moreover, Boansi (2013) also acknowledge that increase in Cocoa production as a result of benefiting from government policies leads to increase in export performance as some SMEs may have to sell more to minimize some of the cost of exporting. Rudman (2010) also confirmed that when the business environment provides opportunities for competition, SMEs can easily benefit from the opportunities to improve their export performance.

Moreover, the cost is also reduced through direct subsidies, credit at lower interest rates (Crick and Czinkota, 1995). Many researchers have confirmed the positive relationship between country specific advantages and export performance, e.g., (Gençtürk and Kotabe, 2001; Shamsuddoha and Ali, 2006; Shamsuddoha et al., 2009; Rudman, 2010; Marandu, 1996). This, therefore, leads to the hypothesis that:

H5: Country specific advantages have a positive and significant effect on the export performance of SME Cocoa exporters.

2.8.6 Export Finance and Export Performance

Export finance is defined as a vector of self-financing, money market financing, development bank financing and capital market financing (Onaolapo and Odeyemi, 2011). SMEs are suffering from financial liabilities and providing them with finance or access to finance can help improve on their business activities and hence performance (Harash et al., 2014)

Access to these sources of financing provides SMEs with credit, loans or investible capital to create a new venture and to finance day-to-day operations. The aim here is not to study in-depth how SME cocoa exporters raise and allocated capital from these sources, for a particular business transaction. Export financing is used by SME cocoa exporters for promoting exports and export-related transactions. In relation to government policy, the

focus here is on the extent to which SMEs gain access to loans at favorable terms and how effective funds are used across the SMEs functional activities. A major challenge facing SMEs in the cocoa industry in Africa is the risks associated with all four sources of finance, implying that export performance depends not only on access to financing but also on how the funds are used to create value by SMEs. Onaolapo and Odeyemi (2011) found a significant relationship between export finance and firms export performance. This leads to the hypothesis that:

H6: Export finance has a positive and significant effect on the export performance of SME Cocoa exporters in Cameroon.

2.8.7 Export Marketing and Export Performance

Export marketing represents an internal factor influencing export performance through its effects on the marketing strategy of the firm (Cavusgil and Zou, 1994). Firms that pursue low-cost strategy and have a good brand benefited from a significant export performance from their export market ventures through an increase in profit and sales volume (Zou et al., 2003) pricing, distribution, communication, and product development capabilities, low-cost and branding advantages that facilitated the market-sensing abilities of exporters. They also found product development and distribution capabilities to have influence branding positively by making customers being willing to pay a premium price for the products. In this framework, we propose that usage of market development policies and finance related policies among others will have a direct effect on the firm's export performance. Export promotion assistance programmes have not been seen to automatically culminate in sales as firms will need to be involved in other activities that will together bring about sales (Kirpalani et al., 1980). However, Gençtürk and Kotabe (2001) have made it clear that these programmes are not a waste of resources and the reluctance for firms to use this government support programmes is as a result of them being ignorant of the contribution these programmes can bring to the firms exporting activities. This leads to the hypothesis that:

H7: Export marketing has a positive and significant effect on the export performance of SME Cocoa exporters in Cameroon.

2.8.8 Management Capability and Export Performance

Management capabilities have been conceptualising as a vector of perception, knowledge, and skills required by owners and/or managers of SME cocoa exporters to develop and implement an articulate export strategy (Lages, 2000). These factors explain the willingness, ability and commitment of firms to engage in exporting (export involvement) by devoting sufficient managerial, human and financial resources Aaby and Slater (1989) and where possible taking advantage of government's export promotion programmes (Shamsuddoha and Ali, 2006; Oly Ndubisi et al., 2009). Management perception is the overall analysis of the global marketing environment to identify threats, opportunities, and constraints (Shamsuddoha et al., 2009) and developing a strategy for dealing with them (Lages and Montgomery, 2005). From this context, building management capabilities is crucial for the success of SME cocoa exporters, through education and training. This includes training to acquire knowledge about the marketing of their product (Seringhaus, 2013), export procedures, availability and use of resources. This export knowledge provides them with the framework for better understanding the opportunities and threats in the business environment, and devices appropriate strategies to achieve their objectives. However, many SMEs are constrained by limited resources and acquiring such knowledge becomes very difficult. The level of education of management for exporting firms is said to have an impact on the performance of the firm (Nazar and Saleem, 2011). This level of education also enables them to create a network and better understand the functioning of the business, which affects export performance (Suárez-Ortega et al., 2005). However, there is a correlation between managerial characteristics and the export performance of firms (Madsen, 1989). When management grows more confidence with regards to their product competitiveness, the export intensity of the firm is increased (Eusebio

et al., 2013). Management level of education and export knowledge are also seen to have a positive impact on the export propensity and intensity (Ibeh, 2003; Suárez-Ortega et al., 2005). This also leads to the hypothesis that:

H8: Management capability has a positive and significant effect on the export performance of SME Cocoa exporters.

2.8.9 Government Policies for Export Promotion and Export Performance

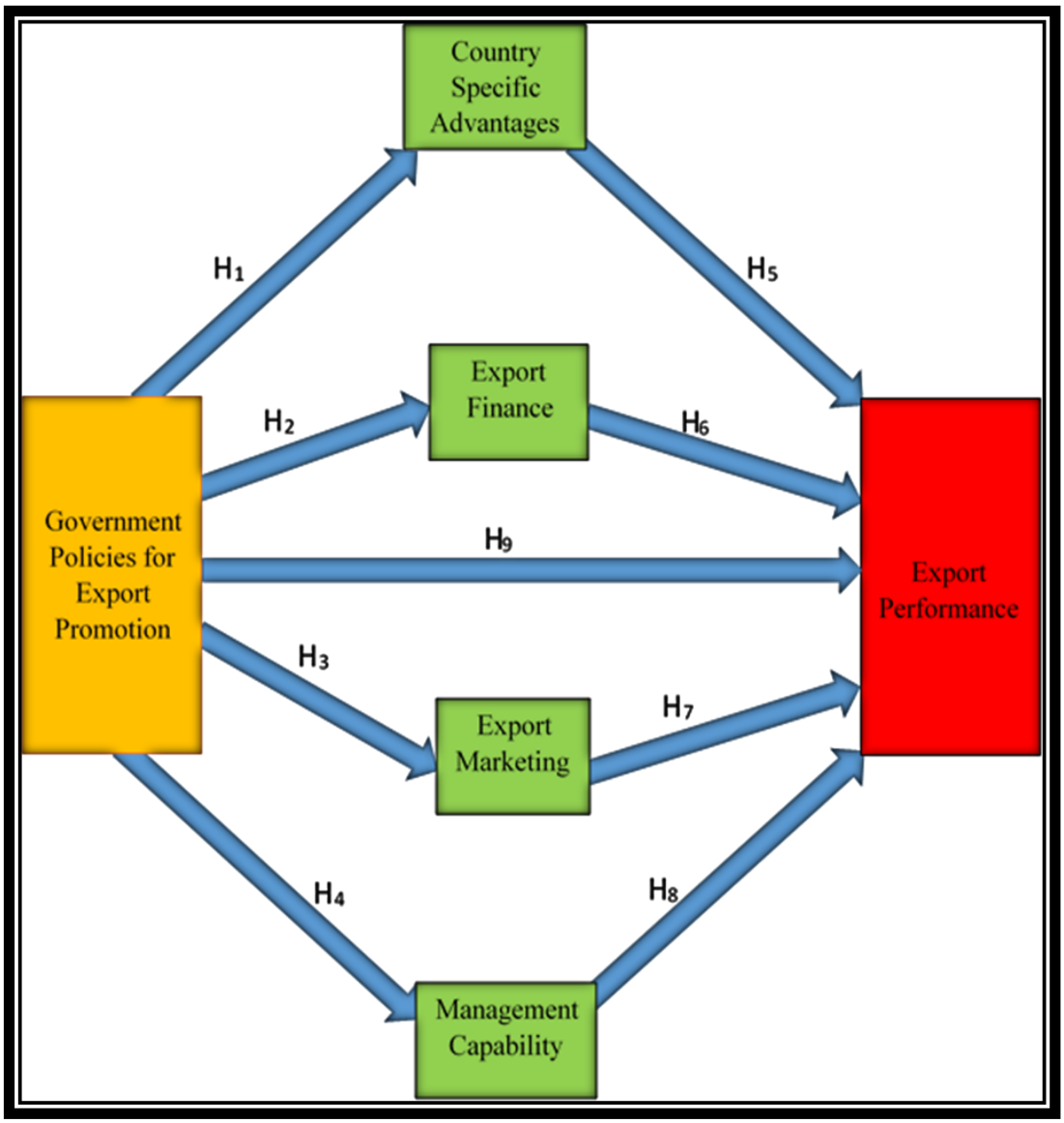
Finally, the direct effect of government policies on export promotion on export performance has received many much reviews from many researchers such as Gençtürk and Kotabe (2001); Wilkinson and Brouthers (2006); Francis and Collins-Dodd (2004) where greater use of export promotion programmes leads to increase performance. However, the researcher argues that it is not an issue of the greater use of programmes but the need of a particular program at a specific time in the growth of the business that matters. It should be noted that the effects of usage of government policies for export promotion have received little attention (Shamsuddoha and Ali, 2006; Shamsuddoha et al., 2009). This vector of government actions can influence export performance in different ways. It may be as a result of direct subsidies, financial assistance, tax holidays, specific training to and information that enhance export competence specifically to SME Cocoa exporters. These actions have been found to influence export performance directly. This, therefore, leads to the direct hypothesis that:

H9: The use of government policies for export promotion has a positive and significant effect on the export performance of SME Cocoa exporters.

The evidence provided in section 2.8.1 right up to 2.8.9 shows the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon. The direct hypothesis is represented by H9 while hypothesis H1 to H8 represents the indirect hypothesis. The hypotheses developed above can be represented in the diagram below (figure 2). It should be noted that the variables in the framework

below are latent variables captured through a series of observed variables as will be exemplified in chapter 5 to show its confirmatory aspects. Table 3 below also represents the summary of the hypotheses in a tabular form with the expected signs, relationships, and sources also shown indicated.

Figure 2: Conceptual Framework



Source: Authors' Representation from Literature

Table 3: Summary of Hypotheses Generated by the Conceptual Model

Hypotheses	Relationship	Expected Sign	Related References
H1	Government Policy ⟶ Country Advantages	+	Truett and Truett (1994), Martincus et al., (2011), Rudman (2010), Xinming and Yingqi, (2013), Song et al., (2013)
H2	Government Policy ⟶ Export Finance	+	Onaolapo and Odeyemi (2011), Grigoryan (2012), Gençtürk and Kotabe (2001)
H3	Government Policy ⟶ Export Marketing	+	Gençtürk and Kotabe (2001), Francis and Collins-Dodd (2004)
H4	Government Policy ⟶ Management Capability	+	Lages and Montgomery (2005), Seringhaus and Rosson, (2001),
H5	Country Advantages ⟶ Exp. Performance	+	Francis and Collins-Dodd (2004), Shamsuddoha and Ali (2006), Lages and Montgomery, (2005), Wilkinson and Brouthers (2006)
H6	Export Finance ⟶ Exp. Performance	+	Harash et al., (2014), Onaolapo and Odeyemi (2011)
H7	Export Marketing ⟶ Exp. Performance	+	Cavusgil and Zou (1994), Zou et al., (2003),
H8	Management Capability ⟶ Exp. Performance	+	Shamsuddoha and Ali (2006); Shamsuddoha et al., (2009), Lages and Montgomery, (2005)
H9	Government Policy ⟶ Exp. Performance	+	Lages and Montgomery (2005), Shamsuddoha et al., (2009), Wilkinson and Brouthers (2006)

The path diagram shown in figure 2 page 78 represents the conceptual framework and is related to figure 1 in Chapter section 1.8 pages 26. What the diagram (figure 2) above shows is the hypothetical conceptualisation of the EFA/CFA exemplification which will be further discussed in chapter four and five. Figure 2 shows how observed variables are being mapped onto latent variables/factors and how the latent variables are mapped onto the export performance. The observed variables have been obtained from the literature review and will be further discussed in section chapter four section 4.2.9, and the mapping process will be further discussed in chapter five which focuses on data analysis. In table 3 above, the researcher has presented some references that were core to selecting the observed variables within the literature reviewed. These references were studies that have looked into different aspects of government policies for export promotion and how they influence export performance either directly or indirectly. The second column of table 3 shows a simplified version of the hypothetical relationship from the framework. Simplified because it shows just the hypothetical relationship between latent variables and how they influence export performance directly and indirectly. The expected positive signs on table 3 represent the positive direct and indirect effects of government policies for export promotion on export performance as conceptualised during the hypotheses development in section 2.8 above.

Moreover, figure 2 based on the EFA/CFA model postulate that the number of observed variables (X), can be reduced to a set of latent variables (F) which are unobserved. The weights of X unto F indicate how strong X is loaded unto F. this can be represented in the form of an equation as follows;

$$X = WF + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

Where X = observed variables; F = latent variables; W = weight or variable loadings and E = error term. Equation 1 is, therefore, the starting point for building the SEM model. In the diagram below, the latent variables are

represented by country specific advantages, export finance, export marketing and export performance.

The SEM model for export performance consists of both the direct and indirect effects of government policies on export performance and can, therefore, be stated as;

$$X\ Perf = F\ (Fi + GP + \varepsilon) \ldots\ldots\ldots\ldots\ldots\ldots\ 2$$

Where X perf = export performance; Fi = country and country specific advantages, export finance, export marketing; GP = government policy and E = error term. The Fi represents the indirect effects (H1-H5, H1-H6, H3-H7, H4-H8) and GP represents the direct effect (H9) based on the usage of government policies for export promotion. Equations 1 and 2 which represents section “A” and “B” in figure 1 will be discussed further in section 4.3. Table 4 above also represents the conceptual model in the form of a table by showing the direction of the hypotheses, the expected signs which are to be confirmed or rejected after the examining the results of the analyses and the source contributing authors to the development of the hypotheses.

2.9 Chapter Conclusion

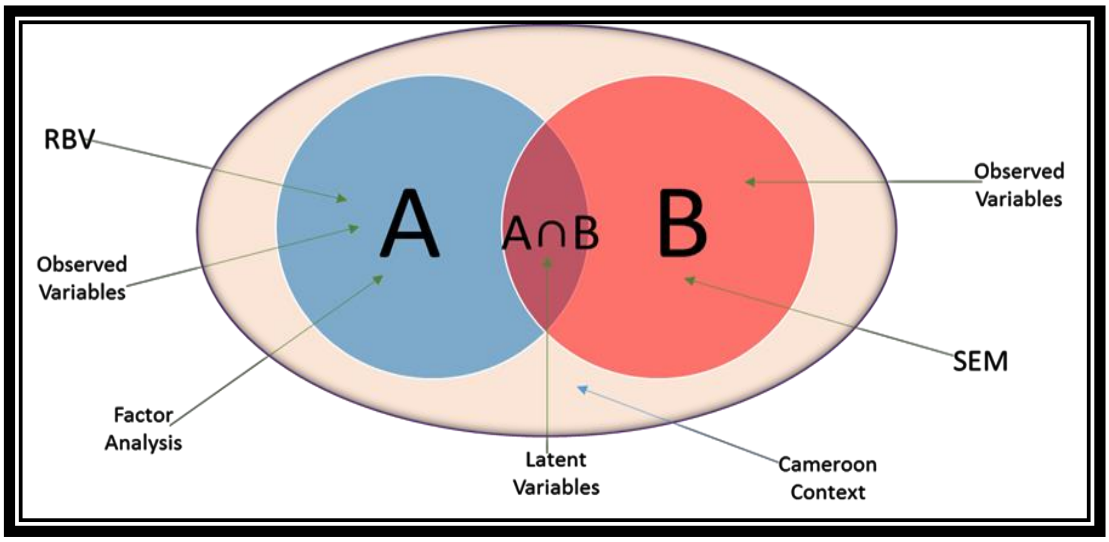
The literature review was aimed at developing testable hypothesis using the resource base theory to investigate the direct and indirect relationship between government policies for export promotion and the export performance of SME Cocoa exporters in Cameroon. This development was significant in an attempt to seek empirical testing of the path or structural relationships between the constructs and to examine the predictions that may have both theoretical, managerial and policy implications. The hypothesis is summarised in table 4 with their supporting references. This chapter sets out the literature based conceptual model. The next chapter discusses the context (Cameroon) where the above model will be tested.

Chapter 3. Country Context (Cameroon)

3.1 Introduction

Having set out the literature basis for the conceptual model in which the research is founded, the researcher now proceeds to put the model in context; the Cameroon and discuss Cameroon - related literature in so far as it enhances the background of the conceptual model. The diagram has been presented below in figure 3 page 82 shows that the factor analysis and structural equation modelling is actually the context of Cameroon. In other words, the diagram (figure 1) presented on section 1.8 page 26 is to be tested on SME Cocoa exporters in Cameroon such that the outer section of circle A and B as shown in figure 3 below represents the Cameroon context and the context is the subject matter of this chapter.

Figure 3: The Cameroon Context



Source: Authors' Conceptualisation

The chapter, therefore, proceeds by first discussing the background of the Cameroonian economy, an overview of the Cocoa Sector in Cameroon with a

focus on the production regions and its structure during and after the liberalisation of the industry in the 1990s. Finally, trade promotion policies are reviewed, and a summary of the chapter is presented.

3.2 An Overview of the Cameroon's Economy

Cameroon is a lower emerging economy in Sub-Saharan Africa (SSA) with a population of 22,544 million people, GDP growth of 5.079%, per capita income of 690,912 CFA and an inflation rate of 3.2% in 2014 (IMF, 2014). Cameroon is a country rich in resources such as Oil and gas, Timber, Iron Ore, Gemstones, Magnesium, Cocoa, Coffee, Rubber among others (IMF, 2014, FAO, 2012, OECD, 2014). Cocoa has been one the country's major export (IMF 2014). Nevertheless, despite the fertility of the soil (Molua, 2008), the price volatility of agricultural products in the world market has affected the revenues from the exportation of agricultural products (IMF 2014). However, the role of agriculture in the Cameroons economy cannot be questioned as it provides subsistence and earnings to about 60% of the population (FAO, 2012).

When compared to other members in Sub-Saharan Africa (SSA), Cameroon's growth in GDP and per capita income as shown in table 4 indicates its place as one of the fastest growing nations in the SSA. It should also be noted that Cameroon's per-capita income is almost twice the average of the SSA which is 681.7 (IMF, 2014). This increase in GDP is brought about by sectoral contributions from the service, industry and agricultural sectors (IMF, 2014). The agricultural sector is of particular interest in this research because Cocoa seems to be one of the major agricultural export for the Cameroon economy. Cocoa production has been influenced by the fertile volcanic soil that supports its growth (Molua, 2008). However, the GDP of Cameroon keeps fluctuating just like those of others SSA due to the fact that these countries are primary commodity dependent and as a result suffer from price fluctuations (Haumann and Rodrik, 2003).

Table 4. Economic Indicators of Selected SSA Countries

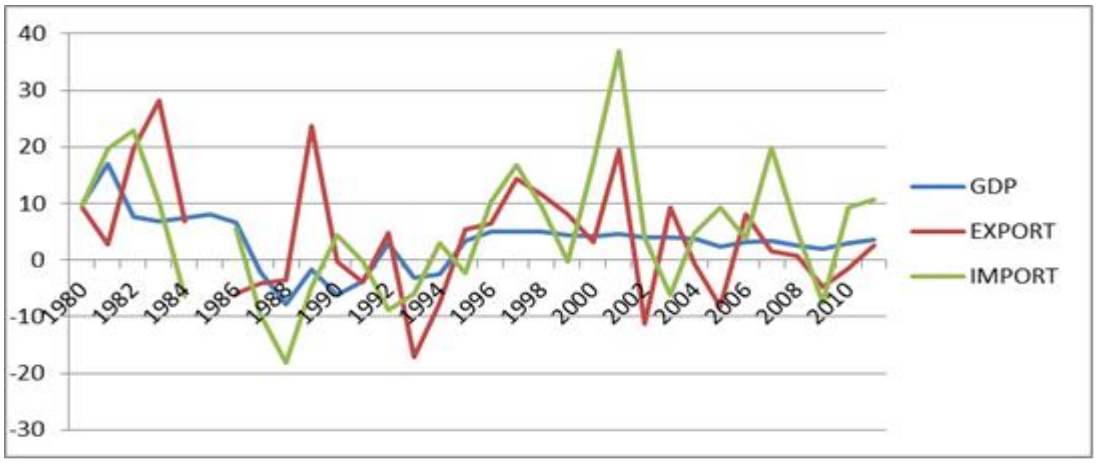
Country	GDP (US$ billion) 2012	GDP (US$ billion) 2013	Per capita (US$) 2012	Per capita (US$) 2013	Export Trade % of GDP 2012	Export Trade % of GDP 2013
Benin	7.7	8.3	751	805	15.3	18.3
Cameroon	**26.5**	**29.2**	**1,220**	**1,315**	**28**	**20.7**
Burkina Faso	10.7	11.5	652	684	27	26.1
Cote d'Ivoire	24.7	30.9	1,244	1,521	55	43.5
Ghana	41.7	47.9	1,646	1,850	48	42
Kenya	40.2	44.1	933	994	28	17.9
Zambia	20.5	22.3	1,463	1,540	46	50
Zimbabwe	12.4	12.8	788	905	33	30

Source: Developed from World Bank Indicators 2014.

Cameroon has a wide range of exports ranging from manufactured exports, fuel and oil exports, food exports, agricultural raw materials, service exports among others (World Bank, 2014). The existence of these resources shows that Cameroon is commodity-dependent and one of the ways of bringing about growth is at the macro, and micro level is through exporting (Hesse, 2006). A look at figure 4 below shows that Cameroon's export has been fluctuating and the country is even importing more than it is exporting. Given the country's commodity dependent nature, export needs to be increasing and not decreasing. This, therefore, brings into play the role of the government in promoting export through export promotion programmes. Cameroon has numerous export partners.

The last column of table 4 above shows the percentage contribution of exporting to GDP for Cameroon and other SSA economies. Moreover, for countries that are commodity dependent, exporting should be contributing more to its GDP to bring about improvement in per capital income growth in the long run (Hasse, 2014). It is, therefore, important that the government does not only encourage exporting but also encourage diversification of the export. Given the wide range of the export from Cameroon, some of the major destinations for its exports are namely: Spain 13.3%, Netherland 9.7%, China 11.4%, Italy 6.8%, France 6.4% and the USA 5.9%, Germany 4.8%, Belgium 4% (IMF country stat. 2011).

Figure 4. Cameroon's export, import and GDP fluctuations (1980-2011)



Source: IMF Stats. 2011

Figure 4 above summarised the fluctuation in GDP and export. The figure shows how import is growing more than export. Cameroons' export is mostly primary commodities. As a result, suffer from external shocks such as climatic conditions and price volatility from the international markets. After this overview of the Cameroon economy, the next section will focus on the Cocoa sector which is under consideration in this thesis.

3.3 An Overview of the Cocoa Sector in Cameroon

Given the above review of the Cameroon economy, this section focuses on the Cocoa sector which is very strategic in Cameroons' export sector. Strategic not only because it employs many people, but also due to its contributions to GDP. In this section, the researcher will discuss the production of Cocoa in Cameroon. The structure of the Cocoa sector will also be discussed, and this will be followed by the discussion of trade and agricultural policies.

3.3.1 Production and Importance of Cocoa

Africa is the largest producer and exporter of Cocoa in the world for which

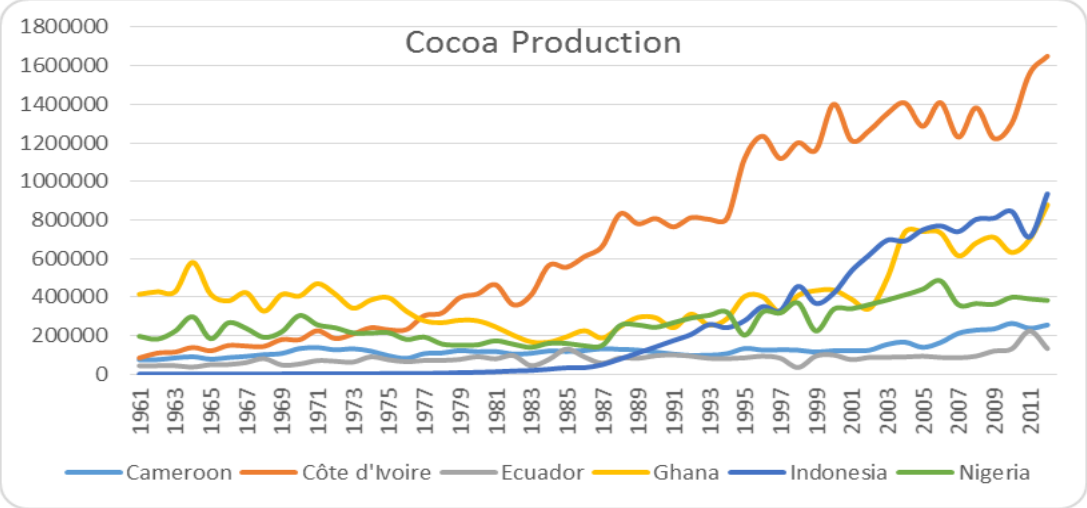
Cameroon is ranked 5th (ICCO, 2012). The rich volcanic soil in Cameroon has favored the growth of Cocoa (Molua, 2008). Cocoa is produced in seven out regions in Cameroon namely the West, North West, Littoral, Centre, South West, South and East (Coulter and Abena, 2010). These regions can be shown in figure 5 below. However, too much dependence on Cocoa as a source of subsistence has left many communities vulnerable to the risk associated with its production such as price volatility and threats from diseases (WTO, 2001). Figure 5 below shows that Cameroon's place in the world in terms of Cocoa production. Despite the fact that production has been fluctuating due to climatic conditions of heavy rains, bushfires, diseases such as black pod (ICCO, 2013), Cameroon's Cocoa production from around the year 2000 has been on an increase as shown in the figure below (figure 6). The existence of Cocoa processing firms such as Nestle and CHOCOCAM implies not all Cocoa produced can be exported. Taking the 5 year average of the net export of Cocoa from 2006/7 to 2010/11 from the ICCO statistics (2012), Cameroon contributes 6.1% of Cocoa exported which even though is smaller as compared to Ghana (21.7 %), Ivory Cost (37.4 %), and Nigeria (7.1 %), it is still above the total of America (6.3 %0 and almost half of the whole of Asia and Oceania (16.3 %).

Figure 5. Cocoa Producing Regions in Cameroon

Source: Coulter and Abena, 2010)

Figure 5 above presents the production regions of Cocoa in Cameroon. Out of the seven producing regions, two are within English Cameroon while the other five are in French Cameroon. These two consist of Kumba (South West) and Bamenda (North West) as shown in figure 5 above. However, in terms of production, the South West and Centre Regions are the most production and produce 50% and 30% of total Cocoa produced in Cameroon (Forgha and Sama, 2014).

Figure 6: Cocoa Production



Source: ICCO, 2013; FAO, 2013

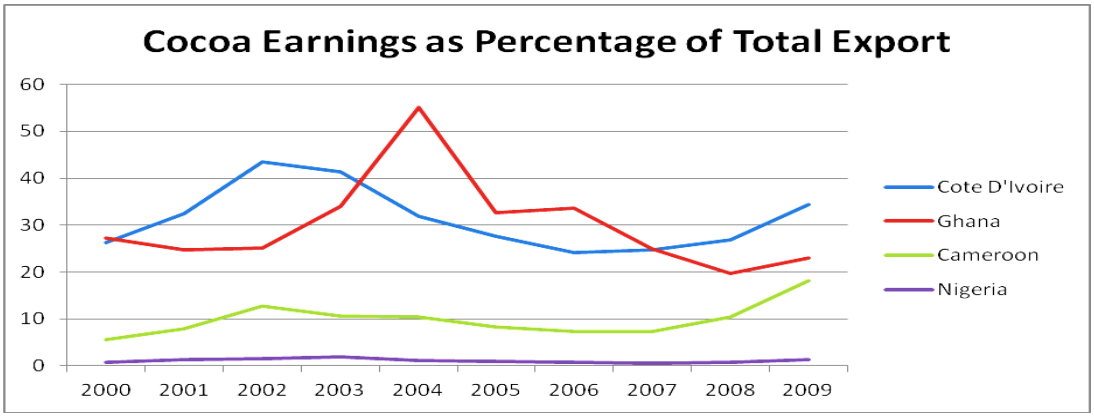
Figure 6 above shows the production level of Cocoa for some selected Cocoa producing countries. The figure shows the increasing but fluctuating growth of Cocoa production due to climatic conditions. Despite this fluctuating growth, Africa's contribution from the international Cocoa and Coffee organisation (ICCO) data considerable over time from approximately 71.7% (2007/8), 70% (2008/9), 68.3% (2009/10), 74% (2010/11) and 65% (2011/12) respectively (ICCO, 2013). Cameroon is ranked fourth in Africa and firth in the world and therefore necessitate a re-examination of its place in the global business.

In all Cocoa producing economies and Cameroon in particular, the significant role of Cocoa as a catalyst for economic growth and development has gained

general acceptability (Ngoong and Forgha, 2013). There is resource scarcity within developing countries producing Cocoa. This has made these countries to exploit the full revenue opportunities that Cocoa as a major primary and agricultural commodity represents (ITC/UNCTAD/WTO, 2001). Cocoa production should not only be looked as a means of economic growth. Its nutritional content to man is also health supportive. Statistics from the ICCO, (2012) shows that Cocoa contains butter (54%), protein (11%), cellulose (9%), pentose (7.5%), tannin (6%), water (5%), theobromine (1.2%), sugar (11%) and caffeine (0.2%). This nutritional value has made Cocoa a dependable cash crop that has gained a worldwide appeal.

It is difficult to talk about the life of the rural man in Cameroon without mentioning the source of his subsistence. Cocoa shelters, Cocoa employs, it generates revenue for the state, feeds, educate, provide subsistence to families among others (Kofi Ocran and Biekpe, 2008). Cocoa gives income and status to rural communities. However, the more interesting part of the story is its contribution to total export. Statistics from the Food and agricultural organisation (FAO) statistical division 2012 and ICCO 2012 gives a detailed contribution of the share of Cocoa export to total export in Cameroon from 2000 to 2009 as shown the figure below (figure 7).

Figure 7. Cocoa Earnings as Percentage of Total Export



Source: ICCO Stat. 2012

The above figure (figure 7) shows that Cameroon's earnings for the nine year average (2000 – 2009) stood at 14 % as against Nigeria (1%), Ghana (42%) and Ivory Coast (43%). In summary, therefore, Cocoa production in Cameroon is on an increase and its contribution to total export earning is also increasing. Supporting SME Cocoa exporters through export promotion will be a good means of improving their performance and growth of the economy. In the next section, the research will discuss how Cocoa is being marketed in Cameroon.

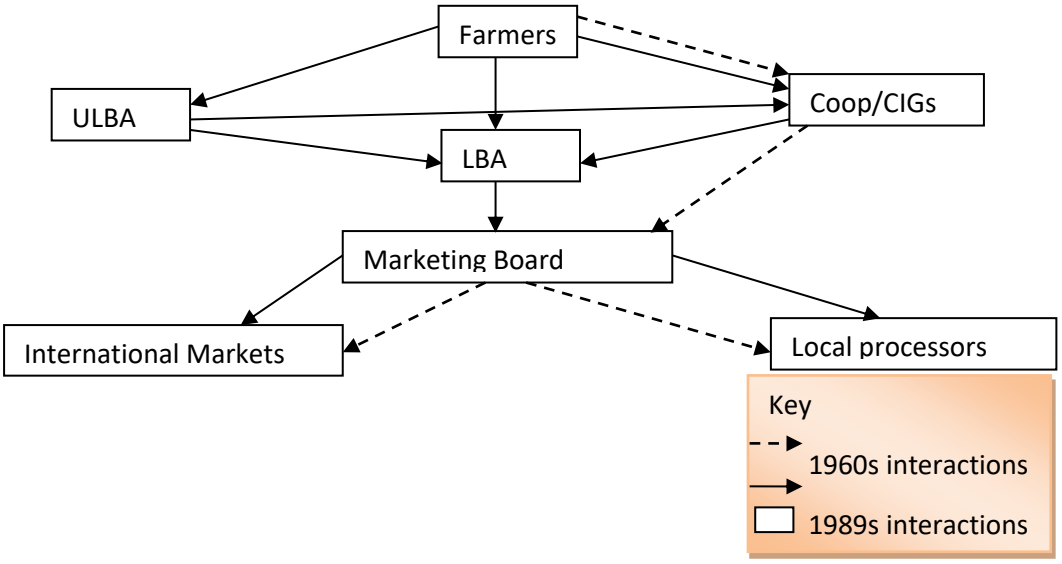
3.3.2 The Structure of the Cocoa Sector in Cameroon.

The Marketing Board for the Marketing of Basic Commodities (ONCPB) and the Cocoa Development Society (SODECAO) were the only state institution responsible for the marketing of basic commodities such as Cocoa from the 1960s to the early 1990s (Coulter and Abena, 2010). These two institutions had representatives from the seven producing Cocoa regions found in fig.3 above. While the ONCPB acted as a standardisation fund or bank, a unique exporter and the main structure in the marketing process, SODECAO supported both upstream and downstream activities within the Cocoa chain.

The marketing board will buy Cocoa from its regional representatives (Cooperative societies) found in the Cocoa producing regions. In the early 1990s, the marketing process was between the farmers, the cooperative societies, and the marketing board. This implies the farmers will sell to the Cooperatives who then sell to the marketing board and the marketing board finally acting as the only exporter sells the Cocoa to the international markets (Gbetnkom and Khan, 2002). However, by the early 1989s, there was the emergence of the Licence buying agents (LBAs) and Unlicensed buying agents (ULBAs) who also buy from farmers to sell to the marketing board for export and to local processors like Nestle and CHOCOCAM (Gbetnkom and Khan, 2002). These interactions between the farmers, LBAs, ULBAs, Cooperatives, the marketing board, local processors and the international market can be seen in figure 8 below. The broken lines represent the interactions in the 1960s while the straight lines represent the interactions

around 1989.

Figure 8: Structure of the Cocoa Sector before Liberalisation



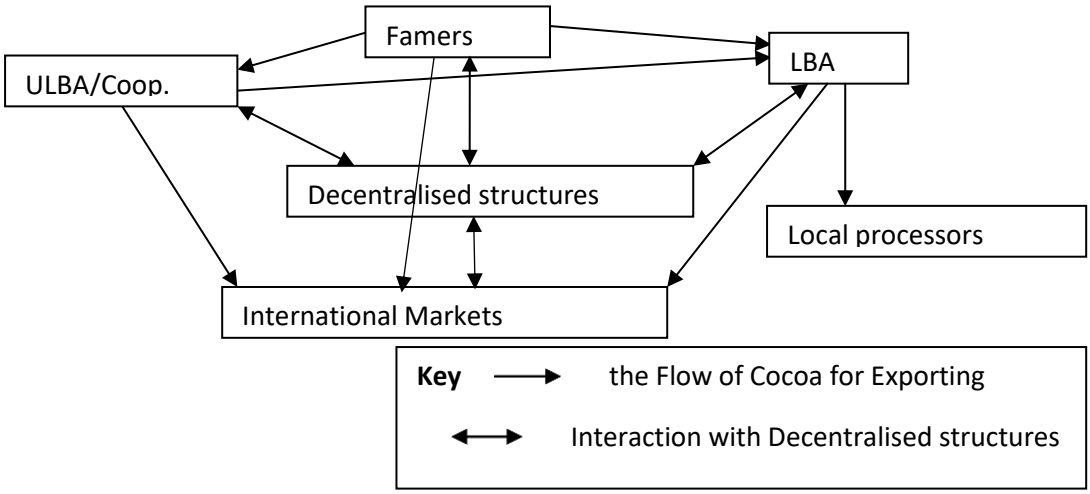
Source: Authors Representation from the Literature

However, the volatility of the price of Cocoa in the world market and mismanagement within the cooperatives and the marketing board were among some of the greatest challenges facing the sector. The introduction of the structural adjustment programmes by the IMF lead to the liberalisation of the economy in the 1990s (Bamou et al., 2006). This liberalisation led to a competitive base market structure in which the marketing board was dissolved, and there was the growth of individual private exporters of Cocoa (SME Cocoa exporters). The collapse of the marketing board gave room for the creation of the National Cocoa and Coffee Board (ONCC) and the Inter-professional Council for Cocoa and Coffee (CICC) as the two main state institutions to manage and organise the sector by coordinating with actors involved in the commercialisation process.

A major advantage of the liberalised structure over the 1960 structure is that encourages competition. This is because nobody had a monopoly over the

exportation of Cocoa. This competitive based structure implies farmers, LBAs, ULBAs, and Cooperatives can now sell directly to the export markets as the marketing board has been dissolved (Gbetnkom and Khan, 2002). Figure 9 below gives a picture of the structure after the liberalisation in the 1990s. While the single headed arrows show the flow of Cocoa for export, the double-headed arrows represent the interactions with decentralised structures in charge of organising the sector. The government no longer had the monopoly over Cocoa exporting through the marketing board as before the liberalisation.

Figure 9: Structure of the Cocoa Sector after Liberalisation



Source: Authors Representation from Literature

The above review shows that shows that Cocoa production in Cameroon is currently on an increase and its contribution to total export earnings cannot be underestimated. Despite its contribution to total export earnings, Cocoa is also providing subsistence to more than 60% of people in rural communities in Cameroon. The contribution of Cocoa exporting to the Cameroon economy both at the macro and micro level is a justification for the government to encourage Cocoa exporting in Cameroon. The structure of the 1960s reveals the state had a monopoly over the export of Cocoa. However, this monopoly was dissolved, and a more market-based structure was put in place which saw the emergence of SME Cocoa exporters. This structure will be useful in a later

stage when the discussion of awareness and usage of export promotion programmes are discussed. The next chapter will now focus on trade and investment policies initiated by the government.

3.4 Trade and Investment Policy Reforms

Trade and investment policy in Cameroon are formulated by the ministry of the trade who receives ad hoc opinions from other ministries and statutory bodies acting as a liaison with the private businesses (WTO, 2015). They include among others the Chamber of Commerce, the Union of Cameroon Industrialists, the Association of Import-Export Traders, Cocoa and Coffee Exporters' Council (CICC) and other employers' organizations, consumers' associations and professional associations, as well as the National Federation of Small and Medium-sized Enterprises.

According to Bamou et al., (2006), Cameroon has had two main and three investment policy reforms initiated after independence in the 1960s. The period 1984 to 1993 was the beginning and end of the first trade policy and the second which is still on-going started in 1994. Since the investment, code regulates the investment policy, any change in the code is seen as a change in policy, and there have been three major changes (Bamou et al., 2006). The first was between the periods 1984-1990, the second 1990-2002 and the third from 2002 till date.

The objectives of trade and investment policies in Cameroon have been evolving around providing an enabling business environment that can attract more foreign direct investment into the country, encourage the growth and competitiveness of SMEs both home and abroad, ushering the economy towards an open trade regime, opening and increasing market access for Cameroonian exports and for balance development (Bamou et al., 2006).

After independence in the 1960s, trade policies in Cameroon were mainly protectionist (Bamou, 1999). This protectionist approach took the form on

quantitative restrictions and tariff and other non-tariff measures (Bamou et al., 2006). However, quantitative restrictions with price control were gradually being abandoned with the implementation of the Structural Adjustment Programme (SAP) in 1998 (Collier, 2002). Moreover, according to Bamou et al., (2006) substantial tax reforms were implemented in 1994 within the Central Africa Economic and Monetary Community (CEMAC) to which Cameroon is a member to simplify the tax system, improve yield through increased revenue collection, increase competition and efficiency within SMEs and to have a uniform tax base among. This coincided with the devaluation of the French Franc in 1994 (Bamou et al., 2006).

On the other hand, the second policy reform from 1990-2002 moved from the protectionist approach to a more open approach to trade triggered by economic liberalisation and the implementation of the Structural Adjustment Programmes (SAP) with emphasis given to competitiveness and export-led development (Bamou et al., 2006). This policy was backed with the formation of two structures namely the National Industrial Free Trade Zone Board (ONZI) and the Investment Code Management (CGCI). The investment code provided many advantages ranging from the equal treatment of both local and foreign investors, numerous incentives including exemption of VAT during the establishment phase of key assets and reduction of taxes among others.

Nevertheless, the Investment Charter defined by Law No. 2002/004 of 19 April 2002 represents the third investment policy reform that runs from 2002 till present. The aim of the Investment Charter was to build a competitive economy by boosting investment why reasserting the essential role of the government in promotion development, entrepreneurship, using various policy options. This Charter saw the formation of many institutions to manage and promote investment, export, and private initiatives.

Despite the numerous policy reforms by the Cameroon government to regulate the economy and make it more open for trade, research by Ngoasong (2002) shows that there was no specific policy that focuses primarily on SMEs.

To re-enkindle, the SME sector, a Presidential Decree No. 2004/320 of 8 December 2004, was adopted, creating the Ministry of Small and Medium-Sized Enterprises, Social Economy and Handicraft (MINPMEESA) to re-define and implement government policy relating to SMEs (Ngoasong, 2002). The lack of such policy framework may suggest the difficulties faced by SME Cocoa exporters in doing business. This is because the lack of polices relating to SMEs may also mean lack of support to help them grow.

To conclude, this section has shown that investment and trade policy reforms in Cameroon have changed the business environment. The country has moved from the protectionist era to one backed by trade liberalisation. Quantitative restrictions are gradually being eroded. The implementation of trade liberalisation and the structural adjustments programmes by the IMF and World Bank were necessary to put the economy back on track after the 1994 economic recession. Moreover, the review shows that these policies were more broadly formulated and implemented without much specific applicability to specific SMEs. The absence of specific policies for SMEs from independence as cited by Ngoasong (2007) raises serious concerns relating to issues of awareness and usage of government policies for SME Cocoa exporters in Cameroon. This suggests that many of these SMEs may not be aware of policies for export promotion. Moreover, those who were aware, questions still arose as to whether they know how to benefit from such policies or not. This is because the policies did not design specifically for them. This, therefore, makes it important to explore the level of awareness and usage of government policies for export promotion among SME Cocoa exporters in Cameroon and how benefiting from these policies is helping them improve their export performance. The next section will discuss reforms with the agricultural sector.

3.5 Agricultural Reforms in Cameroon

After discussing the development of trade and investment policies in

Cameroon in section 3.4, this section will focus on agricultural reforms in the Cameroon. The case under consideration is Cocoa which is an agricultural commodity. Cocoa was introduced in Cameroon by the Germans in 1886 but gained prominence in Southern Cameroon around 1924. Cocoa is important because it represents one of the country's main traditional agricultural export (Molua, 2008; Forgha and Sama, 2014). Moreover, about 75% of the Cameroon population are earned their livelihood from the cultivation and selling of Cocoa (Tcharbuabokengo, 2005). It is also important to analyse these reforms because this research is also about the analysing the level of awareness and, usage and the benefits of government policies and these reforms form an integral part of policy development. Moreover, it should be understood that agricultural policies in Cameroon are normally being developed in line with the country's five-year development plan which follows the political evolution of the country (Memfih, 2008; Bamou et al., 2007). These five years development plan came to an end in the late 1980s with the implementation of the structural adjustment programmes by the IMF as a poverty reduction strategy (Memfih, 2008).

One aspect common among this five-year development plans was the fact that agriculture was given a high priority in all of the plans (Memfih, 2008; Dewbre et al., 2008). This is partly due to the fact that the country is mostly agrarian coupled with rich volcanic soils that favoured cultivation (Molua, 2008). Moreover, the priority given to agriculture in the first phase from 1960 to the mid-1960s was also due to the influence of colonial masters who wanted to continue the exportation of agricultural products to support their economy (Dewbre et al., 2008). The five year development plan was characterised by import substitution policies (Dewbre et al., 2008). This was also very important as Britain has already opened up large plantations in British Cameroon during the colonial period. Furthermore, small farm holdings were totally discouraged to avoid conflicting objectives with the colonial plantations (Bamou et al., 2007). Therefore small businesses were not involved in the exportation of agricultural products like Cocoa, Coffee, and Rubber among others.

In contrast to the evidence above that the colonial masters opened up large plantations and suppressed small farm holdings in the early 1960s, things started to change before the late 1970s with the creation of both private and state-owned corporations. This was the second five year development plan. During this period, the National Agricultural Credit Bank was created as an institution to provide short-term agricultural loans (Emmanuel, 1998). Moreover, the government also created the Funds National de Development Rural (FONADA) to provide short and long term loan. Besides the creation of these financial institutions, the government also encouraged the creation of credit union to loans to both businesses and farmers (Emmanuel, 1998). There was also the distribution of inputs and the marketing of agricultural products by the government through it centralised marketing board (Memfih, 2008). Many intervening institutions were created to manage the agricultural sector. However, it became evident that powers were overlapping within these institutions which also generated conflicts coupled with embezzlement of state funds (Gbetnkom and Khan, 2002). As a result of these problems, there was inefficiency in management which resulted in declining performance which led to the liberalisation of the sector in the 1980s.

However, in the late 1980s which was the third development plan, the government started reviewing its previous policies. It became clear that the fragmented and complex structures that were existing were costly to manage and the private sector was totally neglected which all culminated in the decline of the economy (Memfih, 2008). This decline in the economy was subsidised by funds from the oil sector (Dewbre et al., 2008). This economy decline provided the need for a shift in policy endeavours from a close to a more open economy. This, therefore, led to the abandonment of the import substitution policies by the government and the adoption structural adjustment programmes which were supported by donor countries and the IMF. The structural adjustment programmes led to decentralisation and sector-specific reforms especially in the agricultural sector which saw many privatisation and liberalisation in the form of input production, transfer of technology and know-

how through research and development, marketing, and training. The structural adjustment programmes helped the Cameroon government to benefit from loans and debts relief (Memfih, 2008). The structural adjustment programmes also involve modernisation of the production system, export diversification, export promotion, improvement in the processing of agricultural products and food security (African Development Bank, 2008). Due to economic liberalisation, Cameroon participated at the 8th edition of the African Fine Cocoa/Coffee Conference and Exhibition in Tanzanian where SME exporters had to build business relations with other producers, exporters and benefit from information regarding market and price (CCIB No. 022, April 2011).

3.6 Chapter Conclusion

The above chapter has shown that Cocoa exporting is very important to the Cameroon economy due to its contribution to export earnings and providing subsistence to the Cameroon population. Its production though currently increasing fluctuates due to climatic conditions. The devolution of the marketing board which acted as the state monopoly for Cocoa exporting saw the emergence of a market-based structure and the growth of SME Cocoa exporters in Cameroon. Moreover, the import substitution policies practiced in 1960 after independence was abandoned in favour of export-led growth policies such as export promotion. While this chapter has provided an understanding of the research context, the next chapter will discuss the research methodology used to investigate the direct and indirect effects of government policies on the export performance of SME Cocoa exporters in Cameroon.

The two regions that have been chosen for this research are the Southwest and the Centre regions. The Southwest regions in the Anglophone Cameroon and has a very rich volcanic soil that encourages the cultivation of Cocoa. Cocoa production in Cameroon began in this region. The defunct marketing

board was located in this region because of the region's productivity of primary commodities such as Cocoa. The regions are responsible for 50% of total Cocoa produced in Cameroon even though very little hybrids varieties are being given to farmers. On the side of the French Cameroon, the Centre region is among the few regions that encourages the cultivation of Cocoa due to fertile soil. Bad governance has encouraged hybrid varieties to be given to these part of the country more than to the English part. This region is also very more connected to other parts of the country and boarder countries which put them at an advantage of pursuing exporting.

This chapter has presented the scene in which the research takes place. By so doing, the researcher has filled out both the theoretical content presented in chapter two and the practical context (chapter three) and the time is now ready to go into the next chapter to discuss in more detail the conceptual model and data collection procedures.

Chapter 4. Research Methodology

4.1 Introduction

The primary requirement of any academic research is that it should be at least in principle repeatable and that implies more information is to be provided to the reader and to future researchers to enable the research at least in principle to be replicated. Moreover, the researcher needs to make clear what type of data needs to be collected to make the conceptual model into something practical that can be investigated. This is what this chapter is all about.

To achieve the above objectives, the chapter proceeds with the discussion of the research methods as indicated in section 1.8 in chapter one. The chapter proceeds with the nature of the research, questionnaire development, method of data collection that also embodied a brief description of how difficulties of obtaining data were overcome, data analysis procedures and related ethical considerations.

4.2 Research Methods

Research methods are fundamental to any research project because whether positivist (quantitative) or interpretivist (qualitative) orientated, they form the basis for which successful and solid research is built (Henn et al., 2006). This section discusses methods that have been used in this research as outlined below.

4.2.1 The Nature of the Research

According to Raynolds (1971), an accurate representation of an area of study in scientific research should be exploratory, descriptive and explanatory. This research has captured the three cardinal points of a good scientific research which is exploratory, descriptive and explanatory. The research is exploratory

by using factor analysis to reduce the data and uncover underlying variables of the constructs. Also, the research is descriptive because the factor analysis produces patterned relationships that can be used to make a generalisation which can be used in the development of theory. Moreover, the research is explanatory because it makes use of theory in explaining the empirical generalisations.

4.2.2 Research Paradigm and Approach

Research paradigm is defined by Bryman (1988) as *"a cluster of beliefs and dictates which for scientists in a particular discipline influence what should be studied, how research should be done and how results should be interpreted, and so on"* (Bryman, 1988, p. 4). According to Henn et al., (2006), even though there are a number of alternative approaches in social research, there are broadly speaking two main divergent views or what is generally called competing paradigms about the nature of knowledge. These are the positivist paradigm (generally associated with quantitative research strategies and the deductive research approach) and the interpretive paradigm (associated with qualitative research strategies and the inductive approach). This research adopts the positivist paradigm and the deductive approach as justified below.

The research stances empiricist or perhaps positivist – bearing in mind that any assertions take the form of probability statements rather than statements about what is the case deterministically. The positivist philosophy work on the assumption that there is an objective reality which can be understood and described by investigation and measurable properties over which the researcher has no control. It therefore, assumes that the world exists externally and that entity should be measured objectively and not through intuition (Saunders, Lewis, and Thronhill, 2007). The investigation and properties are thus independent of the researcher and his instruments. Proponents of the positivist paradigm argue that *"…there is a reality over there to be studied, captured and understood…"* (Denzin and Lincoln, 1998, p. 8) *and "… that knowledge is only of significance if it is based on observations of*

this external reality" (Easterby-Smith et al., 1991, p. 22). Also, the French philosopher (Auguste Comte, 1853) said: "*All good intellects have repeated, since Bacon's time, that there can be no real knowledge but that which is based on observed facts*." Henn (2006), states that the logic in using a positivist research design is that *"we seek to identify processes of cause and effect to explain phenomena and to test the theory. Knowledge should, therefore, be based on what can be tested by observation of tangible evidence and researchers should use the scientific method which emphasizes control, standardisation, and objectivity"* (Henn, 2006, p. 13). The positivist paradigm thus works on the assumption that the researcher is independent of the subject of research and he is thus *"capable of studying the object without influencing it or be influenced by it"* (Guba and Linclon, 1998, p. 204).

The research is inductive insofar as the empirical model was generated as a result of an investigation of the relevant literature (RBV, internationalisation theory and trade theories, export promotion programmes). This was also because the hypotheses generated were tested according to the investigation of the empirical data from the sample. To conclude, the positivist paradigm relates to the deductive approach due to its quantitative nature. This research started with the review of the literature to develop a theory from which hypotheses are then developed. The hypotheses are being tested, and confirmations are made with regards to the theoretical framework that has been developed. Due to the exploratory, descriptive and explanatory nature of the research as discussed above, the fact that hypothesis is to be developed from the framework and unwillingness for respondents to grant interviews in fear of the unknown, positivism was therefore the best research paradigm for this research as the researcher also has to be independent of the research as explained above. The next section will then focus on the justification of the use of questionnaires as the research instrument for the quantitative approach adopted by the researcher.

4.2.3 The Research Instrument - Questionnaire

The aim of this section is to discuss how the questionnaire has been developed and why the researcher has used a questionnaire to collect the data.

The questionnaire development was in two parts. The first concerned with the characteristic of participants and the sample SMEs and the second their perception of government policies in relations to their business. The first part consists of seven questions and focused on ownership status, the number of employees, the size of capital, years in business, the level of education, and the types of networking. The second section which deals with perception managers had eight questions based on perception with regards to government policies (awareness, usage, and benefits), country specific advantages, export finance, export marketing, management capability, and export performance.

The widely used seven points Likert scale (1= strongly agree to 7 = strongly disagree) was used to collect information from managers because it permits the use of a variety of statistical analysis (Givon and Shapira, 1984; Aaker and Day, 1990). Moreover, Likert scales do vary (ranging from 2 to even more than 10), and they tends to affect the reliability of the scores (Cox, 1980). According to Viswanathan et al., (2004), scale tests that provide least reliable scores are those with the fewest response categories such as two, three and four and those with high reliable scores are those with scale categories of seven or more. However, Preston and Colman (2000) conducted research which shows there was a decrease in scale reliability as responses start to move above eight-point, nine-point, and ten-point response categories. This, therefore, implies that the seven-point scale is the best scale categories to give reliable scores for the analyses. Moreover, the seven point Likert scale has the ability to collect more data in the situation where the sample size is small, and according to Givon and Shapira (1984), correlation coefficients decrease as scale categories decrease.

On the other hand, one of the principal methods used when conducting positivist research is ‘quantitative’ methods. The quantitative research method embodies the use of questionnaires to enable the researcher to collect facts and study the relationship between variables. Researchers are thus able to *“measure, using scientific techniques that are likely to produce quantified and if possible generalizable conclusions”* (Bell, 1995, p. 6). A major advantage of using this method is that it is able to take into consideration the reaction of a large number of respondents to a limited set of questions, thus facilitating comparison and statistical regression of the data, enabling the generalization of the findings (Jupp and Norris, 1993). In addition, the questionnaire is a formalised set of questions for obtaining information from respondents (Malhotra, 2004). In this research, questionnaires have been used to collect information from the management of SME Cocoa exporters about their perception of export promotion programmes, country specific advantages, firm’s specific advantages, and their export performance. The questionnaires were developed after a thorough review of literature which resulted in the development of testable hypotheses.

Moreover, the researcher has used questionnaires against other methods like mail survey or interview to collect information due to the aim and the context of the research. The use of questionnaires was buttressed by the fact that the testing of the hypothesised model involves a level of statistical significance about predicted statistics within identified relationships which cannot be captured using qualitative methods such as an interview. Moreover, the research also contains latent variables captured through a series of questions. The researcher needed to understand the loadings of each question or item under the respective latent variables and how much variance of the respective latent variables can be explained by these series of questions that respondents had to answer. Moreover, a number of statistical tests were needed and often involves deleting some unfit data to improve their predicting power. Based on these facts, the use of questionnaires with the Likert scale was considered appropriate to obtain data for the research because it

provided the researcher with the opportunity to perform statistical analysis to achieve the research aim.

In addition to the above, it was impossible to collect the data using interviews due to the context of the research where the researcher has more than 20 years of experience both as a farmer and as a store agent. This is because the Cocoa sector in Cameroon remains a very sensitive sector in which SMEs are scared and often shy away from granting interview due to the unknown. The political situation has resulted in a lack of trust. Having justified how and why questionnaires were used, the next section discusses the pilot study.

4.2.4 Pilot Study

Given the complexity of the research context (lack of an available database for SMEs, low level of transparency and high corruption rate) it was considered necessary by the researcher to carry out a pilot study assessing the feasibility of obtaining reliable data. The pilot study was also to test the reliability of the questions asked and the potential usefulness of the data that might be gathered from the survey. Moreover, the pilot study was to determine the willingness and ability of respondents to complete, detect errors in its design or questions and to make a recommendation where ever possible. All the feedback from the pilot study was used to design the final questionnaire discussed above and to collect the data.

The pilot study was part of the development stages of the questionnaire to determine its clarity and comprehension while uncovering any flaws in the design or in specific questions. All aspects of the questionnaire were tested including scale items, question content, wording, form layout, question difficulty and instructions (Lietz, 2010).

Building on from the review of relevant literature which led to the construction of the questionnaires, the initial questionnaire was emailed to email to the researcher's supervisory team and to the two other researchers of which one was from Cameroon. Also, a conceptual paper which the researcher

presented at the Academy of International Business in Vancouver in 2014 was accompanied by the questionnaire. The reason for this was to check on the validity of the constructs in archiving the research aim. More so, the pilot questionnaire was administered to 12 managers of Cocoa exporting SMEs. The respondents were allowed to fill in the questionnaires at their own convenience, and a series of phone calls were made to remind them and provide support if needed. It took one month for all the questionnaires to be filled and collected by 2 University graduates who were trained to act as research assistants before being scanned and emailed back to the researcher. Some of the questionnaires were not properly filled, and it resulted in the elimination of two questionnaires. Data for the remaining 10 questionnaires were, therefore, input into SPSS and the various analyses were run for practicing purposes and for the researcher to be familiarised with the various procedures of performing the analysis. It was not in a bid to have any significant results but to determine whether the questionnaire was easily understood and whether it was possible to establish relationship from the respondents when the researcher finally goes to administer the questionnaires. Respondents had the opportunity to comment on the state of the questionnaire by indicating whether they understood the language and the instructions required in answering the questions. One of the key outcomes of this pilot study was the fact that respondent made it clear that they will not participate if any information was to be recorded due to corruption and the political situation of the economy where transparency has become a major challenge. The feedback received were considered in producing the final questionnaire.

4.2.5 Key Informant

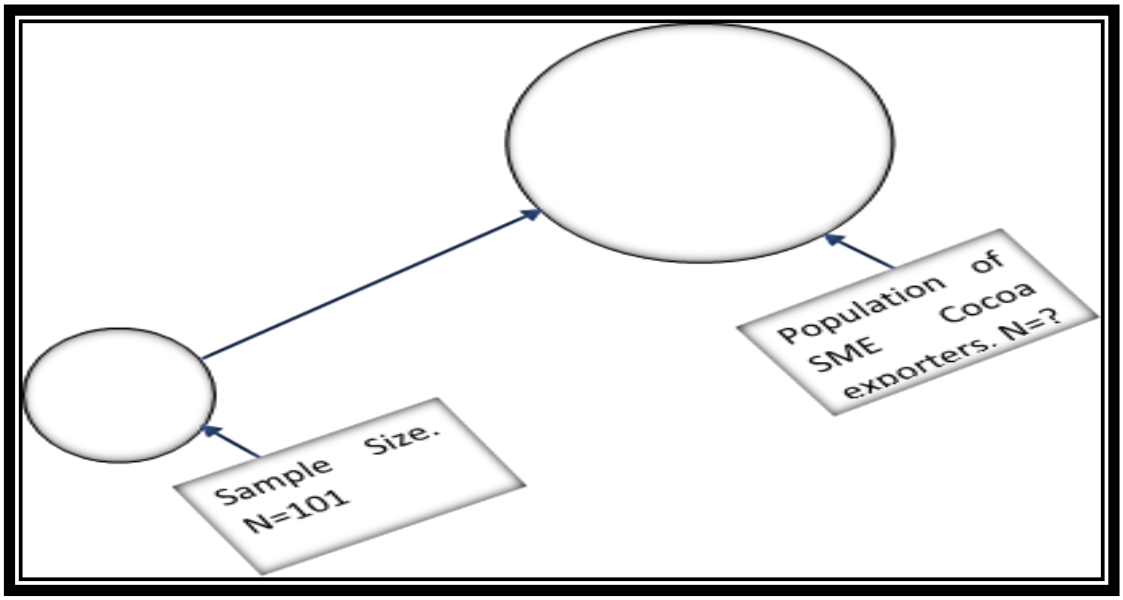
The choice of respondents to participate in this research was very important. Important because they must have a good knowledge of the Cocoa sector in Cameroon. The respondent, therefore, had to be a key informant within the study context. These key informants possess special qualities such as the

knowledge of their business activities, the business environment and how government policies for export promotion are directly and indirectly influencing their business, and that puts them in a position answer the questionnaire correctly with the right information required. Snowball sampling technique was used to identify these key informants. Extant literature has supported the use of a key informant in data collection who should be a senior executive (Gençtürk and Kotabe, 2001). In this research, the managers or owners of SMEs in the Cocoa sector are used as the key informant because they have a better understanding of their business and the business environment.

4.2.6 Population, Sampling Size Determination, and Data Collection

Cameroon is underdeveloped and highly indebted and was ranked 136th most highly indebted poor countries in the world (Wold Economic Indicator, 2014). This underdeveloped nature is further compounded by bad governance, poor archiving and lack of transparency (Ngoasong, 2007). As a result of these defects, the researcher could not find any comprehensive and reliable list of SME Cocoa exporters. A list of exporters from the taxation department shows that the last update of the list was 2012 and of which most of the contacts were outdated after trying to contact some of the SMEs by phone and email. The researcher's involvement in this sector as a farmer and store agent was therefore, very important as the starting point of the snowball sampling which will be discussed below. The figure below illustrates the sampling frame and the sample size.

Figure 10: Sample Frame Model



Source: Authors' representation

Figure 10 above figure shows sample data (N=101) in relation to the population data which is undefined as explain in section 4.2.6 paragraph 1. The justification of the sample size is provided in below. The reason for this section is to present the population from which data on SME Cocoa exporters will be collected and how the sample size has been determined. Several factors have guided the researcher in choosing the population and sample size for this study.

First, the researcher has chosen a single country due to the heterogeneity of government policy across countries. In addition to this, Cameroon is ranked fifth in world Cocoa production, and this necessitates a study of its place in the export market. The economic liberalisation in the 1990s saw the growth of SME Cocoa exporters and many policy developments to encourage exporting. Putting all these into perspective situate the country in a global context that needs to be studied. Moreover, the researcher is a Cameroonian who over the past twenty years has been heavily involved in the cultivation of Cocoa in large quantities and has also been a store agent. This has given the researcher a better understanding of the research context. It's a privilege to study my

country and make recommendations for policy development.

Second, Cocoa is produced in seven regions in Cameroon. However, the South and Central regions represent the largest producers producing 50% and 30 % of the total Cocoa production in the country (Forgha and Sama, 2014). The sampling population was therefore limited to these two regions because the researcher believes they are a larger representative of the others with minimal output. Additionally, not all SMEs within these two regions were involved as care was taken to sort out only those with at least three years of exporting experience. A minimum of three years was because during this period, the SMEs would have had at least a fair knowledge of the Cocoa sector in Cameroon. These SMEs were considered because they are buying and exporting directly or indirectly. To achieve this, the managers of these SMEs were asked how long they had been in business. If the response was more than three years, the research team will engaged with them but the research team did not engaged with respondents who had been in business if less than three years.

The sample size for this research has been decided based on two important criterions. The first one is based on the limitation of financial resources and the time needed. The research is self-funded, and this puts many constraints on financial resources which made it impossible to include all seven Cocoa producing regions in Cameroon in the sample population. The second important aspects were about the sample size. The sample size was important because it must be able to produce statistical testing that is reliable and valid in testing the structural relationships in the conceptual framework. The sample size had to be determined based on a critical review of the literature on structural equation modeling (SEM) techniques. The researcher wanted a sample size that will permit SEM statistics to be computed. However, one of the on-going questions in the use of SEM has been how large is the sample required in path analysis for the results to be reasonably stable (Hogarty et al., 2005).

Based on the above questions, there has not been any generally acceptable criterion for determining sample size in SEM. However, Comrey and Lee (1992) and Tabachnick and Fidell (2007) proposed a sample size of 300 participants will produce desirable results. Hair et al., (1995) also suggested that a sample size of 100 was the minimum required for SEM analysis. Henson and Roberts (2006) maintained that the challenge of sample size had not served researchers well due to difficulties in collecting data and argued that the rule of thumb of 300 participants has not taken into consideration the complex dynamics of factor analysis. Guadagnoli and Velicer (1988) found that solutions with factor loadings >.80 require a smaller sample size of n>150. According to Sapnas and Zeller (2002), a large sample may be producing a number of factors which are in excess of what is actually needed and therefore pointed out that even a sample of 50 may be adequate for factor analysis provided the required results are achieved.

Consideration was also given to the sample to variable ratio which is often denoted as N: V where N represents the number of participants and V refers to the number of variables. This is another rule that is used to provide guidance regarding sample size (Hogarty et al., 2005). This ratio, therefore, ranges anywhere between 3:1, 5:1, 10:1, 15:1, 20:1 (Hogarty et al., 2005; Tabachnick and Fidell, 2007). Moreover, Hogarty et al., (2005) carried out a study to investigate the relationship between sample size and the quality of factor solutions obtained from exploratory factor analysis using the above ratios and concluded that there was no minimum level of N:V ratio to achieve good factor solutions.

The strength of the above argument is a testimony of the complexity that still surrounds the determining of sample size in SEM analysis. In this research, the maximum likelihood estimate (ML) has been used as the statistical method which is contained in the AMOS statistical package to figure out which weight on the factors explains the most variance in the observable factors.

The researcher, therefore, took all the above contingencies into account in

determining the sample size. The above discussions have shown that valid results can be obtained irrespective of the sample size (Hogarty et al., 2005). Moving away from the issues of the sample population and sample size determination, the next paragraph discusses how the data was collected.

4.2.7 Data Collection Process

This section discusses the data collection process and the challenges encountered by the researcher and how they were resolved.

The starting point of the data collection process was the recruitment and training of 2 research assistants discussed in section 4.2.4. They were trained on data collection techniques and ethical issues. The research assistants were given a copy of the questionnaires and were drilled on every question for better understanding. They were also given authorisation letters from the University requiring the researcher to collect data and to understand that they need to be complaints with the University's ethics of research.

The questionnaires were self-administered and collected using snowball sampling technique. Snowball sampling technique was used because of the absence of a reliable database for SME Cocoa exporters. Also, due to the sensitivity of the Cocoa sector, managers or owners of SMEs will only engage with people they know and trust as they fear the government may be sending spies to spy their businesses and collect information. Due to the knowledge and understanding of the Cocoa sector by the researcher and his research assistants, strategies were drafted which involved a head count of managers already known to the research team. The managers of these SMEs were contacted by phone and visits were arranged. These managers then acted as a door way by contacting other managers to engage in the data collection process. This system was important to allow the research team to reduce cost and save time during the data collection process by arranging appointments at specific times. Even though snowball sampling can be criticised for the fact that selected respondents could be a group of like-minded individuals

expressing similar opinions and ideas which could be prejudiced, this was however not a problem as the researcher discussed ethical issues with respondents and made it known to respondents that their responses should be based on their personal views. The self-administered questionnaire provided the researcher an opportunity to observe what is really happening within the Cocoa section and an opportunity for the managers of SME Cocoa exporters to explain their individual experiences which could lead to a whole area for future research streams.

Despite all documentations from the University to confirm that the researcher is PhD students on a mission to collect data, respondents were still not convinced and believed the researcher might have been sent by the government to get their views about government policies and obtain other information about their businesses which may lead to tax increases. Some managers even believed that the documents from the University might have been fabricated by the government to disguise and collect information. Also, some were scared to engage in fear that it could implicate them due to the political situation. However, this was not strange as the researcher already knows how the political environment of the research context has put fear in people's mind to speak out on sensitive issues.

The research team went to some SMEs but were told they could not see the managers and that the manager is not around. In some cases, the research team knew the managers even though the managers did not know us and saw him/her sitting in the store but they decided to say the manager is not around. The reasons being that they saw the way the research team were dressed and thought the team might have been sent by the government to collect information about their businesses.

After discovering that our appearances were a problem preventing us from getting information within the first two days, the research team decided to develop a new strategy. The teams decided to recruit one youth from the town we visited and dressed casually or locally. After booking an appointment with

the respondents, this rural recruit will lead the way forward to explain to the respondents that these are his/her classmates in school some years back and they have come for data collection for their studies and that he/she will be very happy if they can help. When these managers see somebody from their locality whom they know, they became more relaxed and secured as he assures them to actively participate and help his friends who are still in academics. Through this means the research team was able to break all barriers and get to speak to respective managers. At the end of the first week of data collection, it became clear that snowball technique and the recruitment of town representatives was the best way to open up the doors for the research team to collect data.

At the end of the data collection process on a daily basis, the research team will sit down and went through all the questionnaires by checking them thoroughly for completeness and inputting the data onto SPSS. 120 questionnaires were initially administered, and at the end of the data collection process, 19 questionnaires were found to be incomplete with plenty of missing data. This was because at a certain point in time respondents did not want to continue and due to ethical issues which state those respondents are free to withdraw at any time, the researcher has to respect their views and stop. All the questionnaires with many missing values were discarded, and a total of 101 questionnaires were retained for analysis. Moreover, the integrity of the data was determined by the examination of each data cell independently by each of the research assistants used in the data collection process. They all proof read the original data against the computer printout. The data was also cross-checked by examining basic statistics such as means, standard deviations, ranges and frequency distribution. Such a system enables values that are out of the range or poorly coded to be easily identified.

4.2.8 Reliability and Validity of Constructs

Reliability and validity are two important concepts that are used to purify the data before conducting SEM. These have been measured using Cronbach's

Alpha and item loadings for the respective factors. Reliability can be referred to as the extent to which a set of questions or items design to reflect or capture certain constructs have a high inter-correlation (Nunnally, 1979). Reliability, therefore, is the overall consistency of a measure. A measure is set to be reliable, therefore if it produces similar results under consistent conditions. The test of this overall consistency for this research was the Cronbach's alpha. The range of alpha lies between 0.100 and 1.00. A desired cut-off level of alpha according to Nunnally (1979) is .70. This means there is a high level of intercorrelation among the variables. However, Yong and Pearce (2013) argued that such high cut-off points may lead to the elimination of very important variables that can inform the research and posit that anything below .50 should be rejected since negative alpha are not acceptable. Therefore a research with an alpha of above .50 should be considered and interpreted with caution. In this research, reliability played a key role in the selection of factors. Only factors with the highest reliabilities were considered within each construct for further analysis. The level of alpha for the various constructs consist of .76 for country specific advantages, .81 for export finance, .87 for export marketing information, .81 for management capability and .72 for export performance.

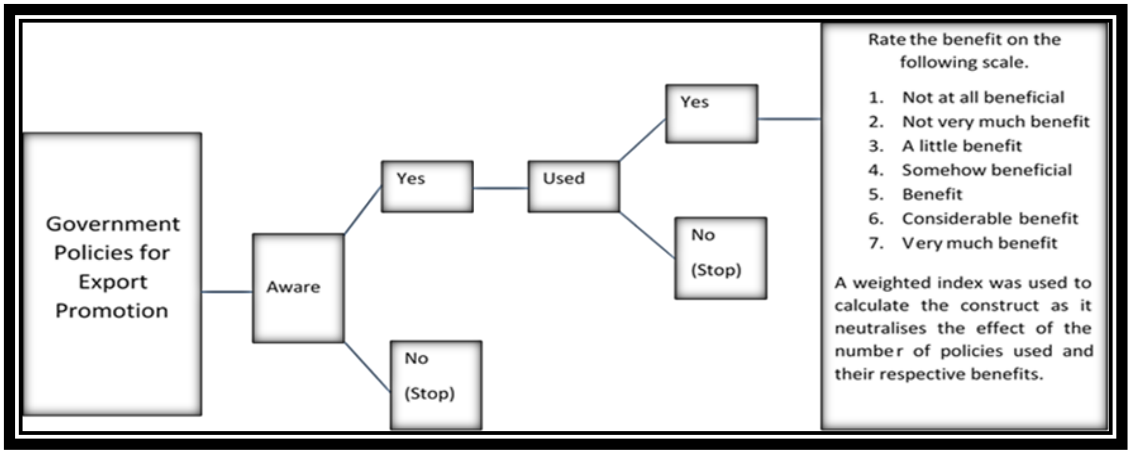
After determining the reliability of the construct, it was also important to identify the convergent validity which is a measure to test the construct validity (Fornell and Larcker, 1981). Various methods such as factor loadings, composite reliability, and average variance explained have been advanced as possible measures of convergent validity by Fornell and Larcker (1981). However, Item loading technique is seen as an easy and most commonly used method (Tabachnick and Fidell, 2001; Yong and Pearce, 2013). Convergent validity is therefore established when items load heavily under their respective factors (Yong and Pearce, 2013). The factors that have been selected for SEM as shown in table 33 below have all achieved convergent validity given the cut-off level for items loading as 0.30 as put forward by Yong and Pearce (2013).

4.2.9 Operationalisation of Variables

According to Hair et al., (2012), the operationalisation of constructs refers to how the constructs are to be measured. These constructs consist of government policies for export promotion (observed variable), country specific advantages, export finance, export marketing, management capabilities and export performance (unobserved variables). These constructs have been operationalised using multiple scale items to help measure the variables in quantitative terms. All the items which were obtained from the literature have been tested for scale validity in other studies such as Shamsuddoha and Ali (2006). These scale items are categorically represented in the questionnaire which is attached in appendix A.

Government policies for export promotion which was not a latent variable were measured in line with Shamsuddoha and Ali (2006). Respondents were asked if they were aware of respective government policies for export promotion and whether they have used such policies. The respondents were required to choose from the following (A= Not aware of government policies, B= Aware but have never benefited from government policies and C= Aware and have benefited from government policies). Respondents who ticked option "C", where then asked to rate their benefit on a seven-point Likert scale (with 1= Not at all benefit, 2= Not very much benefit, 3= A little benefit, 4= Somehow beneficial, 5= Benefit, 6= Considerable beneficial and 7= Very much beneficial). Consequently, only responses with “C” were taken into consideration in this research. The value therefore of government policies for export promotion was based on the weighted mean of the number of programmes used and the associated benefits derived. The above description is shown in figure 11 below.

Figure 11: Framework for Determining Level of Awareness, Usage, and Benefit of Policies for Export Promotion



Source: Authors' Representation

Moreover, for the other variables (country advantages, export finance, management capability, and export marketing) were measured using a seven-point Likert scale. The justification for the use of such scale has already been done in section 4.2.3. Following Shamsuddoha and Ali (2006), respondents were presented with a number of statements or questions which were mapped to respective variables to which they have to either agree or disagree on a seven point scale. The Likert scale, therefore, ranges from (1= strongly agreed to 7= strongly disagreed). The responses were therefore used as inputs into AMOS to produce respective item loadings and other statistics in the SEM process.

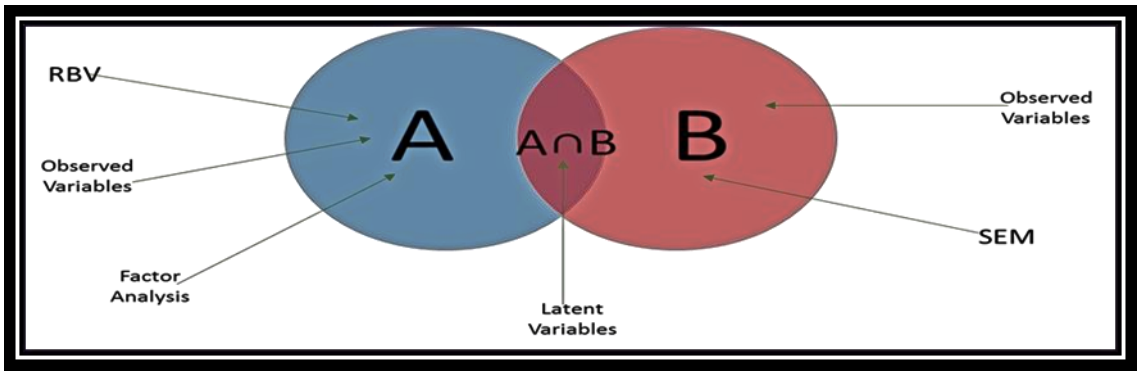
Measures of export performance consisted of both economic and non-economic measures. The variables used to measure export performance are also provided in appendix A. The measurement of these items was in line with Leonidou et al., (2011); Shamsudoha and Ali (2006); Shamsudoha et al., (2009). Based on the items for measuring export performance, respondents were asked to indicate the extent to which they have achieved their performance objectives on a seven point Likert scale over the past three years (2011-2014) with 1=much below expectation and 7=much above expectation.

This system of measurement was appropriate in measuring the data. The next section, therefore, leads to how the data will be analysed.

4.3 Data Analysis Procedure

To better understand the data analysis procedure, it is important to restate the framework for the conceptual model (figure 1) to indicate what type of analysis and procedures are being performed on what part of the model. The justification for restating the framework is to ensure a consistent theme running through the thesis and for the reader not to be laboured flipping over pages to actually find out what the researcher is actually talking about. The framework is shown below.

Fig. 1: Framework for the Conceptual Model



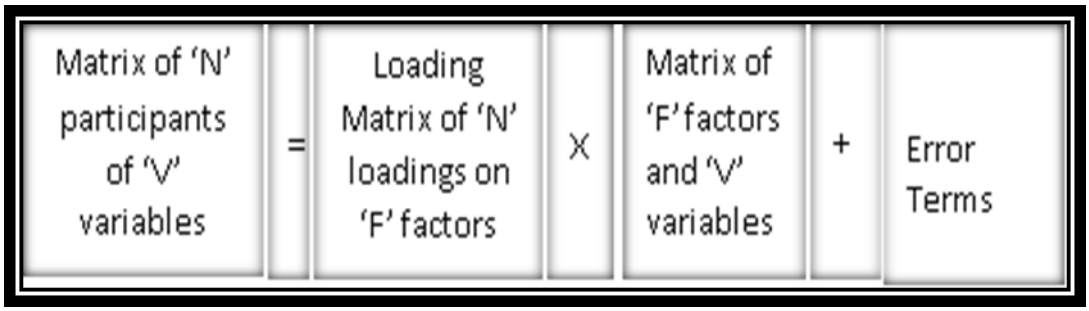
The researcher has used a two-stage process for analysis of the data for this research. The first stage uses exploratory factor analysis (EFA) and Cronbach's alpha at the preliminary stage to determine reliability and validity of the items in the scale. In the second stage, the researcher has used structural equation modeling (SEM) found in AMOSS programme. SEM is of primary importance to this research as it was used for the confirmatory factor analysis (CFA) of the constructs and to aid the application of path analysis to identify significant relationships in the respective paths in the model.

4.3.1 Factor and Reliability Analysis

Going back to figure 1 in section 4.3 above, section “A” represents the factor analysis which is embedded within the context of the RBV and consists of observed variables while section A∩B represents the latent factors. The observed variables obtained from the literature were inferred from the questionnaire responses and reduced by factor analysis to latent variables as will be seen in the following section (section 5.6). The following paragraphs will now discuss the factor analysis and its application process which was performed with the help of the SPSS and AMOS statistical package and the output or results reported in chapter five.

Factor analysis is a way of capturing a substantial part of the variance of observed variables through a factor model. The basic matrix equation performed by the AMOS software can be illustrated in figure 12 page 118 below. Figure 12 below illustrates the first stage in the modelling procedure which leads from area ‘A’ in figures 1 section 1.8 page 26 and shows how the dependent variable is expressed as a function of their common (WF) and unique (E) factors. In the diagram, the rectangle on the left-hand side represents a matrix of empirical results from N (N=101) respondents to V (32) questions about observable variables and this represents the dependent variable. The right-hand side represents the independent variable represented by two boxes. The first box consists of a rectangle denoting a matrix of loadings of observable variables on latent variables or factors (F). The loadings (eigenvalues) represent the extent to which the factors F represent the variables V. The second box on the right-hand side labelled F contains the latent variables themselves each related to the observable variables V. The point of factor analysis is an attempt to reduce the dimensions of a problem by investigating the extent to which a large number of observable variables (32) can be reduced or represented by a smaller number of unobservable variables F (5).

Figure 12: Factor Analysis Model



In the first stage as depicted in above figure, the observed data is in its original form and in a later chapter (section 5.4) the normalised data is derived and the focus is on the amount of variance of the observed factors that is explained by the unobserved factors taken into consideration the eigenvalues, validity, reliability, Bartlett test, and KMO.

Moreover, factor analysis is a data reduction process were observable variables can be reduced to fewer latent variables that share common variance and are unobserved. Factor analysis is also known as reducing dimensionality (Osborne and Costello, 2005; Young and Pearce, 2013). When the researcher's aim is to discover the number of factors influencing variables and to analyse which variables go together, factor analysis becomes exploratory. The researcher has no prior knowledge as to the extent to which observable variables do indeed measure the intended latent variable. Factor analysis has been used in this research not only as a data reduction tool but also to carry out another statistical test as to whether the sample is adequate enough for the analysis, to test convergent validity and to examine the variance explained of the observed variables to the latent variables. Latent variables in this study involve export finance, export marketing, management capability, country specific advantages and export performance while the observed variables are the items used to measure the respective latent variables.

Even though the design of the study has a role to play, for anything to be considered a factor, it should have a minimum of three variables/items

(Tabachnick and Fidell, 2007). In factor analysis, factor loadings measure how much the variables contribute or correlate to the factor. High loadings will imply high correlation and that the dimensionality of the factor is better accounted for by the variable (Yong and Pearce, 2013). Hair et al., (1998) have presented .50 as the desired loading for the primary factor to which an item belongs. Even though this high cut-off point will generate better results, Young and Pearce (2013) proposes the cut-off point of .30. This is because the cut-off of .50 may exclude some variables that may provide a better understanding of a factor and loadings below .30 may be very weak in explaining a factor (Yong and Pearce, 2013; Tabachnick and Fidell, 2007). The researcher might distinguish between principal component analysis which is essentially is a data reduction technique and factor analysis which is used to measure latent variables. Also, exploratory factor analysis begins with no prior hypothesis; the aim is to find patterns in the data while confirmatory factor analysis is used to examine the robustness of theories and models (Yong and Pearce, 2013).

The preliminary screening conducted in the purification of the variables before incorporating them into SEM consists of EFA and the computation of the Cronbach's alpha. EFA was used to identify the minimum number of factors that underline the observed variable. It was also used to determine convergent and discriminant validity of the constructs. Convergent validity measures are indicated by high loadings on the construct to which the variable belongs, and it's undertaken to examine the extent to which variables correlated positively with other measures of the same construct (Churchill, 1979). Low loadings on factors to which a variable did not belong indicated discriminant validity. Internal consistency measures the reliability of the scale and is calculated using Cronbach's alpha (Malhotra, 2004). The desired minimum of Cronbach's alpha of .70 has been proposed by Nunnaly (1979). However, factor analysis cannot go without its own disadvantages as the naming of factors at times becomes problematic. Factor names may not accurately reflect the variables within the factor (Yong and Pearce, 2013). Moreover, some variables are difficult to interpret in a situation of split loadings. This occurs when one

variable load on more than one factor. However, it is a useful data reduction approach also used in data transformation, hypothesis testing, mapping and scaling (Rummel, 1970).

Important statistics that were needed in the running of factor analysis were the Kaiser-Meyer-Olkin measure (KMO) and Bartlett's Test of Sphericity which was evaluated to determine if the sample is adequate and if it was good enough to produce patterned relationships. A cutoff point for sampling adequacy was KMO ≥ .50. Bartlett's Test of Sphericity was also used to determine if the patterned relationship was significant or not with the probability 'P' being < .05. This is also supported by Yong and Pearce (2013); Tabachnick and Fidell (2007). Each of the latent variables for this research has achieved these cutoff points which mean reliable results can be achieved. Furthermore, the use of factor analysis also helped in the identification of variables with negative loadings and eliminating such variables from the analysis and then re-run the analysis. This was because the hypothesis has postulated positive relationships and the inclusion of a negative factor loading/correlation could have adverse effects on the outcome.

Another important statistics in the analysis was eigenvalue (Kaiser Criterion). This rule states that factors with eigenvalue ≥ 1 should be extracted (Yong and Pearce, 2013). In addition to eigenvalue ≥ 1, scree plot was also used to determine the number of factors extracted by looking at the point of inflection. Accepting all factors with eigenvalue ≥ 1 could lead to overestimation of the factors extracted which may affect the results. Field (2013) therefore propose that factors should be chosen based on the amount of variance they explained. This was the second criterion used for selecting factors. The third criterion was to analyse the value of Cronbach's alpha for respective factors and select the factor with the highest level of alpha. Cronbach's alpha was used to determine reliability. The fourth was that for a factor to be considered for further analysis, it must have at least three variables being loaded onto the factor (Tabachnick and Fidell, 2007). The number of factors extracted was very important because extracting too many factors could give undesirable

error variance while extracting very few factors could also leave out important common variance (Hair, 2010; Tabachnick and Fidell, 2007; Yong and Pearce, 2013). After the required factor had been extracted, the rotated solution was obtained. The rotation was very important because it produces a simple but optimal structure that will have each variable load on very few factors as possible (Rummel, 1988). Rotation also improves the structure and gives a better interpretation (Costello and Osborne, 2011). The rotation technique used was Varimax because it minimises the number of variables having high loadings on each factor as it works to make smaller loadings smaller (Yong and Pearce, 2013).

Having discussed FA above, it is important to restate equation 1 from page 80 which represents section "A" in figure 1, chapter one and explain it further.

$$X = WF + \varepsilon \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \quad (1)$$

X represents the observed variables as in the questionnaire (Appendix A) administered to 101 respondents. The researcher has to be sure that all X are moving in the right direction, and despite the sample size of 101, the data can provide reliable results. Factor analysis provided the best option to do this. By providing variable loadings which have to be bench marked as indicated above, FA provides the situation of eliminating variables below the bench mark. The weights (W) of X unto F indicates how strong X is loaded unto F. Weak and negative loadings are eliminated. This is the data reduction aspect that reduces and regroup the observed variables (X) to a set of latent variables (F) which are unobserved. This discussion is further exemplified in the last paragraph of section 5.4.5 in which the AMOS software has been used to analyse the data based on the above equation or model, and the output is explained.

4.3.2 Structural Equation Modelling (SEM)

Section B in figure 1 on section 1.8 page 26 represents the SEM part of the model. The latent variables in area A∩B (itemise as country specific

advantages, export finance, marketing information, and management capability) and government policy for export promotion become the independent variables of the SEM that determine export performance. It should be noted that export performance variables are derived from the literature as are the latent factor categories and the questionnaire data relates to the perception of the respondents with respects to these categorisations.

SEM is important in testing and mapping out the causal relationship postulated within the hypothesis in the form a path diagram. What distinguishes SEM from other conventional procedures in hypothesis testing is that it allows for the testing of the entire model simultaneously rather than a step by step approach where the researcher needs to test each hypothesis separately (Schumacker and Lomax, 1996). Irrespective of the nature of variables (observed or latent) their assumed relationship can be stipulated in SEM. SEM, therefore, consists of two fundamental parts. This includes the measurement model and the structural model. The measurement model usually describes measurement properties such as reliability and validity of the observed variable. It therefore, shows how latent variables are being influenced by observed variables. Alternatively, the structural model specifies the causal relationship among the latent variables; it describes the causal effects and assigns the explained and unexplained variance. SEM does not only allow for a simultaneous testing of the entire model but also differs from regression analysis in that while performing multiple regression simultaneously; it concurrently calculates the direct and indirect effects of the variables (Schumacker and Lomax, 1996).

Having discussed equation 1 in section 4.3.1, it is also important to restate equation 2 and discussed it further. Equation 2 represents the SEM model and shows that export performance depends on the factors derived from the EFA/CFA and the direct effects of government policies as follows;

$$X\ Perf = F\ (Fi + GP + \varepsilon) \ldots\ldots\ldots\ldots\ldots\ldots\ 2$$

Where X perf = export performance; F1, F2, F3 and F4 = country and country

specific advantages, export finance, export marketing; GP = government policy and E = error term. The F1, F2, F3, and F4 represents the indirect effects (H1-H5, H1-H6, H3-H7, H4-H8) and GP represents the direct effect H9 as shown in figure 9. While values for GP is based on the summation of the wighted average mean of awareness and usage, F1, F2, F3, and F4 are based on the mean values of observed variables loaded under respective factors. Moreover, while variables under F1 – F4 provides the variance explained, the unexplained variance are being accounted for by the error term (E). It should be recalled that this model originates from equation 1 at the last paragraph of section 4.3.1. However, both equation 1 and 2 will be exemplified in the last paragraph of section 5.4.5 and section 5.6 respectively where its practicality will be linked to the statistical output computed from the AMOS software.

4.3.3 Characteristics of SEM

Most SEM is characterised by five steps (Yong and Pearce, 2013; Jackson et al., 2009; Hair et al., 2012; Hair, 2010; Tabachnick and Fidell, 2007). These include the following;

1. Model specification. This is a situation where the researcher has to develop a model based on either the review of relevant literature in a discipline or develop the model based on theoretical underpinning. In this research, the model has been specified in chapter three. The model was specified after a review of the literature with respect to government policies for export promotion, export performance, and the Cameroon context. After this literature review, the conceptual model shows that government policy for export promotion has a direct and indirect effect on the export performance of SME Cocoa exporters in Cameroon through the country and firm-specific advantages.

2. Model identification. This is an important aspect of SEM where the researcher has to ask whether unique values to be estimated in the theoretical model can be found. This is important as there are situations where the analysis does not converge even after several iterations due to

misspecification of the model. For a model to be estimated, the model specification most either is a just-identified or an over-identified model. A just-identified model is one with a one to one relationship between the parameters and the data zero degree of freedom, and therefore the model can never be rejected. An over-identified model, on the other hand, is one in which the number of parameter estimates are less than the number of data sets and has a positive degree of freedom. An over-identified model offers the possibility of rejecting the model. This research has taken these conditions into consideration by utilising factor analysis and confirmatory factor analysis which has helped to reduce the data and identify model fit indices.

3. Estimation. There are varieties of estimation techniques used for which the researcher has to explore and see which one is good. This consists of techniques like the Ordinary least square, maximum likelihood among others. Maximum likelihood (ML) estimate also provides standard errors for the parameters. Maximum likelihood is being considered as the best method of estimation (Field, 2013). This is because it allows the researcher to compute a wide range of goodness of fit indices, computation of confidence intervals and allows the statistical testing of correlation among factors and factor loadings. It is for this reason that this research has adopted the Maximum likelihood as it estimation technique.

4. Testing fit. This is a situation where the researcher has to choose numerous model fit indices and indicate if the data fit the theoretical model. There is a wide range of model fit indices that is shown when viewing the output of your results. The researcher has therefore reported model fit indices that have attained the threshold of standard estimates. Model fit indices will be discussed below.

5. Model re-specification. There is often the possibility that the model may not have the best fit. In this situation, the researcher has the decision to make deleting, adding or modifying some paths in the diagram before retendsing back to the analysis. Issues of model fit have been handled by looking at the

modification index box on AMOS to identify how the model can be improved to have a good fit and has been incorporated. These are all shown in chapter six.

4.3.4 Evaluation of Model Fit

Before drawing the path diagram to determine the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon, it was important to determine the extent to which the hypothesised model fits the sample data. After the various factors for further analysis have been selected from the factor analysis, these selected factors have to be evaluated for goodness of fit and make adjustments to increase fitness where applicable. While AMOS software provides a means of assessing model fit and detecting a lack of fit, model evaluation still remains an unsettled issue in SEM (Jackson et al., 2009; Kenneth and Scott, 1993; MacCallum, 1995). Research conducted by Jackson et al., (2009) on reporting practice in confirmatory factor analysis shows that SEM fit indices do not have any single statistical test of significance that identifies a correct model in a particular sample. The fit indices for SEM fall within categories of model fit, model comparison or model parsimony fit indices and there are various criteria of model estimate used to assess model fit. These numerous criterions for measuring the goodness of fit are discussed in the following paragraphs on page 126 and their acceptable level, and their interpretation is presented in section 5.5.6 table 28 to create a good link to table 27.

Jackson et al., (2009) carried out research in which the studied 194 research that has used confirmatory factor analysis and found out that there has been no general method of reporting estimates. In these 194 studies, they realized that researchers have been reporting modification indices that show a good fit due to fear of their articles being rejected should they report modification indices showing that the model does not have a good fit. However, poor fits can be adjusted by making modification in the modification index to improve fit, and this is how this research has worked it how to improve model fit rather

than just reporting only indices with good fits. While advocating for researchers to report fit indices that have different properties (Gerbing and Anderson, 1988; Krause et al., 2000; Carmines and Mciver, 1981), a study by (Jackson et al., 2009) shows that the reporting of certain fit indices have dominated the literature. In their study of 194 articles that have used confirmatory factor analysis, 173 of them have reported Chi-square and Chi-square degree of freedom, 126 reported Root-mean-square of approximation (RMSEA) and 152 reported Confirmatory fit index (CFI) while the rest fit indices have had very low levels of reporting. In this research, the researcher has reported more fit indices that capture model fit, model comparison, and model parsimony.

GFI helps the researcher to determine how well the sample of the data agrees with the model by showing that the model is a true characteristic of the population from which the sample is drowned (Jackson et al., 2009). This research has made use of an absolute and relative measure of goodness of fit indices. Research by (Jackson et al., 2009) has provided a holistic compilation of the various fit indices. The absolute fit indices include the Chi-square statistics, the goodness of fit index (GFI) and the adjusted goodness of fit index (AGFI), by relative chi-square (chi-square statistics/degree of freedom, CMIN/DE). The relative fit indices include a normed fit index (NFI), Tucker-Lewis index (TLI), comparative fit index (CFI), and the Akaike information criterion (AIC).

From the above discussion, therefore, the researcher has not reported all model fit indices but has, however, reported the main ones that have been dominating the literature and that also incorporate the effect of sample size. The goodness of fit indexes that have been used in this research are explained below as follows;

1. The Chi-square (x^2). The chi-square is the traditional fit index for evaluating the overall model fit. A good model fit will give an insignificant result of a 0.05 threshold. The chi-square is also known as the badness of fit, and it is also very sensitive to sample size. The chi-square will always reject a model

with large sample size and therefore lacks the power to predict between good and bad models. This is why multiple fit indexes are used to determine the goodness of fit.

2. The root means square error of approximation (RMSEA). The RMSEA show how well a chosen parameter estimate fits the population. The RMSEA is very sensitive to the number of parameters in the model. The RMSEA favours parsimony by choosing the model with the smallest number of parameters.

3. Goodness-of-fit index (GFI) and adjusted goodness-of-fit index (AGFI). Jöreskog and Sorbom created the goodness of fit as an alternative to the chi-square test. Tabachnick and Fidell (2007) said the GFI calculates the proportion of variance that is accounted for by the estimated population covariance. The GFI shows how closely the model comes to replicating the observed covariance matrix by looking at the variances and covariance accounted for by the model. The GFI has been noted to increase as the number of parameters increases and therefore bias on sample size. Given its sensitivity to sample size, the GFI has become less popular in recent times with some advocates arguing that it should not be used (Sharma et al., 2005). The AGFI is an adjustment to the GFI on the degree of freedom, but it is also being affected by sample size. Even though these two measures are biased, they can still be used because of their historical importance (Tabachnick and Fidell (2007).

4. Normed-fit index (NFI). This index does an assessment of the model by comparing the chi-square for the model with the chi-square value of the null model (the model which specifies that all measured variables are not related). The disadvantage of this measure is that it is sensitive to sample size and underestimate the model fit for samples less than 200. This problem, however, has been resolved by the use of non-normed fit index (NNFI). The NNFI is also known as Tucker-Lewis index. The NNFI is an index that prefers smaller samples and therefore can indicate poor fit despite other statistics pointing

towards a good fit (Bentler, 1990; Tabachnick and Fidell, 2007). Moreover, the value of the NNFI can go above 1.0, and it becomes tough to interpret.

5. Comparative fit index (CFI). Bentler (1990) introduces the Comparative Fit Index as a revised form of the NFI. The CFI takes into account sample size and performs well even when the sample size is small (Tabachnick and Fidell, 2007). Due to its ability to incorporate the aspect of sample size, the CFI has remained one of the most popularly reported model fit indexes (Tabachnick and Fidell, 2007).

6. Parsimonious fit indexes. Having a complex will implies that the estimation process will be dependent on the sample data. This may result in a better fit from less rigorous models. Parsimonious fit indexes, therefore, accomplish the desired level of explanations or predictions with as few predictor variables as possible. The best known parsimonious indexes are the Akaike Information Criterion (AIC) by (Akaike, 1974). The AIC, therefore, takes into account of the sample size. The AIC is used in comparing non-nested models estimated with the same data. The AIC indicates to the researcher which of the models is the most parsimonious based the value of the AIC. There is no cut-off point for AIC. The model that produces the smallest value is considered a good fitting and more excellent model.

The first three indicators from section 4.3.4 above represent absolute fit indices and provide a fundamental indication of well the proposed model fits the data. These fit indices do not rely on any comparison of a baseline model. The 4th and 5th represent incremental or comparative fit indices that compare the chi-square value to a baseline model. The 6th is also a comparative fit index that compares a nested model estimated with the same data. The goodness of fit statistics and their acceptable levels are presented in table 28 section 5.5.6.

4.4 Ethical Consideration

Issues of ethical consideration were pivotal for the researcher as they enable him to abide by the norms of conducting social science research. The researcher has abode by the University of Wales Trinity Saint David ethical principles by filling and submitting an ethics form for which the ethics committee of the University has validated and therefore deemed fit for the research. However, there was the need to obtain ethical clearance to conduct research in Cameroon. This ethical clearance was issued only after submitting the various documents to the research ethics office of the various ministries concerned in Cameroon. The following documents were submitted;

1. An undertaking from the head of the department or institute in which the research is being carried out declaring the status of the institution, modalities for dissemination and valorisation of results and that ethical clearance has been approved by the institution.

2. Personal undertaken by the principal investigator in respect of fieldwork research in Cameroon declaring full costs of fieldwork, sources of funding, relevant external ethical guidelines, and modalities for dissimilating findings prior to the start of fieldwork.

3. Presentation of the CV of the principal investigators (that he/she is qualified to undertake the research), research proposal, information sheet, and consent form.

The entire above framework strongly implies that the researcher is able to make use of his own judgment, discretion, accountability, and integrity throughout the research. After obtaining the clearance from the various ministries, the researcher then contacted participants by phone to discuss the objectives of the research and while their participation is greatly needed. Further arrangement schedule with participants was done through snowball sampling, and a confirmation date was arranged, and the researcher constantly reminded participants of their appointment to save time and reduce

cost in the research process.

Great confidentiality and anonymity will be taken care of from all information obtained from the questionnaires and interviews. While the data will be safe in a secured environment, anonymity will be guaranteed by the research not making use of any unique identifiers in the questionnaire form no written consent. Anonymity is further assured with the use of codes and results being presented in statistical forms.

4.5 Chapter Conclusion

The evidence presented in this chapter justifies that the research is positivist and inductive as the empirical model was generated as a result of an investigation of the relevant literature. The chapter also discusses the use of the seven points Likert scale to develop the questionnaires. Justification of the use of snowball to self-administer the questionnaire was also discussed. The challenges of collecting the data and how they were overcome together with how the researcher handled reliability of the data have been elaborated in the chapter. The chapter also discussed the rational for the use of EFA/CFA and the applicability of SEM as a method of data analysis. While previous chapters have focused on developing a framework (chapter 2) and explaining the research background (chapter 3), the next chapter focuses on the presentation of the data analysis which SPSS and AMOS softwares.

Chapter 5. Data Analysis

5.1 Introduction

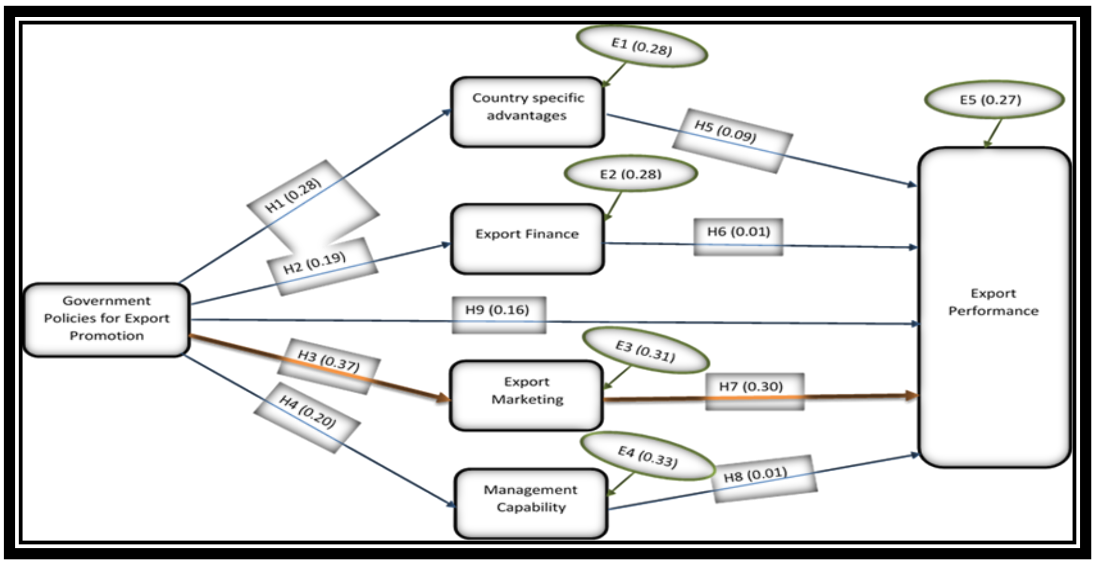
The essential hypothesis of the study is that observable policy variables affect export performance indirectly via fundamental unobservable latent variables or factors. The empirical work in the thesis is in two related parts. The first part estimates the parameters of a factor based model to discover the latent variables underlying government Cameroon policy to promote exports by small firms producing Cocoa. The second part uses derived factors as independent variables in a structural equation model (SEM) to determine their impact on export performance the dependent variables in the SEM model. Thus the empirical work is based on a two part conceptual models as outlined above in figure 1 section 1.8 page 26 where; (A) an exploratory factor model based whose latent government policy variables are derived from RBV categories and (B) an SEM model in which the factors, latent government feature as policy variables determining export performance.

The empirical task is thus in two parts; (1) to determine the extent to which observed policy variables, derived from questionnaires fit into the factor categories, i.e. the variance of observed variables explained by the factors and (2) to determine the extent to which the derived factors determine export performance. This involves 9 hypotheses. Since four factors are extracted on the basis of RBT, the first part of the empirical analysis involves 4 hypotheses that estimate the variance of the observed variables explained by each of the four factors. The second part involves 5 hypotheses relating to the determinants of the export performance. Four of these five hypotheses relate to the effect of latent variables. Another hypothesis (H9) is added to determine whether there is a direct impact of government policy on export performance by looking at the benefits of using government policy on export promotion.

It is, however, important to present the summary of the findings by restating

figure 14 from 5.5.6 as shown below. This gives the reader an understanding of the model which is being broken down as the analysis progresses. Based on the result in fig. 14, government policies have a positive direct and indirect effects on export performance which is only significant through the provision of export marketing information.

Fig. 14: Empirically Tested SEM of Export Performance



Source: Authors' Representation from the Empirical Analysis of the Data

While chapter four above discusses and justifies the research method used in this research, this chapter analyses the data and test the hypotheses developed during the literature survey in chapter two.

Exploratory factor analysis (EFA) was initially used for data reduction and test of dimensionality to uncover and produce sets of items or variables that reflect a single underlying factor. Also, scale reliability on how items were measuring the factors was measured by computing the value of Cronbach's Alpha.

The chapter proceeds by providing descriptive statistics on the characteristics of SME Cocoa exporters in Cameroon in section 5.2. This information will help the researcher in the next chapter in discussing weakness, usage, and benefits of government policies for export promotion on SME Cocoa exporters.

Section 5.3 will then present statistics on the level of awareness, usage, and benefits of these policies among SME Cocoa exporters which will have implications on how the effectiveness can be increased. Section 5.5 presents the result of the EFA as a purification process of the data for hypothesis testing and justifies the choice of the selected factors and variables. Finally, section 5.4 presents the results of the factor analysis.

5.2 Characteristics of Small and Medium-size Enterprise Cocoa Exporters

These characteristics are based on N (N = 101) SME Cocoa exporters that were examined for this research. Details of the sample size can be seen in section 4.2.6. These characteristics compliment the variables in the conceptual framework. They are based on the profile of the SMEs in terms of ownership status, a number of employees, the size of capital, years in business, the level of education of managers, business objectives, business challenges and the networking. These statistics are important in that they provide a better understanding of the sampling population and assist in the discussion of the level of awareness and usage of policies for export promotion in the next chapter.

A summary of the descriptive statistics is shown in table 5 below. Based on the 101 sample SMEs, two ownership structures were provided for respondents to tick which one best describes them, and the results are as follows. The above result shows that out of the 101 questionnaires distributed to respondents, Sole proprietorship business emerged as the dominant form of ownership with a frequency of 59 and representing 58.4 percent of the total population while Partnership/Cooperatives had a frequency of 42 which represented 41.6 percent of the total sample. Based on the number of employees as shown in the able table, the descriptive statistics show that majority of the SMEs had employees within the range of 5-10 and 10-15 with a joint frequency of 80 and represents 79.2 per cent while just 9 had

employees greater than 20.

Table 5: The Profile of Participating SMEs

		Frequency	Percentages
Ownership Statues	Sole Proprietorship	59	58.4
	Partnership/Cooperative	42	41.6
	Total	**101**	**100**
Number of Employees			
	Less than 5 employees	5	5.0
	5 – 10 employees	40	39.6
	10 – 15 employees	40	39.6
	15 – 20 employees	7	6.8
	Above 20 employees	9	8.9
	Total	**101**	**100**
Size of Capital			
	0 – 25 Million CFA	66	65.3
	25 - 50 Million CFA	20	19.8
	50 - 75 Million CFA	8	7.9
	75 – 100 Million CFA	7	6.9
	Total	**101**	**100.0**
Number of Years in Business			
	3 – 8 Years	20	19.8
	8 – 13 Years	50	49.5
	13 – 18 Years	21	20.8
	Above 18 Years	10	9.9
	Total	**101**	**100.0**
Level of Education for Managers			
	Primary Education	20	19.8
	Secondary/Vocational Education	68	67.3
	University Degree (BA, BSc, etc.)	13	12.9
	Total	**101**	**100.0**

In terms of the size of capital, it can be seen from the above table that majority of these SMEs, 66 have capital between 0-25 million CFA and represents 65.3 percent of the sample population who participated during the research. While 20 had capital between 25-50 Million CFA and represented 19.8 percent, 8 had capital between 50-75 Million CFA which represented 7.9 percent, and just 7 had capital of between 75-100Million which also represented 6.9 percent.

Another aspect of the descriptive statistics was the number of years the SMEs have been in business. The number in business was important in accessing

their knowledge about the existence of export promotion programmes and how it has benefited them. Even though SMEs who have been longer in business may be expected to know about export programmes, it is also true to say some new SMEs are very inquisitive to know about existing programmes. From this table above, most of the firms who participated (50) have been in the business for 5-10 years which represents 49.5 percent of the sample population. It was also noticed that 20.8 percent of the sample population has been in the business for 10-20 years, 19.8 per cent less than 5 years and 9.9 per cent greater than 20 years. It is worthy to note that 80.2 percent of the sample population has been in businesses for more than five years and therefore stand the chance of given reliable information. The application of the resource-based view theory sees knowledge as an invaluable resource to the SMEs. Managers with a higher level of education/professional training obviously are expected to have had a broader knowledge of how the business can grow. The table above presents the basic statistics for the level of education. Looking at the statistics, the managers of 68 out of 101 sample SMEs which represents 67.3 percent of the total sample had primary and secondary/vocational education. While 19.8% had just primary education, 12.9% had a primary, secondary/vocational and University (BA, BSc). This statistics shows the level of education for managers is very low and will be discussed in the next chapter how it influences awareness and usage and benefit of export promotion programmes.

SMEs Cocoa exporters do face business challenges. The researcher in this context asked SMEs to rate which business challenge is hindering them the most in archiving their objectives. Managers were asked to rate questions about the type of challenges they faced with responses ranging from 1= strongly disagree to 7= strongly agree. A descriptive statistics were run for all the variables. The researcher used a standard mean as his measuring rod. This mean was calculated by finding the average of the sum of values in the scale (1+2+3+4+5+6+7/7=4). Any variable with a mean equal to or above four was considered very important and below four was seen as less important.

However, in terms of ranking, access to finance remains their greatest challenge with a mean of 5.58 while education and training remain the least business challenge with a mean of 4.02. The result is shown in the table below.

Table 6: Business Challenges

	N	Range	Minimum	Maximum	Mean	Std Deviation
Access to finance	101	6	1	7	5.58	1.451
Transport and distribution network	101	6	1	7	5.51	1.507
High taxes and government related fees	101	6	1	7	5.49	1.758
Variations in quantity of Cocoa produced	101	6	1	7	4.83	1.415
Knowledge of Cocoa sector	101	5	2	7	4.31	1.405
Poor relationship with other SMEs	101	6	1	7	4.26	1.641
Education and professional training	101	6	1	7	4.02	1.483

Networking within the Cocoa sector is either formal or informal. Every member in the value chain uses either form of networking to drive their business forward. It was, however, important to question whether the involvement of either form of the network will yield any benefit to the business. This was achieved by asking managers to rate the benefits of using either form of networking on a scale of 7 with 1 = strongly disagree, 2= Disagree, 3= Somehow agree, 4= Neutral, 5= Somehow disagree, 6= Agree and 7= strongly agree. The results of the descriptive statistics are shown in the table below.

Table 7: Benefit of Networking

	Formal contracts defined in written documents	Informal contracts based on trust and commitment
Modal class	6	4

The researcher has extracted just the modal class for easy representation. The modal class is the class with the highest number of frequency. From the

statistics, the modal class for formal contracts was 6 (agree) and for the informal contract, 4 (Neutral). This shows that respondents agreed to the fact that formal network/contacts were very important in the growth of their business. They said such contracts give them security by making them liable for their transactions. Nevertheless, the informal network has a modal class of 4 (neutral). Respondents argued that this was a 50% for and against the growth of the business. They accepted the fact that such contracts can bring goodwill to the firm, but participants cannot be held liable for their actions.

The above descriptive statistics reveal important information about the profile of the sample SMEs under investigation. The above statistics provide information about the ownership structure of the SMEs, the number of employees, the size of their capital, the number of years in business, the level of education, business challenges and the benefits of networking. This information, however, will be used to elaborate on the discussion of the level of awareness and usage of government policies for SME Cocoa exporters in the next chapter. The next section will focus on the data analysis and output for investigating the level of awareness and usage of government policies for export promotion.

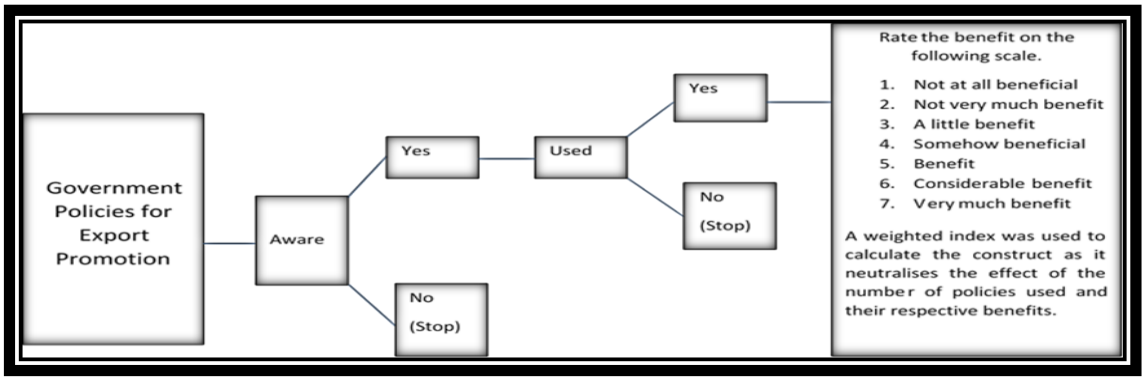
5.3 Investigating the Level of Awareness, Usage, and Benefits of Government Policies for Export Promotion

The diagram below has been used to analyse and present the results on the level of awareness, usage, and benefits of government policies for export promotion on export performance of SME Cocoa exporters. These analyses have implications for making policies more effective. These analyses have been done based on the following stages;

First, 101 respondents were asked if they were aware of the existence of government policies that can help improve the performance of their businesses. Respondents, therefore, had three choices to make from the seven policies in the questionnaire. These choices include: A= Not aware of

government policies, B= Aware but have never benefited from government policies and C= Aware and have benefited from government policies. Second, only respondents who choose “C” above, were then asked to rate their benefit on a seven-point Likert scale with 1= Not at all benefit, 2= Not very much benefit, 3= A little benefit, 4= Somehow beneficial, 5= Benefit, 6= Considerable beneficial and 7= Very much beneficial (Shamsuddoha et al., 2006). Respondents who choose “A” or “B” were not asked to rate policies because they have not benefited. Finally, values for the first and the second stage are being used to determine the value of government policy as a variable by means of summation of weighted mean. This summation of weighted mean is applied to government policy at the stage of the path analysis. The diagram below, therefore, is a flow chart regarding awareness, usage, and benefits as explained above.

Fig. 11: Framework for Analysing the Awareness, Usage, and Benefits of Government Policy for Export Promotion.



The section, therefore, proceeds with the presentation of statistics based on access to financial support, export related information, foreign market, promoting networking, developing business and management skills, providing access to credit and facilitating business creation.

5.3.1 Direct Access to Financial Support to SMEs

Direct financial support to SMEs is the first aspect of government policy to be reviewed. The 101 respondents indicated their view to this particular aspect

of government policy as shown in the table below. From the descriptive statistics, 32 participants representing 31.7% said they were not aware of the existence of direct financial support from the government to SMEs such as subsidies and tax breaks. Moreover, 57 participants representing 56.4% said they are aware but have never benefited from such support. Only 12 participants representing 11.9% said they were aware and had benefited from such support.

Table 8: Awareness and Usage of Financial Support

	Frequency	Percentages
Aware and have benefited from government support	12	11.9
Aware but have benefited from government support	57	56.4
Not aware of government support	32	31.7
Total	101	100.0

For the 12 respondents who were aware and have benefited from direct financial assistance from the government, as shown in the table above, the researcher then asked them using the self-administered questionnaires to evaluate their benefit on a seven-point Likert scales as discussed in chapter four. The response is shown in the table below. The missing value of 89 represents the number of respondents who were not aware and who were aware but have never benefited from any direct financial support. Out of the 12 respondents who have benefited from direct financial support from the government, the modal class was "4= Somehow benefit" with a frequency of three. However, it is clear that those who have benefited from direct financial support did realise the impact as just three out of the 12 said their benefits were below expectations (a little benefit and not at all beneficial).

Table 9: Benefit of Financial Support

	Frequency	Percentages
Very many benefits	2	16.7
Considerable benefit	2	16.7
Benefit	2	16.7
Somehow benefit	3	25.0
A little benefit	2	16.7
Not very much benefit	1	8.3
Total	12	100.0
Missing value	89	

5.3.2 Direct Access to Export Related Information

Access to export related information provided by the government to SMEs was another policy variable under consideration. The same line of the question, as shown above, were being asked and the response is provided in the table below. From the table below, it shows that 25 respondents representing 24.8% were aware and had benefited from direct access to export related information. Moreover, 49 respondents representing 48.5% were aware but have never benefited from direct access to export related information while 27 respondents representing 26.7% were not aware of direct access to export related information.

Table 10: Awareness and Usage of Export Related Information

	Frequency	Percentages
Aware and have benefited from export-related information	25	24.8
Aware but have benefited from export-related information	49	48.5
Not aware of export-related information	27	26.7
Total	101	100.0

The researcher now concentrates on those that were aware and have benefited from direct access to export related information to evaluate the benefit from such service. The outcome is presented in the table below. From the 24 who were aware and have benefited from export-related information, 10 respondents rated their benefits on a scale of seven as "5" (benefit) which is quite high, 8.3% said considerable benefit,25.0% said somehow benefit, 16.7% said a little benefit while 8.3% said not very much beneficial. The missing value (77) represents respondents who were not aware or aware but have never benefited from direct access to export related information.

Table 11: Benefit of Export Related Information

	Frequency	Percentages
Very many benefits	2	8.3
Benefit	10	41.7
Somehow benefit	6	25.0
A little benefit	4	16.7
Not very much benefit	2	8.3
Total	24	100.0
Missing value	77	

5.3.3 Measures to Facilitate Access to Foreign Market

This was the third aspect of government policy that was reviewed this research. Respondents were asked if they were aware and had benefited from such policy moves and to rate their benefit. Their responses are shown in the table below. From the table below, it shows that only 5 respondents (5.0%) were aware and had benefited from measures to facilitate access to the foreign market. Moreover, 72 respondents (71.3%) were aware but have never benefited from measures to facilitate access to foreign markets while 24 respondents (23.8%) said they were not aware of any such measures.

Table 12: Awareness and Usage of Measures to Facilitate Access to Foreign Markets

	Frequency	Percentages
Aware and have benefited from measures to facilitate access to foreign market	5	5.0
Aware but have never benefited from measures to facilitate access to foreign market	72	71.3
Not aware of measures to facilitate access to foreign market	24	23.8
Total	101	100.0

Looking at the 5% who were aware and have benefited from measures to facilitate access to the foreign market, the researcher now looks at the extent to which this policy measures have impacted on their business using a seven-

point scale as discussed above. The result of their perceived benefit is shown in the table below. From the table below, 60% rated their perceived benefits from measures to facilitate access to the foreign market as 6(considerable benefit) while 40% said it was 5 (beneficial). This illustrates a very low rate for SMEs actually benefiting from government policy within the Cocoa sector in Cameroon. However, the few who are beneficiaries of such policies are confirming that it is having an impact on their business.

Table 13: Benefits of Measures to Facilitate Access to Foreign Markets

	Frequency	Percentages
Considerable benefit	3	60
Benefit	2	40
Total	5	100.0
Missing value	77	

5.3.4 Measures to Promote Networking among SMEs

The descriptive statistics on the level of awareness of measures to promote networking among SMEs is shown in the table below. From the table below, it shows that 25 (24.8%) of respondents said they were aware and had benefited from measures to promote networking among SMEs, 60 (59.4%) of respondents said they were aware but have never benefited from such policy moves, and 16 (15.8%) of respondents said they were not aware of such policy moves. The statistics show that this is one of the policy measures that most of the SME are aware of even though just a few have benefited from the policy.

Table 14: Awareness and Usage of Measures to Promote Networking

	Frequency	Percentages
Aware and have benefited from measures to promote networking	25	24.8
Aware but have never benefited from measures to promote networking	60	59.4
Not aware of measures to promote networking	16	15.8
Total	101	100.0

5.3.5 Measures to Develop Business and Management Skills

Policy measures to develop business and management skills of SMEs that were considered in this research consist of aspects such as training programmes to equipt management with techniques of best practices, seminars, and conferences to improve their knowledge about the business environment and how they can maximize the opportunities in the market among others. The descriptive statistics for the level of awareness of such policy is shown in the table below. The table below shows that the policy has a high level of usage as 57 respondents who make up 56.4% of the sample population were aware and had benefited from such policies to train and help management develop their skills. However, 33 respondents which represent 32.7% of the sample population said they were aware and had never benefited from such policy moves with just 10.9% of respondents saying they were not aware of any of such policy moves to develop their business and management skills.

Table 15: Awareness and Usage of Measures to Develop Business and Management Skills

	Frequency	Percentages
Aware and have benefited from measures to develop business and management skills	57	56.4
Aware but have never benefited from measures to develop business and management skills	33	32.7
Not aware of measures to develop business and management skills	11	10.9
Total	101	100.0

Looking at the 56.4% of respondents who have benefited from policy measures to develop their business and management skills in the table above, the researcher then looks into how the usage of such policy measures have benefited the SMEs by asking them to rate their benefit on a scale of seven. The result is presented below in table below. It is evident from the table below that policy measures to help develop business, and management skills of

SMEs have had a real impact. This is shown from the modal class of "6" which represents considerable benefit. The table shows that 29 respondents which represent 52.7 % of the population who have benefited from the policy measures rated the benefit as a considerable benefit. 16.4% rated it as very much benefit and benefit respectively while 12.7% rated it somehow benefit and just 1.8% said it was not very much benefit.

Table 16: Benefit of Measures to Develop Business and Management Skills

	Frequency	Percentages
Very many benefits	9	16.4
Considerable benefit	29	52.7
Benefit	9	16.4
Somehow benefit	7	12.7
Not very much benefit	1	1.8
Total	55	100.0
Missing value	46	

5.3.6 Measures to Facilitate Access to Credit

Access to credit has been some of the limitations in the growth of SMEs. Lowering interest rates and encouraging banks to grant loans to SMEs are big policy measures to facilitate access to credit. The descriptive statistics for the level of awareness of measures to facilitate access to credit is presented in the table below. From the table below it shows that 24(23.8%) of respondents said they were aware and had benefited from such policy initiatives. Moreover, 58(57.4%) of respondents said they were aware but have never benefited from such policy initiatives. Just 19(18.8%) of respondents said they were not aware of such policy initiative as shown in the table below.

Table 17: Awareness and Usage of Measures to Facilitate Access to Credit

	Frequency	Percentages
Aware and have benefited from measures to facilitate access to credit	24	23.8
Aware but have never benefited from measures to facilitate access to credit	58	57.4
Not aware of measures to facilitate access to credit	19	18.8
Total	101	100.0

From the 24 respondents which represent 23.8% of the total population who said they were aware and had benefited from such policy, they were asked to rate their benefit on a seven point scale as shown in the table below. From the table below, 26.9% of the 24 respondents who said they have benefited from such policy initiative, 23.1% rated it as 5(benefit) and 4(somehow benefit) respectively. 19.2% rated it as 7(very much beneficial), 19.1% rated it as 6(considerable benefit), and 3.8% rated it as 3(a little benefit).

Table 18: Benefit Measures to Facilitate Access to Credit

	Frequency	Percentages
Very much benefit	5	19.2
Considerable benefit	5	19.2
Benefit	6	23.1
Somehow benefit	6	23.1
Not very much benefit	1	3.8
Total	24	100.0
Missing value	77	

5.3.7 Measures to Facilitate Business Creation

The measures considered in facilitating business creation were the procedures to create a new business and the length of time to approve your application. From the table below, it shows that 19.8% of the respondents were aware and had benefited from such policy initiatives, 56.4% were aware but have never benefited, and 23.8% said they were not aware of any of such policies.

Table 19: Awareness and Usage of Measures to Facilitate Business Creation

	Frequency	Percentages
Aware and have benefited from measures to facilitate business creation	20	19.8
Aware but have never benefited from measures to facilitate business creation	57	56.4
Not aware of measures to facilitate business creation	24	23.8
Total	101	100.0

Table 20: Benefits of **Measures to Facilitate Business Creation**

	Frequency	Percentages
Very much benefit	2	11.1
Considerable benefit	5	27.8
Benefit	7	28.9
Somehow benefit	3	16.7
A little benefit	1	5.6
Total	18	100.0
Missing value	83	

The 20% of SMEs who have benefited from measures to facilitate business creation have ranked their benefit on a scale of seven as shown in the table above. From the above table, 38.9% ranked it 5(benefit), 27.8% said 6(considerable benefit), 16.7% said 4(somehow benefit), 11.1% said 7(very much benefit) and 5.6% said 3(a little benefit. The next section will focus on the process of data analysis.

The aim of the above section was to present statistics on the level of awareness, usage, and benefits of government policies to SME Cocoa exporters in Cameroon. The above statistics indicated that many SME Cocoa exporters are aware but have never benefitted from some of the government policies for export promotion. While there were also high levels of SMEs who were not aware of government policies, the very few who indicated they were aware showed the disaggregate level of benefits derived from their usage. The justification for the descriptive statistics given above is presented in section 6.2. This descriptive statistical analysis of the level of awareness and usage of government policies is followed by the statistical results of the EFA.

5.4 Results of the Exploratory Factor Analysis (EFA)

The objective of this section is to purify the data to be used for the analysis of the direct and indirect effects of government policies of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon and to test the 9 hypothesis developed from the conceptual model.

Though confirmatory, EFA was important not only as a data reduction technique, but also to provide some measures as to whether the sample was adequate enough for the analysis by looking at the KMO and Bartlett Test of Sphericity, and correlation of scale item to identify construct validity. The conceptual model as shown in equation 2 on page 164 indicates four latent variables (country specific advantages, export finance, export marketing and management capability) influencing export performance indirectly and one observed variable (government policy) influencing export performance directly as sown in section 4.3.2. This reducing dimensionality has eliminated variables that do not conform to the norms of factor analysis as discussed in section 4.3.1 and has increased the chance of providing valid and reliable results. The section will begin by presenting the output of the analysis performed using SPSS and AMOS software for respective factors. At the end of this presentation, a discussion of the statistics presented will be summarised in line with the statistics of FA discussed above and in section 4.3.1.

5.4.1 EFA for Country Specific Advantages

The first latent variables are country specific advantages. The review and development of relevant literature have shown that country specific advantages can improve the performance of firms (Rugman, 2010). This country-specific advantage often makes the business environment very attractive for firms. Six items were used to capture country-specific advantages in the Cameroon context and with regards to the Cocoa sector. The result of the factor analysis is presented in the table below. The analysis

was run ones, and the result produces a two-dimensional structure which were significant, interpretable and which also explain 64.2% of the variance. There was convergent validity because observed variables loaded heavily on their factors. The KMO of .68% also implies the sample was adequate and significant with a probability of .000. The result of the analysis is shown in the table below.

Factor one (Access to resources) is the factor being considered for further analysis. This is due to the rule of thumb which says for a factor to be considered for further analysis, it must have at least three variables loaded heavily on it and have a very high reliability and not loading to more than two other factors. Factor one, therefore, has a greater alpha of .76 and explains more of the variance (47.01) than factor two with an alpha of .46 and a variance explains of 17.16. Therefore factor one is being chosen for further analysis.

Table 21: EFA for Country Advantages

Factors and items loading	Factors	
	1	2
Factor 1 (Access to resources)		
• Financial/non-financial support from the government	.82	
• Transport facilities and distribution networks are good	.79	
• SMEs have access to foreign markets	.73	
• Financial intermediaries (Access to make/receive payments)	.66	.47
• Laws and procedures to facilitate business creation in the Cocoa sector is easy to understand	.60	
Factor 2 (Natural factors)		
• Continues increase in Cocoa production		.95
Other relevant statistics		
Eigenvalue	2.82	1.03
Percentage of variance explain	47.01	17.16
Cumulative percentage of variance explain	47.01	64.17
Cronbach's Alpha	.76	.46
KMO	.68	
Chi Square	170.46	
Degree of freedom	15	
P-Value	.000	

5.4.2 EFA for Export Finance

The second latent variable is export finance. Five items have been used to capture export finance. The factor analysis was run ones, and the result is shown in the table below. This result gives a one-dimensional structure. This one-dimensional structure was enough to produce a patterned relationship that was significant. The one factor was significant and interpretable thereby explaining 59.6 % of the variance with a Cronbach's alpha of .87. The KMO was .78 which indicate the sampling was adequate and P=.000. The result of this analysis is shown in the table below. These variables are therefore being considered for further analysis.

Table 22: EFA for Export Finance

Factors and items loading	Factor 1
Factor 1	
• The SME is able to finance its activities from loans obtained from commercial banks	.90
• The SME is able to finance its activities from retail profit	.90
• The tax breaks provided by the government often leaves SMEs with sufficient funds to carry out it transactions	.81
• Export finance provided by the government is often adequate for the firm to effectively carry out it transactions	.66
Other relevant statistics	
Eigenvalue	2.98
Percentage of variance explain	59.60
Cumulative percentage of variance explain	59.60
Cronbach's Alpha	.80
KMO	.78
P-Value	.000

5.4.3 EFA for Export Marketing

The third latent variable is export marketing. This latent variable (export marketing) was operationalized using nine variables, and the result of the factor analysis is presented below in the table below. The analysis produces

two factors that are significant and interpretable and which also explained 64.82% of the variance. The KMO of .82 shows the sampling was adequate and was also significant with P<.000. Cronbach's alpha of .87 for factor one and .80 for factor two gives evidence of the reliability of the constructs. Since factors loaded heavily on each other, the researcher concludes there is convergent validity.

Table 23: EFA for Export Marketing

Factors and items loading	Factors	
	1	2
Factor 1 (Market Knowledge)		
• Knowledge about trading blocks in export market	.91	
• Knowledge about trade barriers in export market	.89	
• Right marketing mix of the product	.77	
• Understanding of the documentation formalities in exporting	.63	.48
Factor 2 (Product Market)		
• Export in large quantities		.81
• Developed channels for distributing it product		.71
• Sell it product to many countries		.68
• Identification of customers' needs and wants		.68
• Have the right source to collect market information		.64
Other relevant statistics		
Eigenvalue	4.41	1.43
Percentage of variance explain	48.95	15.87
Cumulative percentage of variance explain	48.95	64.82
Cronbach's Alpha	.87	.80
KMO	.82	
Chi Square	426.14	
Degree of freedom	36	
P-Value	.000	

From the table above, it is evident that the two factors produced are having very high reliability with .87 for factor one and .80 for factor two. However, in terms of variance explained, the disparity is very large with 48.95 for factor one and 15.87 for factor two. Moreover, the researcher sees variables of factor two to be more objective and have already been discussed in the literature. For this reasons, factor one has been chosen for further analysis.

5.4.4 EFA for Management Capability

The fourth latent variable is management capability. To analyse management capability, 11 items were used by the researcher to perform the factor analysis of which the result is shown in the table below. The result produces three-factor solutions that were significant and interpretable with Eigenvalue greater than one and which also explained 63.41% of the variance. Even though they exist low loadings of .42, .45, .51, they were however not low by usual standards (Yong and Pearce, 2013) and were therefore accepted. The KMO of .81 and P<.000 was also generally acceptable for sampling adequacy. Cronbach's alpha of .81, .77, and .69 for factor one, two and three respective shows there is a high degree of reliability of the constructs.

However, factors are not chosen based on reliability estimate alone. Factors should have at least three variables being related to it, and such variables should not be relating to more than two factors. Moreover, factor one has a very high alpha and explains more than half of the cumulative variance explain, and for this reason factor, one has been chosen for further analysis. The result is shown in the table below.

Table 24: EFA for Management Capability

Factors and items loading	Factors		
	1	2	3
Factor 1			
• Making sales to foreign buyers is risky	.81		
• Product is profitable in export than in home market	.66		
• Obtaining payment for sales is relatively easy	.62		
• Able to deal with export documentation	.60		
• SMEs have the capacity to export	.42		
• Exchange rate variation makes exporting difficult	.51		
Factor 2			
• No difficulty in arranging shipment		.86	

… Continuation of table 25 page 150			
• Sufficient information on international marketing services		.80	
• Significant knowledge of export marketing		.72	
• Making contact is easy		.45	
Factor 3			
• Export market is unstable			.89
• SMEs product can compete in the world market			.69
Other relevant statistics			
Eigenvalue	5.01	1.61	1.01
Percentage of variance explain	41.62	13.32	8.48
Cumulative percentage of variance explain	41.62	54.93	63.41
Cronbach's Alpha	.81	.77	.69
KMO	.81		
Chi Square	522.25		
Degree of freedom	66		
P-Value	.000		

5.4.5 EFA for Export Performance

The fifth latent variable is export performance. Five items were used to capture export performance. The result of the factor analysis shown in the table below produced one factor which was interpretable with an Eigenvalue of 2.47 with a Cronbach's alpha of .72 which indicates the internal reliability of the constructs. The KMO value of .72 and P-value of .000 indicates there is sampling adequacy. The determinant of .26 implies there are no issues of multicollinearity. One factor was produced in this analysis, and the factor will be used for further analysis as shown in the table below.

Table 25: EFA for Export Performance

Factors and items loading	Factor 1
Factor 1	
• Increase in scale of business	.87
• Retends on investment	.85
• Profit growth	.61
• Establishment of direct relationship with stakeholders	.58

… Continuation of table 26 page 151	
• Change in business orientation	.53
Other relevant statistics	
Eigenvalue	2.51
Percentage of variance explain	49.42
Cumulative percentage of variance explain	49.42
Cronbach's Alpha	.72
KMO	.72
Chi square	129.54
Degree of freedom	10
P-Value	.000

5.4.6 Summary of the FA

The above section was based on the analysis and presentation of the result of the EFA. EFA was used as the starting point in the analysis process. EFA has been used not only to reduce the data by regrouping variables under factors as shown above but also to obtain other statistics to demonstrate that the data is reliable and adequate in providing reliable results. Section 5.4.1 to 5.4.5 presents the items used in the measurement of the constructs. The level of Cronbach's Alpha for respective factors was within the acceptable region indicating a satisfactory level of reliability. In terms of assessing the adequacy of the factors, such factors should have at least three or more variables loaded onto the factor. From table 27 below, it shows all factors were adequate and therefore fit for purpose. The KMO for all factors also shows that the data can adequately provide reliable results and therefore can be used for further analysis. Having achieved the objectives of reducing the data and carrying another test to confirm that the data can be used for further analysis, section 5.4 below presents this further analysis. The analysis deals with the confirmatory factor analysis (CFA) which was performed using AMOS software to determine if the measurement model fits the data by interpreting some measurement statistics.

5.5 Results of the Confirmatory Factor Analysis (CFA)

The aim of CFA is to test whether the factor model fits or has a good fit with the sample data. Through CFA, the relationship between indicator or observed variables and their respective factors are also investigated. This relationship between the observed variables and the factors is referred to as the measurement model. The measurement model, therefore, specifies how the latent variables are indicated by the observed variables through properties of reliability and validity.

While the main approach for assessing the measurement model has been the composite reliability and variance extracted a measure of each construct (Hair et al., 1998), the overall model fit to the sample data was assessed using multiple fit indices as discussed in section 4.3.4 and shown in table 28. They include the Chi-square statistics, the goodness of fit index (GFI), the adjusted goodness of fit index (AGFI), normed fit index (NFI), Tucker-Lewis index (TLI), comparative fit index (CFI), and Akaike information criterion (AIC). The goodness of fit indicated by relative chi-square (chi-square statistics/degree of freedom, CMIN/DE) less than 3 (Krause et al., 2000; Carmines and Mciver, 1981), the goodness of fit index greater than .90, the adjusted goodness of fit index greater than .90, RMSEA less than .5 (Hair et al., 2012: Hair, 2010; Schumacker, 2002; Bagozzi and Yi, 1988), TLI greater than .90 (Schumacker, 2002), and the AIC which compare values in other/alternative models such as the saturated or the independent model. If the is a good fit for the hypothesised model, the statistics for the default model will be smaller than either the saturated or the independent model (Byrne, 2001). The aim of these statistics is to demonstrate that the proposed measurement model demonstrates adequate reliability and convergent validity and therefore could be used for the SEM. CFA is part of the general AMOS model, and it is called the measurement model. This section proceeds with an examination of the model fit indices for all the constructs in relation to the benchmark proposed by Schumacker and Lomax (1996) which is presented in section 4.3.4 and table 28.

5.5.1 CFA for Country Specific Advantages

The latent variable "country specific advantage" is a latent variable and was estimated by five observed variables as shown in table 26. The chi-square value is 24.199 with 5 degrees of freedom and P = .000. This implies the model is not a good fit and all other measures of good fit also fell below standard. The modification indices (MI) were checked for improvement of model fit. There was the constrained in the error term of CSA4/CSA5 and CSA2/CSA5, and the model was rerun. The new model produces a Chi-square of 8.086 with 3 degrees of freedom and probability of 0.44. This however still shows the model is not a good fit based on the benchmark provided in table 6 by Schumacker and Lomax (1996). Nevertheless, other indices were checked and were above normal standard and can be used to confirm a good fit. These indices include CMIN/DF (2.69), CFI (.96), NFI (.95). Moreover, standardised parameter loadings were above 0.50 and therefore indicated good convergent validity as shown in table 27. The composite reliability of 0.76 which accounted for 47.01 percent of the variance also explains a good fit. The implication of this statistics is to show that the variables being used for the SEM which will be performed in the preceding section have actually attained a good fit and therefore can provide reliable results.

5.5.2 CFA for Export Finance

Following the EFA in section 5.4.2, four factors observed variables or items were used to measure the latent variable "export finance." The confirmatory factor analysis was performed on these four variables and produces an output with a Chi-square value of 6.364 with 2 degrees of freedom and P= .042. Based on the chi-square statistics, the model cannot be accepted. However, other measures were check (such as CMIN/DF (3.18), RMSEA (.15)) and were tolerable but not great based on the bench mark in table 28. The modification Indices was looked upon for improvement in the model fit. The error term of EF2 and EF4 were constrained and the analysis re-run. The second analysis produces a Chi-square value of .995 with one degree of

freedom and P= .391. The CMIN/DF (.99), RMSEA (.00), CFI (.10) were all above the recommended cut-off point provided by Schumacker and Lomax (1996) in table 5. Convergent validity was obtained given that parameter estimates were above .50 as shown in table 27. Moreover, the construct had a composite reliability of .80 and accounted for 59.6 of the variance which suggests a good model specification. The proposed measurement model for export finance, therefore, demonstrates that reliability and convergent validity have been achieved and therefore the model is a good fit which makes it valuable for further analysis.

5.5.3 CFA for Export Marketing

Based on the EFA in section 5.4.3, the latent variable export marketing was measured using four variables as shown in table 26. The confirmatory factor analysis was performed on the four variables using AMOS which produces a Chi-square of 12.980 with 2 degrees of freedom and probability of .002. This led to the rejection of the model. The CMIN/DF was 6.49 which is above the normal value of less than 2, the TLI (.84), RMSEA (.23). These statistics implied there was a need for some modification to improve the model fit. This was done by looking at the modification indices and identifying variables that are having a high modification index and making adjustments either to delete or covaried the variables to improve model fit. EM7 and EM8 were, therefore, co-varied and the analysis re-run. The new model produces a Chi-square of .98 with 1 degree of freedom and probability of .32. The CMIN/DF is .98, the CFI (1.00), NFI (.99) which all indicate a good model fit. Support for the good fit was also provided by the composite reliability of .87, and standardised loadings above .50 also indicate evidence of convergent validity. The implication of this good fit is that it possible for reliable results to be obtained when SEM is performed.

5.5.4 CFA for Management Capability

After performing EFA, Management capability was measured using six

observed variables as shown in table 27. The output produces a Chi-square value of 12.460 with 9 degrees of freedom and probability of .19 which is not significant and therefore not a good fit. The CMIN/DF (1.4), GFI (.96), AGFI (.97), CFI (.98), TLI (.96), NFI (.93), AIC (36.460) are all above the required standard based on the benchmark of Schumacker and Lomax (1996) as shown in table 6. A composite reliability of .81 and high standardised loadings for the parameters also support evidence of convergent validity and a good fit. The implication of this good fit is that it makes the data suitable for performing and obtaining valid results during the SEM.

5.5.5 CFA for Export Performance

The latent variable "export performance" was measured with five observed variables as shown in table 26 below after performing the EFA. The Chi-square of 7.797, the degree of freedom of 5 and P = .168 indicating a non-significant model and a good fit to the sample data. The result of the confirmatory factor analysis gives the overall statistics of the model being a good fit. The CMIN/DF of is below .2 (1.559), RMSEA above .06 (.075) which is tolerable, GFI above .90 (.971), AGFI above .90 (.914), NFI above .90 (.941), TLI above .90 (.955), and CFI above .90 (.977). The AIC of 27.797 was well below the saturated model of 30.000. This model fit was further buttressed by its internal reliability of Cronbach's alpha of .72 which explains 49% of the variance as shown in table 27. This factor was then considered good for computing path analysis due to it being a good fit.

Table 26: Measurement Model and Values – Cont. next page

Latent variables	Indicators	Standardised loadings	Critical ratio	P-Value
Country specific advantages Cronbach's Alpha (.76), Eigenvalue (2.82), Variance explain (47.01), CMIN/DF (2.69), RMSEA (0.13), GFI (0.85), CFI (.96), NFI (.95), TLI (0.89)	CSA2	.67		.00
	CSA3	.74	5.86	.00
	CSA4	.75	6.07	.00
	CSA5	.67	5.47	.00
	CSA6	.66	1.95	.05
Export finance (EF)	EF1	.76		.00

Cronbach's Alpha (.80), Eigenvalue (2.98), Variance explain (59.60), CMIN/DF (0.99), RMSEA (0.00), GFI (0.98), AGFI (0.97), NFI (0.99), TLI (1.00), CFI (1.00)	EF2	.75	7.06	.00
	EF3	.86	7.26	.00
	EF4	.60	2.57	.01
Market knowledge (MK) Cronbach's Alpha (.87), Eigenvalue (4.41), Variance explain (49.95), CMIN/DF (0.98), RMSEA (0.00), GFI (0.96), AGFI (0.87), NFI (0.99), TLI (1.00), CFI (1.00)	MK5	.84		.00
	MK6	.91	9.47	.00
	MK7	.62	6.45	.00
	MK8	.72	7.87	.00
Management capability (MC) Cronbach's Alpha (.81), Eigenvalue (5.01), Variance explain (41.62), CMIN/DF (1.4), RMSEA (0.6), GFI (0.96), AGFI (0.92), NFI (0.93), TLI (0.96), CFI (0.98)	MC1	.75		.00
	MC5	.75	6.71	.00
	MC7	.73	6.59	.00
	MC9	.59	5.37	.00
	MC10	.54	4.95	.00
	MC11	.51	4.68	.00
Export performance (EP) Cronbach's Alpha (.72), Eigenvalue (2.51), Variance explain (49.42), CMIN/DF (1.6), RMSEA (0.75), GFI (.97), AGFI (0.91), NFI (0.94), TLI (0.95), CFI (0.98)	EP1	.61		.00
	EP2	.85	4.89	.00
	EP3	.87	4.88	.00
	EP4	.58	3.37	.00
	EP5	.53	3.18	.00

5.5.6 Summary of the Measurement Models

The summary of the measurement models can be found in table 29 below. All the constructs have all approached the minimum level of acceptance following the bench mark provided in table 28. The standardised loadings for the observed variables shown in table 26 above were all above .50 which is even more than the 0.30 argued for by Yong and Pearce (2013) and significant. This indicates the existence of convergence validity (Fornell and Larcker, 1981). The reliability estimate for all the factors as shown in table 27 falls within the acceptable level (Tabachnick and Fidell, 2001) and therefore indicates good reliability. The model fit statistics presented in table 27 also suggest a good fit of the measurement models to the sample data following the bench mark in table 28.

Based on the output presented above, it is important to recall equation 1 and

explain it in practical terms. The equation can be stated as follows;

$$X = WF + E \quad \text{---------- (1)}$$

X represents the number of observed variables. As shown in section 4.2.8, there are 24 observed variables (X) which were grouped under country specific advantages, export finance, export marketing information, management capability and export performance. Based on the above equation, the loadings are represented by “W” of the factors (F) and the unique factor is represented by the error term “E”. Given “N” as 101, the respondent to variable ratio for the research (N;X) can be written as 101:24 and this gives a ratio of 4.2:1 which is well within the ratios provided by Hogarty et al., (2005) as sufficient in determining sample size for FA.

All the factors from the CFA can be represented as shown in the above equation where F represents the common factor which is shared among two or more variables, W represents the factor loadings, and the unique factor, E, which is associated with each variable represents the unique component of the variable. The table below represents the overall fit statistics discussed from section 5.5.1 to 5.5.6. These model fit statistics have been discussed in relation to the benchmark on table 28.

Table 27: Model Fit Statistics

Level of model fit/measurement model	Internal structure of the model		Overall Model Fit								
			Model Fit				Model Comparison			Model Parsimony	
	Composite reliability	%age of variance explain	CMIN/DF	RMSEA	GFI	AGFI	NFI	TLI	CFI	AIC (Proposed model)	AIC (Saturated model)
Level of good fit	**.50**	**.50**	**<3**	**<.06**	**>.90**	**>.90**	**>.90**	**>.90**	**>.90**	**Compare values in alternative model**	
Country specific advantages	.76	30.39	2.69	.13	.90	.87	.95	.89	.97	42.00	40.00
Export finance	.81	59.60	.99	.00	.99	.97	.99	1.00	1.00	26.99	28.00
Market knowledge	.87	48.07	.98	.00	.96	.87	.99	1.00	1.00	26.98	28.00
Management capability	.81	54.94	1.4	.06	.96	.92	.93	.96	.98	36.46	42.00
Export performance	.72	49	1.6	.07	.97	.91	.94	.95	.98	37.79	40.00

Table 28: Level of Goodness of fit Criterion

Goodness of Fit Criterions	**Acceptable Levels**	**Interpretation**
Chi Square	Table of Chi Square Values	Compare obtained chi-square values with table values for given degree of freedom
Chi-Square/Degree of Freedom (CMIN/DF)	Less than 3	Less than 3 indicates an adequate fit
Root Mean Square Error of Approximation (RMSEA)	0 to 1	Values less than .05 or between 0 and 1 indicates a good fit
Goodness of fit Index (GFI)	0 (no fit) to 1(perfect fit)	Values close to 0.90 reflects a good fit
Adjusted Goodness of fit index (AGFI)	0 (no fit) to 1(perfect fit)	Values close to 0.90 reflects a good fit
Normed Fit Index (NFI)	0 (no fit) to 1(perfect fit)	Values close to 0.90 reflects a good fit
Tucker-Lewis Index (TLI)	0 (no fit) to 1(perfect fit)	Values close to 0.90 reflects a good fit
Comparative fit Index	0 (no fit) to 1(perfect fit)	Values close to 0.90 reflects a good fit
Akaike Information Criterion (AIC)		Compare values in alternative models

Authors' Adaptation based on Schumacker and Lomax (1996).

5.6 Result of the Structural Equation Model

The previous section was based on the measurement models. These measurement models consist of the factors in the framework developed in chapter two figure 2. The results presented in section 5.5 shows that these measurement models had a good fit to the sample data and therefore can be used to perform the SEM.

The structural model exemplifies the hypothesised relationship linking the model constructs as shown in figure 2. The variables in the structural model can be express in the equation below as;

$$X\ Perf = F\ (F1+F2+F3+F4 + GP + \varepsilon) \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ 2$$

This equation shows that export performance is a function of country specific advantages (F1), export finance (F2), export marketing information (F3), management capability (F4) and government policy. Equation 2 is a mathematical representation of the framework shown in figure 2 page 77. The variables F1, F2, F3, and F4 represents the indirect effects while GP represents the direct effect. The path diagram for the framework was computed with the help of AMOS graphics. The path diagram was therefore computed making sure all 9 hypothesised relationships were included in the structural model.

The structural model allowed for correlation between factors. This resulted in a Chi-square = 7.393, degree of freedom = 3, probability = 0.06, CMIN/DF = 2.464, NFI = 0.96, TLI = 0.871, CFI = 0.974, RMSEA = 0.121, AIC = (default model = 55.393 and saturated model = 54.000). When one looks at the ratio of the chi-square to the degree of freedom, it falls within the ratio of 2:1 as proposed by Krause et al., (2000); Schumacker (2002) to indicate a hypothetical fit between the sample data and the model. The CFI, NFI were all within the acceptable region when compared to Schumacker (2002). These

indices indicate therefore that the model fits the data and therefore suggest reliable results could be obtained. Table 29 below indicates the correlation between the measurement models. Even though the correlation coefficients for the measurement models are low, they are, however, positive and significant. The direction of the correlations was also compatible with the anticipated relationships. The CFA discussed above, therefore, provides sufficient evidence to suggest that the measurement models are adequate to be used in testing the proposed SEM.

Table 29: Correlation Metric for the Constructs

	Government policy (A)	Country specific advantages (B)	Export finance (C)	Export marketing (D)	Management capability (E)	Export performance (F)
A	1					
B	.282**	1				
C	.195*	.283**	1			
D	.367*	.307*	.700**	1		
E	.197*	.154NS	.494**	.696**	1	
F	.294**	.229*	.262**	.385**	.294**	1
Mean	.362	3.600	3.525	4.291	4.685	4.077
SD	.363	1.087	1.065	1.225	1.205	.962
*correlation significant at 0.05 Level (2-tail test), **significant at 0.01, NS= Non significant						

Table 32 below gives the results of the analysis of the structural equation model using AMOS software. Based on table 31 and 32, the hypothesised relationships H1, H2, H3, H4, and H7 were all positive and significant and therefore supported. However, H5, H6, H8, and H9 were not significant

despite being positive. The positive relationship of these hypotheses signifies their contribution to export performance. Moreover, table 30 provides the standardised direct, indirect and total effects between the constructs which are also compatible with the direction of the hypothesis. Figure 13 below also represents the empirically tested export performance model and indicates the direct and indirect path coefficients and the coloured path indicating the only significant path in the model which will be explained in relation to the literature in the next chapter. Equation 2 presented above can be represented in a path diagram as shown in figure 13 below. While section 5.6 have presented the result of the SEM, section 5.7 will give the summary of the chapter while the discussion of these results will be therefore be presented in chapter 6.

Table 30: Standardised Direct and Indirect Effects

	Government policy (A)			Country specific advantages (B)			Export finance (C)			Export marketing (D)			Management capability (E)		
	DE	IE	TE	DE	IE	TE	DE	IE	TE	DE	IE	TE	DE	IE	TE
B	.28	.00	.28												
C	.19	.00	.19												
D	.38	.00	.38												
E	.20	.00	.20												
Export performance	.16	.37	.53	.10	.00	.10	.01	.00	.01	.30	.00	.30	.01	.00	.01

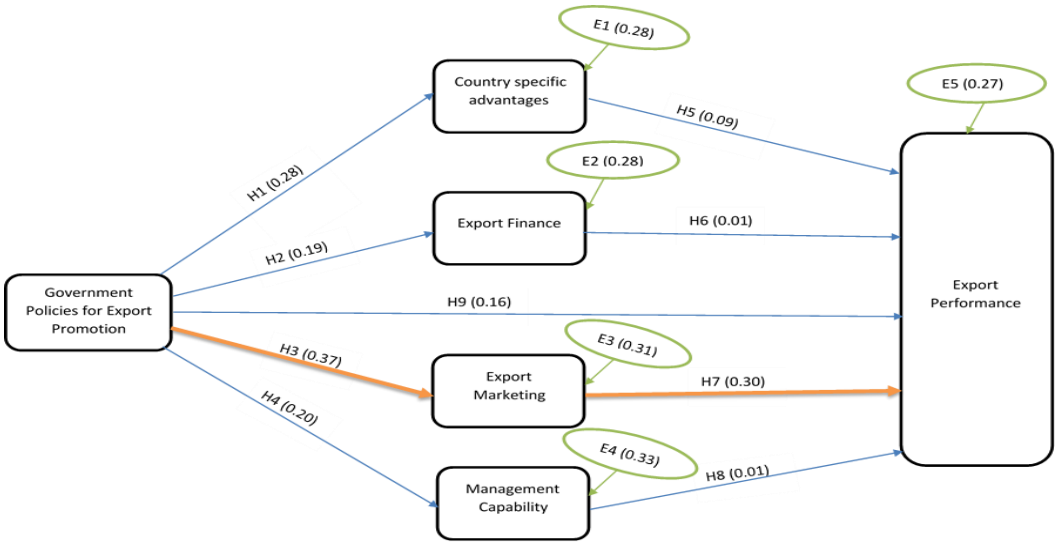
Table 31: Result of SEM

Structural Model	Standardised estimate	Standardised error	Critical ratios	Conclusion
Gov't Policy ⟶ C Adv.	.282	.288	2.936**	H1: Supported
Gov't Policy ⟶ Export fin	.193	.288	1.964*	H2: Supported
Gov't Policy ⟶ Export Mtg	.367	.314	3.947***	H3: Supported
Gov't Policy⟶Management Cap	.197	.326	2.014*	H4: Supported
C. Adv. ⟶ Export perf	.095	.083	1.003NS	H5: Not supported
Export fin ⟶ Export perf	.008	.115	.065NS	H6: Not Supported
Export Mtg ⟶ Export perf	.300	.127	1.842*	H7: Supported
Management cap⟶ Export perf	.008	.101	.067NS	H8: Not supported
Gov't Policy ⟶ Export perf	.159	.269	1.552NS	H9: Not supported
Significance Level: *** P ≤ 0.001; ** P ≤ 0.01; * P ≤ 0.05; NS= Non Significant				

Table 32: Summary of Hypotheses and Results

Hypothesis	Expected Signs	Hypothesis	Empirical Results
H1	+	Government policy and country specific advantages	Supported
H2	+	Government policy and export finance	Supported
H3	+	Government policy and export marketing	Supported
H4	+	Government policy and management capability	Supported
H5	+	Country specific advantages and export performance	Bi-variate results supported but model estimates not supported
H6	+	Export finance and export performance	Bi-variate results supported but model estimates not supported
H7	+	Export marketing and export performance	Supported
H8	+	Management capability and export performance	Bi-variate results supported but model estimates not supported
H9	+	Government policy and export performance	Bi-variate results supported but model estimates not supported

Figure 13: Empirically Tested SEM of Export Performance



5.7 Conclusion

This chapter was about the presentation of the output or result of the data analysis. Moreover, the analysis was done using SPSS and AMOS, and the results were presented in this chapter. The analysis shows the characteristics of SME Cocoa exporters in section 5.2. Also, section 5.3 elaborate on the level of awareness, usage, and benefit of government policies and shows evidence of the low level of awareness and usage of government policies. In section 5.4, the researcher presented the results of the EFA which was the starting point of the data purification process in which the data were reduced into factors, and other statistical evidence was obtained to determine if the data was reliable and valid. Moreover, section 5.5 presents results from the CFA which was used for testing model fit statistics. CFA was important because it was important to make sure the model had a good fit to the data. This was achieved with the use of multiple fit indices.

Finally, section 5.6 presents results of the path model which was used to identify direct and indirect effects of government policies and to confirm the hypotheses. The result shows that hypothesis 9 (the direct relationship between government policies for export promotion and export performance of SME Cocoa exporters) is non-significant based on SEM results despite the bi-variate result supporting the hypothesis. The indirect relationship was depicted by hypothesis 1 to 8. However, hypothesis 1, 2, 3, 4 and 7 were supported while hypothesis 5, 6 and 8 was not supported. This means that increase in government policies will increase country specific advantages, export finance, export marketing and management capability. However, only export marketing through the provision of marketing information was found to have a significant relationship on export performance for SME Cocoa exporters; this implies therefore that government policies for export promotion have an indirect effect on the export performance of SME Cocoa exporters through the provision of export marketing information. Building from the above results, the next chapter will now further discuss these results in relation to the literature that has been reviewed.

Chapter 6. Discussion of Results

6.1 Introduction

The above chapter has presented the results of the data analysis performed using the SPSS and AMOS software. The objective of this chapter is to discuss and interpret the results in line with the literature review and research questions. This is in order to critically test the effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon. This chapter also helps the researcher to answer the research questions and to discuss the hypothesis developed from the conceptual framework. Using the resource base view of the firm, the researcher has developed a conceptual framework which shows that government policies for export promotion, directly and indirectly, influences export performance through country specific advantages, export finance, export marketing and management capability. The chapter will progress with the discussion of the results starting with the level of awareness, usage and benefit of government policies for export promotion for SME Cocoa exporters, the direct and indirect effects of government policies on export promotion and finally how can the effect of government policy on export promotion on the export performance of SME Cocoa exporters be best understood, and conclusion.

6.2 The Level of Awareness, Usage, and Benefit of Policies

Understanding the level of awareness, usage, and benefit of government policies for export promotion is important in providing a deeper understanding of the effectiveness of government policies in improving the export performance of SME Cocoa exporters in Cameroon. The characteristics of SME Cocoa exporters presented in section 5.2 are being used to support evidence of the level of awareness and usage of policies.

The results presented in section 5.3 shows that managers have different levels

of low awareness of respective programmes. This low level of awareness is consistent with other studies such as Francis and Collins-Dodd (2004), Shamsuddoha and Ali (2006), Gençtürk and Kotabe (2001), Van Voorthuizen et al., (2003) and Gnepa (2001). Moreover, many reasons can be attributed to this different level of awareness. Based on the work of Shamsuddoha and Ali (2006); Shamsuddoha et al., (2009), SME are at different stages in the internationalisation process and as a result, will require different assistance from the government to overcome the problem they faced in the different stages in the internationalisation process. SMEs at the very start of the internationalisation process will be more interested in marketing information in both home and foreign country to help them make the right decisions (Shamsuddoha and Ali, 2006). This line of argument can be extended to SME Cocoa exporters in Cameroon who are mostly involved in indirect exporting and therefore at the very early stages of their internationalisation. It is, therefore, evident that at these early stages, the SMEs will not be aware of all policies to support exporting by the government which therefore justifies the low level of awareness of policies for export promotion.

Lages and Montgomery (2005) also argued that many governments are making such policies available to firms who already have established presence and success in foreign markets. Moreover, Cocoa exporting in Cameroon was under the state monopoly as explained in chapter three. SME Cocoa exporting started in the late 1990s when the sector was liberalised. However, the challenges of internationalisation have acted as a barrier to exporting for these SMEs, and many of them now export internationally through other multinationals. Indirect exporting through multinationals does not give the SMEs established presence in a foreign market and the government, therefore, does not take them into consideration in advertising such policies. This, therefore, makes it very difficult for many SMEs who do not have this established presence and success in a foreign market to benefit from government policies.

Having an established presence was not just the only issue. According to

Ogram (1982), awareness of these programmes also depends on the motivation and willingness of SMEs to pursue exporting directly. Refereeing to the level of education of managers in section 6.2, the majority of the SME managers had a maximum of secondary and or vocational college degree. This low level of education, therefore, can limit the motivation of managers since strategy for exporting may be difficult to be conceptualised due to the poor level of education. A high level of education can act as a motivation because it means managers can use their knowledge to develop a plan, apply for assistance to execute the plan (Ogram, 1982). Moreover, SMEs are known for resource deficiencies which act as a barrier to exporting (Islam et al., 2011). This resource deficiency makes SMEs unwilling to pursue exporting directly. Relating this argument to SME Cocoa exporters in Cameroon, it can be seen that their unwillingness to pursue exporting directly has resulted in a low level of awareness of policies for export promotion.

Similarly, the manager's level of education has a great role to play in their ability to be aware of policies for export promotion (Umidjon et al., 2014). This is true in a sense that high level of education opens the eyes of a person to wider horizons and it gives the person a different perspective in search of information and knowledge. However, based on the statistics presented in section 5.2, the majority of managers of SME Cocoa exporters have but secondary school education. This raises serious concerns as to their ability to search for information that can actually benefit their businesses. Moreover, the level of the network identified in section 5.2 is mostly between the SMEs and the farmers or with the multinational. Bad governance in many developing countries and Cameroon, in particular, makes it difficult for these SMEs to network with the government for fear of the unknown. Networking in any form with the government means these SMEs will have to open up their businesses to the government which in many cases will attract tax increases among others. As a result, they tends to shun the government from their businesses which in effects make it difficult for them to know what the government is doing to help them. It is, therefore, the multinational and not the government acting

as their door ways to the international market place. This thus makes it difficult for them to be aware of certain policies due to the influence of the multinationals acting as the gate line to the foreign market.

It should also be noted that the French language is dominant or than English in Cameroon. The majority of the government communiques are therefore in the French language. Many radios, television programmes, and news letters are all in the French language. SMEs within the Anglophone section dominated with staffs who are mostly Anglophones are at a disadvantage because many of the policies for export promotion being announced in the French language may come to pass without them knowing.

Despite the low level of awareness of policies for export promotion among SME Cocoa exporters, the descriptive statistics in section 5.3 also confirms that the numbers of SMEs who were aware and have actually used these policies were also low and disproportionate across policies. The reasons for this low level of usage are varied. This low usage has been attributed to the negative attitude manager's show towards these programmes (Shamsuddoha and Ali, 2006). These negative attitudes are based on how these policies are promoted and how they are being understood by the SMEs (Gençtürk and Kotabe, 2001). This negative attitude is a classic example of the situation of managers of SME Cocoa exporters in Cameroon. Cameroon is bilingual (English and French) but dominated by French which is being used by the government in many of its communication. If these policies are not being advertised proportionately in both languages, then there is a risk of the content and its benefit to the SMEs being misunderstood by non-French or English speakers. SMEs who do not understand how these policies will benefit them, therefore, makes very limited use of these policies. Also, the political situation has been built in such a way that businesses do not want to engage with the government to avoid a tax increase. Moreover, the SMEs have the perception that the government does not give things for free. In which case, the participating in such programmes means opening up your business to the government who in retends will come back with an increase in tax. The SMEs,

therefore, prefer to receive assistance from the multinationals with whom they trade. Another reason for this low level of usage is due to the fact that many SME Cocoa exporters in Cameroon do export indirectly through well-established domestic or multinational exporters. In this situation, these multinationals provide them with the resources they need such as finance and market information. This, therefore, makes it worthless for some of these SMEs to use certain government policies which are better provided by multinationals.

Bad governance in Cameroon is another reason for the low level of usage of these policies. It has been noted that government officials in some African countries are making such policies available to friends and those loyal to the government in power (Gençtürk and Kotabe, 2001). Therefore if the manager of the business does not have a friend, family member or is not a supporter of the government in power, it will be difficult to be able to benefit from these programmes. Moreover, the government may be developing policies that SMEs do not need at a particular point in their internationalisation process (Leonidou et al., 2011) and this makes it difficult for SMEs to make use of them. Situations like these usually occur due to lack of communication between the government and the SMEs (Marandu, 1995).

The government of every economy represents the largest providers of external resources to firms pursuing exporting (Gençtürk and Kotabe, 2001). This is achieved through policies for export promotion. The above discussion has shown that there is a low level of awareness and usage of these policies by SME Cocoa exporters in Cameroon. Based on SMEs who actually used these policies, the question that needs clarification was whether there was any benefit to their business as a result of using these policies. The benefit of these policies was seen in terms of profit growth, retends on investment, and increase in the scale of business and establishing a direct relationship with customers and distributors. Despite the fact that very few SMEs have actually used these policies, the result shows that it has benefited their businesses disproportionately. These disproportionate benefits are due to the fact that

SMEs have different objectives (Francis and Collins-Dodd, 2004). This implies an SME may take part in a trade show to build a relationship with multinationals while others may be there to get investment for their business. Moreover, the benefit of these policies may be influenced by how these policies have been used within the business. Given that managers had low-level education and low level of international experience, it can be argued that the benefit of such programmes may not be great as expected.

6.2.1 Section Summary

The above section has discussed the level of awareness, usage, and benefit of government policies for export promotion among SME Cocoa exporters in Cameroon. This discussion was based on the statistics that were presented in section 5.3. From this statistics, it was evident that there is a low level of awareness and usage of policies for export promotion by SME Cocoa exporters and that their level of benefit was also disproportionate. This low level of awareness was due to the fact that SMEs are at different stages in their internationalisation; they lack the motivation and willingness to pursue exporting directly which makes them not to search for information. Managers also have a low level of education which prevents them from a wider search for information. Moreover, low usage was due to lack established presence and success in foreign markets to convince the government they can make success out of these policies, poor advertisement on how such policies will benefit their businesses, bad governance manifested by government officials making policies available to friends and family members, low level of education as management has not got the capability to deal with some of the policies. Furthermore, disproportionate benefits were due to different objectives, different stages in the business cycle among others. After all the above discussion, the next section will now discuss the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon.

6.3 The Effect of Government Policies on Export Performance

After discussing the level of awareness and usage of policies for export promotion, this section now focuses on the discussion of the results of the structural equation model which depicts the effectiveness of government policies for export promotion on SME export performance. This effectiveness has been captured in the conceptual model based on the direct and indirect effect. Therefore, the discussion of this section will be of two parts. It shall proceed with the indirect effect and then the direct effect.

6.3.1 The Indirect Relationship between Government Policies for Export Promotion and the Export Performance of SME Cocoa Exporters

The indirect relationship between government policies for export promotion and SME export performance was captured through country specific advantage and firm's specific advantages. Firm's specific advantages were based on export finance, export marketing information and management capability. The discussion below is based on the indirect path shown on the conceptual model.

The first indirect relationship is that path from government policy to country specific advantages and through country specific advantages and it is represented by the path through H1 and H5 respectively. Based on the conceptual model, government policies had a positive and significant effect on country specific advantages (H1) and country specific advantages also had a positive and significant effect on export performance (H5). The bi-variate and SEM statistics supported H1. Moreover, the bi-variate statistics supported H5, but the SEM result rejected it. Based on the bi-variate results, therefore, the greater the government implements policies for export promotion, the greater the country specific advantages and the greater SMEs do benefit from these country specific advantages, the more they improve their export performance.

The positive effect shows the importance of country specific advantages as a

determinant of export performance which is being supported by Rugman and Li (2007), Rugman et al., (2011) and Chugan and Singh (2014) who concluded that country specific advantages represent resources in the home country that give SMEs a competitive advantage to home businesses over foreign competitors. These advantages also help create capabilities and break some of the domestic market barriers for successful exporting which helps improve performance (Teece et al., 1997).

According to Freeman et al., (2012), country advantages represents locational factors that form the bases for resource development and competitive advantage. These advantages act as resources that originate from government actions (Zhang, 2016). These country advantages are foundations of SME internationalisation because they provide resources to SMEs that would otherwise be difficult for them to access in foreign countries (Song et al., 2013). The positive effect of these advantages, therefore, signifies the contribution they can bring to improving export performance. Country advantages according to Teece et al., (1997) can also mean natural resources, factors of production, legal, political and broad institutional environment. In the context of Cameroon, this can be translated into laws and procedures to facilitate the business creation, financial intermediaries (access to loans), financial and non-financial support from the government.

Irrespective of the fact that the bi-variate result supported H1 and H5, the SEM results only supported H1 and not H5. H1 accept the fact that the government through its policies create country specific advantages. However, although the acceptance from the respondents that are benefiting from country specific advantages will improve export performance, that positive relationship of H5 was not significant from the SEM perspective. This may be due to the fact that the low level of education of managers as reported in section 5.2.5 is preventing them from actually taking full advantage of these resources. However, the positive effect throughout the path from government policy to country advantages and country advantages to export performance has been indicating the importance of these resources in improving export performance.

The second path of the indirect effect is through export finance, and this is captured in hypotheses H2 and H6 respectively. Hypothesis H2 shows that government policies provide export finance and hypothesis H6 export finance will have a positive and significant relationship with export performance. The bi-variate result shows that there is a positive relationship for H2 and H6. The implication is that the more SMEs benefited from the export finance from the government the more their export performance will improve.

The positive effect of export finance on export performance is supported by Onaolapo and Odeyemi (2011) whose study shows that government policies for export promotion have been a common instrument used in providing finances to SMEs in Nigeria. Onaolapo and Odeyemi (2011) sees export finance as a combination of self-financing and money market financing (commercial bank loans). Also, Ebong (2008) considers it as the provision of credit facilities for promoting exports and export-related transactions. Government policies for export promotion such as tax reduction, tax holiday, subsidies, regulating interest rates, encouraging SMEs to establish in industrial free trade zones and provide SMEs with much-needed finance to pursue exporting. Despite this strong conviction of the bi-variate results, the SEM results were not significant at 0.05 and 0.01 level of confidence for H6. This may be due to the fact that most SME Cocoa exporters obtain finance from other multinationals whom they buy and sell through them. Moreover, SMEs are often required to fulfill certain conditions to be able to benefit from government support which in most cases some may not be able to achieve. This has been supported by Harash et al., (2014) who said even though the government may provide access to finance by lowering interest rates, many SMEs may not have the required collaterals and as a result do not benefit enough from the access to finance created by the government which may cause a decrease in its significance. The positive indirect effect of export finance on export performance provide an indication of the contribution they may have as important resources in improving export performance. This is because SMEs who have benefited from such finances have actually

experience improve in their performances (Onaolapo and Odeyemi, 2011; Ebong, 2008).

The third indirect path is through the provision of export marketing information. This indirect relationship was captured by hypotheses H3 and H7 respectively. H3 represents the path from government policy to export marketing while H7 represents the path from export marketing to export performance. It was hypothesised in the literature that government policy can influence export marketing by providing the right source for SMEs to collect information about export markets, help them to sell their product, have the right marketing mix, helps them identify what customers' needs in terms of quality of the products, understand trade barriers and trading blocks and how they can impact on their performances. Such market information can be provided through policies such as training programmes, seminars, conferences, trade fairs, trade mission and trade agreement, newsletter and or exhibition (Gençtürk and Kotabe, 2001; Nazar and Saleem, 2009). SME Cocoa exporters, therefore, need to benefit from these policies for effective export marketing. Based on the bi-variate result, both paths (from H3 to H7) indicated a positive and direct effect. This implies while the respondents believed that government policies for export promotion provided export marketing information that helped SMEs marketed their products and SMEs who are actually benefiting from such support have experience increase in their performances. By organising workshops, distributing newsletters on the quality of the product, these SMEs are able to work towards the right standard of product quality. Moreover, by providing market-related information, SME Cocoa exporters become aware of well-performing markets and can sell their products to different markets. Access to loans will also enable the firms to buy and sell in large quantities. Moreover, the SEM result along this path (H3 and H7) was also accepted. This hypothetical path has also been supported by Al-Aali et al., (2013) who also found out that SMEs have the right product, the right promotion and the right distribution of their products had improved export performance. Zou et al., (2003) also saw export marketing in terms of pricing, distribution,

communication, and product quality to be having a positive effect on export performance for Chinese exporters in their research conducted in Saudi Arabia. In summary, therefore, the indirect effect of government policies on export promotion on the export performance of SME Cocoa exporters is through export marketing information is supported both by the bi-variate and SEM result.

The last aspect of the indirect relationship between government policies for export promotion and export performance of SME Cocoa exporters was captured through management capability and consist of hypotheses H4 and H8 respectively. The first part is focused on hypothesis H4 which captures the relationship between government policy and the SMEs Cocoa exporters' management capability. Both correlation and the SEM result confirmed the hypothesis that government policy has a direct and significant effect on management capability for SMEs. This implies the more the government organises trade shows, training, and seminars for exporters and trade shows, SMEs who benefit from them will develop networks with potential business partners, become more aware of the international markets, gain knowledge about various markets and the performance of their products (Shamsuddoha and Ali, 2006). By benefiting from government policies, SMEs will develop their capabilities by developing a network, learning or acquiring knowledge that never existed within the SMEs (Mário et al., 2016). This knowledge, learning, and networking constitute capabilities enable managers to be able to perceive the risk and benefits of exporting, be motivated to export, improve their abilities to take a risk and their knowledge about exporting (Jieke et al., 2016). Management capability represents an important resource that has been found to have a positive effect on export performance, and SME who have benefitted from export promotion programmes have been able to build such capabilities and improve their export performances (Souchon et al., 2016; Jieke et al., 2016). This is because these capabilities help SMEs to overcome the barriers to exporting (Shamsuddoha and Ali, 2006).

Based on the fact that management capabilities can be built from benefiting

from government policies, it was also important to discuss how such capabilities influence the export performance of SME Cocoa exporters represented by hypothesis H8. The bi-variate statistics show a positive and direct relationship between these capabilities and export performance which was in line with Lages and Montgomery (2005). This means that the more firms benefit from government policy, the more they become knowledgeable about exporting, the more they develop their skills and perception about exporting and the business environment which helps them improve export performance (Lages and Montgomery, 2005). However, the SEM result did not find this hypothesis to be significant. Nevertheless, the positive effects of the relationship show that management capability represents important resources that have been proving to have a positive influence on the export performance of SMEs (Souchon et al., 2016; Jieke et al., 2016).

The above discussion is based on the indirect effects of government policies on export promotion on the export performance of SME Cocoa exporters. The four different indirect paths identified above all had positive effects on export performance as suggested by the literature and as shown from table 31. These positive effects are confirmation that these factors represent important resources in improving export performance for SME Cocoa exporters in Cameroon. This means that benefiting from export promotion policies in terms of usage will help SMEs overcome barriers to exporting and improve export performance since they will have the right sources to obtain market information, training, and finance, develop a network and build capabilities. However, the only significant indirect path was through export marketing as explained above. In the next section below, the researcher now discusses the direct effect of government policies on export performance.

6.3.2 The Direct Effect of Government Policies for Export Promotion

The direct effect of government policies on export promotion on export performance of SME Cocoa exporters was captured by hypothesis H9. The hypothesis states that the use of government policies for export promotion will

positively influence the export performance of SME Cocoa exporters. The bi-variate result shows a positive and direct effect on the benefit of government policies and export performance. This implies that SMEs can actually benefit from these programmes to build a solid resource base to overcome barriers to exporting and gain knowledge which helps build their capabilities in terms of networking and building relationships with clients and distributors, benefit from trade deals which act as a catalyst for an increase in performance. This positive and direct effect is also supported by Cavusgil and Zou (1994); Marandu (1996); Shamsuddoha and Ali (2006) who also stated that government policy positively influences export performance directly because benefiting from these policies are considered to be cost savings. However, the result was in complete contrast to Seringhaus (2013) who found out that trade mission did not have any direct effect on export intensity and receipt of costumers order (export performance). In addition to this contradiction, Francis and Collins-Dodd (2004) also found out that the effect of government policies on export promotion on the firm's export performance will depend on the number of policies used and whether the firm is a pre-exporter, sporadic or active exporters. This implies firms that use more programmes with benefit from more improved performance than firms using fewer programmes. This can be used to justify the non-significant relationship between government policies for export promotion and export performance of SME Cocoa exporters in Cameroon based on the SEM result.

Gençtürk and Kotabe (2001) also found no significant relationship between the use of government policies for export promotion and sales due to the fact that the cost of benefiting from these programmes may not offset the cost of exporting. Shamsuddoha et al., (2009) also studied the direct and indirect effect of government policies for export promotion on export performance in which they consider policies to be providing two basic functions of either providing information or providing finance. Their conclusion was that government policies for providing finance (export promotion) did not significantly influence export performance directly. Finance related policies

tends to influence export performance indirectly significantly. The effect of government policies on export promotion on export performance will depend on the management awareness of the incentives and their perception of the adequacy of the incentives and that the size of the firm has a role to play in the awareness of policies (Kumcu et al., 1995). The analysis in this research has shown a low level of awareness of such policies which limits the involvement of many SME Cocoa exporters to indirect exporting. Moreover, these policies are normally being communicated to large firms, and because most SME Cocoa exporters in Cameroon are relatively small, they tends not to notice the existence of these policies. However, the hypothesis was contradictory with Wilkinson and Brouthers (2006) who found a positive relationship between export promotion programmes and export performance for firms in the US. Their research however investigated just trade shows and programmes identifying distributors and agents. In a study involving 30 export incentives, Julian and Ali (2009) found out that only the incentives that will enable the firms to diversify were found to have a direct effect on export performance and the rest were not significant.

Building from the above discussion, it was evident that the direct effect of export promotion policies on export performance supported and contradicted existing literature. The next section of the discussion will be on how these direct and indirect effects of policies for export promotion can be best understood.

6.3.3 How can the Effects of Policies for Export Promotion on Export Performance be best understood?

The effect of government policies on export promotion on SME export performance appears difficult to comprehend (Shamsuddoha and Ali, 2006). This difficulty is seen in the fact that many governments are developing numerous programmes with different objectives based on archiving successful exporting (Francis and Collins-Dodd, 2004). Moreover, the difficulty is compounded based on the fact that firms are at different stages in

their internationalisation process and therefore make use of programmes based on the stages of which they are in the business cycle (Francis and Collins-Dodd, 2004). Furthermore, issues of awareness and usage of these programmes have been a subject of concern as research have shown some firms are not aware and are not even benefiting from many of these programmes (Kumcu et al., 1995). Moreover, these programmes need to be studied based on a specific context as country programmes differ (Gençtürk and Kotabe, 2001) and firms in different industries may be at different stages in internationalisation (Francis and Collins-Dodd, 2004).

In order to better understand the effects of these policies on export performance, the researcher did a review of the literature on export promotion programmes and export performance and how these two concepts have been measured over time. The literature review shows that there exists an endless list of what constitute export promotion programmes and export performance. While Francis and Collins-Dodd (2004) tried to measure the direct effectiveness of individual programmes on export performance, studies such as Shamsuddoha and Ali (2006) and Lages and Montgomery (2005) sees these programmes to be having a complimentary effect and therefore treat them as aggregate.

Based on the review of relevant literature, it became clear that export promotion programmes represent a latent variable captured through a number of other policy measures. These policy measures have also been shown to represent a wealth of resources in line with the resource base perspective that can contribute in many ways to improve export performance. Julian and Ali (2009) argued that export promotion programmes provide many incentives such as free market information about the export market to SMEs which helps them identify distributors and initiate sales which improve their performances. Moreover, these programmes entice firms to be more committed to exporting by having relevant information that makes them invest more and improve their performances (Shamsuddoha et al., 2009). Furthermore, Wilkinson and Brouthers (2006) added that programmes like trade shows create an avenue

for networking that can actually lead to sales. These programmes provide a knowledge base for SMEs to build capabilities and improve their performances (Lages and Montgomery, 2005).

Building from that fact that government policies for export promotion constitute a resource base for SMEs to benefit from and build their capabilities, it is therefore evident that a better understanding of their effect on export performance should not be limited to the direct effect but also to the indirect effects through other intervening variables as discussed above and in the literature. In this research, policies for export promotion was conceptualised to be affecting export performance directly and indirect through providing country specific advantages and firms' specific advantages in terms of export finance, export marketing, and management capability. Moreover, due to the latent variable nature of the construct, it is important that structural equation modelling technique be adopted as the best method of analysing the direct and indirect effect of policies for export promotion on the export performance because it has the power of reducing the data, identifying underlying variables, a robust test of model fit indices and the identification of all the coefficients of all the paths in the model and this is the most robust method based on the review of literature.

To conclude, the effect of government policies on export promotion on export performance could be best understood by developing and validating a conceptual model through the testing of nine hypotheses that capture the direct and indirect effects of policies on export performance using structural equation modeling techniques. The next section will now conclude on this chapter.

6.4 Chapter Conclusion

This chapter has discussed the results of the data analysis presented in chapter five. The discussions have shown that even though there is a direct and indirect effect of government policies on export promotion on the export

performance of SME Cocoa exporters, the hypothesis has confirmed that the direct effect is not significant and that for the indirect effect, only the provision of export marketing information was found to be significant as discussed above. This lack of significance in the relationship was attributed to many reasons such as lack of motivation from SMEs to use the programmes partly because they are not being educated well enough on how they can benefit from its usage. Moreover, policies are being implemented that does not represent what SMEs need at a particular point in their internationalisation process. Also, the cost of benefiting from some policies may outweigh the benefit the SMEs derived. The discussion also shows that the low level of awareness and usage has been due to bad governance where managers not in support of the government in power fines it had to benefit among others.

The research also shows that the relationship between government policies for export promotion and the export performance of SME Cocoa exporters can be best understood by the applicability of factor and confirmatory factor analysis, understanding the direct and indirect effects and by developing and testing of the nine hypotheses in the conceptual framework. In the next chapter, the research provides a conclusion and recommendations for further research.

Chapter 7. Conclusions and Recommendations

7.1 Introduction

Building from the discussion of the results of the data analysis in line with the literature, this chapter now present the summary of the entire research. This chapter will discuss what has been done in each chapter to reinforce what was echoed in chapter one in the thesis outline. In a nutshell, the research has successfully developed a framework using the RBV and SEM to understand the effectiveness (direct and indirect effects) of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon. To successfully achieve the above objective, questionnaires were used to collect data from 101 SMEs in the Southwest and Centre Regions of Cameroon using snowball sampling techniques and analysed using SPSS and AMOS soft-wares. The chapter begins with an overview of the research, overview of the research findings, the contribution of the research, limitations, and direction for further research and conclusion.

7.2 Research Overview

Figure 1 in chapter one section 1.8 and page 26 provides an overview of the entire research. This figure has three important parts. The first is part A which is the part explaining the EFA/CFA. The second is part B which is the part dealing with the structural equation modelling and the third is the intersection of part A and B written as A∩B. This third part looks at the latent variables obtained from the observed variables through the EFA. Reference has therefore been made to this figure in the entire research as a means of reminding the reader on the bases of respective chapters as the research progresses.

Chapter two was therefore set out to review the literature relating to section A and B of figure one. In the process of this literature review, International trade

theories where reviewed to provide justification as to why nations and firms alike should engage in exporting. This review went back to the old trade theories from the Mercantilist doctrine, the absolute and comparative advantage and to the current theories of the resource based-view. From the review of these theories, it became apparent that firms gain and acquire knowledge that informs them about the export market and leads them to be motivated and commit more resources to exporting. Moreover, trade theories argued that countries with an excess of raw materials should export in exchange for foreign reserves which also explain Cocoa export in Cameroon. The resource base perspective which was used as the basis for the development of the conceptual framework saw the need for firms to have enough resources (assets, capabilities, managerial attributes, information, and knowledge) to enable them to overcome the barriers to exporting, build a network with other business actor and improve their export performance.

The first stage was to review relevant literature as the basis for developing the conceptual model. During the review of the literature, variables used in developing the conceptual model were identified and categorised. The review of literature started with the review of some trade theories (theories of international trade, internationalisation process, and competitive advantage) because they had links to firms export performance as discussed in section 2.2. In designing trade policy, governments have to design a way of compensating losers or those who may perceive themselves as being losers – or at least the government must try to prevent losers from blocking the potentially beneficial trade policies described in the thesis, and the use of export promotion programmes can be argued to constitute free services provided by the government to help firms overcome the barriers to exporting and export. It was in this line of reasoning that government policies for export promotion were conceptualised as an important resource to SMEs. It was important because operation cost is reduced as a result of firms benefit from its usage.

Studies on export promotion programmes were also reviewed. These studies

helped in the understanding of how these programmes are being measured and conceptualised. In this review, it was discovered that prominent studies that have conceptualised the effectiveness of government policies for export promotion on SME export performance had been based mainly in the developing world with little on Africa (Gencturk and Kotabe, 2001) which justifies while such studies are important in the African context to inform policy development. During the review of the export performance related literature, it was postulated that government policy on export promotion was a major external determinant of export performance available for SMEs to benefit from and build knowledge and networking capabilities that influence export performance. Moreover, in the review of the literature on the determinants of export performance, it became evident that government policies for export promotion constitute an important determinant of export performance because it can influence export performance either directly or indirectly. Directly through automatic tax reduction and subsidies which reduces operating cost and increases profitability and indirectly through the provision of both country and firms' specific advantages as explained in figure 2. Based on the review of relevant literature, the researcher was able to identify observed variables which where mapped into latent variables and the latent variables mapped onto export performance in the hypothetical relationship as shown in figure 2 which brings the literature review chapter to a close.

Moreover, it was important to understand the research context in which the conceptual framework was to be tested (chapter 3). As a result figure 3 in section 3.1 represents a superimpose figure 2 onto a circle which is taken to mean the Cameroon context. In understanding the research context, an overview of the Cameroon economy was carried out with a focus on some key economic indicator, export partners and the flow of export. The Cocoa sector was further examined in which the research identifies seven Cocoa producing regions as shown in section 3.3.1 and in figure 5. While figure 6 shows Cocoa production was increasing in Cameroon, figure 7 indicated that Cocoa export contributed 14% of total export in the year running 2000-2009. In terms of the

structure of the Cocoa sector, chapter three captures the evolution of SME Cocoa exporters from the period of government monopoly in the marketing of Cocoa before the 1990s when the sector was liberalised and saw the growth of SMEs involved in the buying and selling of Cocoa either directly and indirectly. The chapter also discusses trade and agricultural reform which were developed in a series of five year development plan.

The second stage of the thesis deals with the SEM as explain in equation 2 section 4.3.2. The derived factors from the CFA are formed into a structural equation model (SEM). The SEM depicts the path diagram relating to the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon. The SEM model shown in equation 2 illustrates that export performance is a function of country specific advantages, export finance, export marketing, management capabilities and the usage of government policy.

An explanation of how to successfully achieve the aim of the EFA/CFA and SEM was elaborated in chapter four. The chapter discusses the positivist aspect of the research and the use of EFA/CFA and SEM as the best means of analysing the data. Data for the analyses were obtained using questionnaires which were self-administered by means of snowball sampling technique. The questionnaire was developed after the relevant review of literature in chapter two. By means of snowball sampling technique, respondents were asked to respond to respective statements/questions by indicating their level of disagreement or agreement on a seven point Likert scale. The justification of this seven points Likert scale is discussed in section 4.2.3.

Finally, in chapter 5, the SEM was performed with the help of AMOS based on 101 questionnaires, and the output/results presented. The results consisted of eigenvalues, standardised loadings, direct and indirect effects, and validity test. The result suggested that government policies for export promotion direct and indirectly influenced the export performance of SME

Cocoa exporters in Cameroon. The discussion of the results from the SEM in relation to the literature was the focus of chapter six. This discussion was a focus on analysing government policies for export promotion as important resources in the context of the resource based view to SME Cocoa exporters in Cameroon. This is because SME Cocoa exporters just like any other SMEs are resource deficient and face barriers pursuing exporting. By benefiting from government policies, SME Cocoa exporters then acquire resources such as networking capabilities that can help them overcome barriers to exporting and encourage them to export more. In chapter 7, the researcher presented a summary of the entire thesis. Based on the above overview, the next section now summarises the research findings.

7.3 Summary of the Research Findings

Building from the data analysis in chapter five and the discussion of the results in chapter six, this section now presents the summary of the research findings in order to clarify the extent to which the research questions have been answered.

To begin with the question of an assessment of the level of awareness, usage, and benefit of government policies for export promotion by SME Cocoa exporters, the research shows a low level of awareness and usage of these programmes by the SMEs as presented in section 5.3 in chapter five. Section 5.3 shows that the level of awareness and usage of these programmes differ considerably for respective programmes. This low level of awareness and usage was also in line with the literature review. Several reasons were given as justification for this low level of awareness and usage as discussed in section 6.2. The lack of motivation and unwillingness by managers to use these programmes were reported as one of the reasons for the low level of awareness (Ogram, 1982). This lack of motivation was due to the fact these programmes are poorly advertised by the government, and as a result, SMEs do not get to understand how they can actually benefit from these programmes

and what impact can benefit from the programmes bring onto their businesses. On the other hand, Lages and Montgomery (2005) found out that these programmes were being given but to firms with established presence and expertise in foreign markets. This, therefore, makes it difficult for SMEs who export indirectly to be aware of the programmes since they do not have an established presence and expertise in the international markets. The descriptive statistics shows a low level of education among managers of SME Cocoa exporting firms and according to (Umidjon et al., 2014) level of education is important in given the managers the skills needed to search for and know what is on offer from the government to help their businesses. This lack of education may further act as a demotivating factor hindering SME Cocoa exporters from actually engaging with the government in benefiting from export promotion programmes. Also, Shamsuddoha et al., (2009) attributed similar low level of awareness of export promotion programmes based on firms based on the different stages of internationalisation. Internationalisation is a process for exporting, and firms are at different stages in this process. These different stages may require different assistance, and therefore firms at the beginning stage of internationalisation may not be aware of programmes required by firms at the advance stage of the internationalisation process.

The low level of usage was attributed to the fact that government officials are making these programmes available to friends and relatives as put forward by Lages and Montgomery (2005). This makes it, therefore, difficult to benefit if you do not have someone in the government. However, Francis and Collins-Dodd (2004) argued that firms make use of programmes based on the stage at which they are in the internationalisation process. Therefore, firms will make use of programmes based on the stage at which they are in the internationalisation process, and this will lead to uneven distribution of usage of export promotion programmes. The implication, therefore, is that these programmes are based on “one fit all” aspect. However, some SMEs voluntarily decide not to use these programmes because in order to avoid tax

as usage will give the government more details about their businesses. These different levels of awareness and usage, however, can also be attributed to issues of transparency in a corrupt economy like that of the Cameroon. Lack of transparency, therefore, leads to corruption by government officials and the unwillingness of SMEs to open up due to fear of the unknown from the government.

Another part of the research questions was the investigation of the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters. This question was analysed based on the bi-variate and the SEM result. The bi-variate result of the latent factors shows that government policies have direct and indirect effects on the export performance of SME Cocoa exporters. These direct and indirect positive effects are evident of the potentials of these policies in improving export performance. While the SEM result rejected the level of significance of the direct effect at 0.01 and 0.05 level of significance, it did accept the level of significance for the indirect effect through the provision of export marketing information. Finally, how can the effectiveness of government policies on export promotion on the export performance of SME Cocoa exporters be best understood? This research demonstrates that the effectiveness of government policy on export performance can be best understood by developing a framework that investigates the direct and indirect effects of government policies on export performance. This is because, why government policy can affect export performance directly and indirectly through other intervening factors which this research considers as country advantages, export finance, export marketing and management capabilities. Understanding this effectiveness also entails using a robust method that accesses the suitability of the data and captures the significance of the direct and indirect effects. This has been achieved with the help of EFA/CFA and SEM. EFA was, therefore, important for the identification of patterns in the data while CFA tested the robustness of the theory and data. The path diagram, therefore, simplifies the analyses by producing both the direct and

indirect effects just from a single analysis rather than running separate regressions. Based on the above summaries, the following contributions to existing literature are presented below.

7.4 Contribution of the Research

The findings of this research as elaborated in chapter 6 and further summarised in section 7.3 above has an important contribution to research which is seen in terms of making a contribution to theory, managerial and policy development. The study has critically analysed the level of awareness and usage of government policy for export-led growth, the direct and indirect effect of government policies on export promotion on export performance and how such effects can be best understood in Cameroon. The significance of this research is therefore discussed as below.

7.4.1 Theoretical Contribution

The first theoretical contribution of this research is the fact that it empirically establishes the direct and indirect link between government policies for export promotion and export performance which has been missing in some literature. By developing a conceptual model which links government policies for export promotion to export performance directly and indirectly through other determinants (country specific advantages, export finance, export marketing and management capability), the empirical test using structural equation model shows the positive relationship in the hypothetical propositions. This, therefore, contributes to the fact that government policies for export promotion have both direct and indirect effects on export performance of SME Cocoa exporters in Cameroon.

Second, the export performance literature has not given more attention to export promotion programmes as determinants of export performance. Export promotion programmes influence other determinants of export performance which this research conceptualises as country specific advantages, export

finance, export marketing and management capabilities. These determinants have shown to have a positive effect on the export performance of SME Cocoa exporters in Cameroon. This means they represent success factors for SMEs to use in improving their export performance. Most significantly was export marketing information which provided SMEs with marketing mix for their products. This research, therefore, contributes to existing literature by validating export marketing information as a critical determinant of export performance in the Cameroon economy.

Third, the research has made contributions to the RBV of the firm. The applicability of the RBV is complex. Export promotion program is considered an external resource available to SMEs which creates both country and firms' specific advantages to enable SMEs to overcome barriers to exporting and help motivate them to export more. The programmes range from trade shows, how to export handbooks, seminars, workshops and training programmes among others through which SMEs can obtain market information, gain knowledge about marketing and legal procedures in foreign markets, build capabilities through networking from trade shows or workshops with other business partners which may eventually lead to sales. In this regard, therefore, government policy for export promotion is conceptualised to represent a wealth of external resources and the positive linkages between government policies and export performance through country and firms' specific advantages indicate they all constitute an important resource for success in exporting and hence a contribution to the RBV of the firm.

Forth, the research has contributed to developing a framework that can be used as a tool for understanding the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon. This framework was important because it makes use of EFA/CFA and SEM to develop testable hypotheses, uncovering underlying variables, test for validity and reliability, test for model fit indices and identify path coefficients.

Firth, SME cocoa exporters in Cameroon, is a suitable research context to investigate the direct and indirect effects of government policies for export promotion on export performance. This is related to the evolution of international Cocoa marketing from a predominantly state-owned before the late 1980s and the increasing privatisation thereafter which saw the growth of SMEs Cocoa exporters (Coulter and Abena, 2010). This evolution and the growing number of SME cocoa exporters create a research need to investigate the effectiveness of GPEP on the export performance of SME Cocoa exporters in Cameroon. Given that this is an under-researched area, the findings improve our understanding not only of the effects of export promotion programmes but also the practical and policy implications for helping SME Cocoa exporters to maximise the benefits of the programmes.

Finally, studies on Africa (Cameroon), therefore, are important because it reveals a dearth of international involvement among African firms which makes advancing theory in Africa a paramount issue to export development (Darlene, 2015; Jieke et al., 2016). Africa is responsible for more than 75% of Cocoa produce and exported globally which makes it a global phenomenon worth investigating (Boansi 3013; ICCO, 2014). Moreover, the data collection experience in non-transparent circumstances will considerably enhance the future research by the researcher and contributes to the understanding of future research in related research programmes as shown in the researchers' on-going journal, and conference contributions are seen in the publication list at the beginning of the thesis.

7.4.2 Managerial Contribution

The result of this research indicates that government policies for export promotion have a direct and indirect effect on the export performance of SME Cocoa exporters. This implies SMEs benefiting from these programmes will have more finance for exporting, more export market information to make the right market decisions and experience increase in their management capability through knowledge development from participating in export

seminars or trade shows. The implications are that policies help managers overcome barriers to exporting, motivate managers and help them develop a positive attitude towards exporting. Moreover, by benefiting from these programmes, manager's uncertainty and perceived risk about the exporting is reduced due to the fact that policies such as providing export information, trade shows, and seminars provide managers with experimental knowledge need to build a network with foreign buyers and overcome export barriers.

Overcoming these barriers to exporting make managers improve export performance and make them believe exporting is profitable. It is also imperative for managers to make an effort in obtaining information about these programmes and benefiting from the programmes because research has shown the programmes do have a positive impact on developing management skills and increasing the firms export performance. Managers should also analyse respective export programmes and make sure such programmes are relevant to the stage at which they are in the internationalisation process to make maximum use out of the program. Moreover, managers need to develop a committee which will evaluate respective programmes to see if there is a need for improvement, modification or elimination of existing programmes and what type of programmes they may need from the government. This committee will then send their recommendations to the government authorities who will be expected to act on the recommendations of the committee.

7.4.3 Policy Contribution

Low awareness and the use of government policy were attributed to several factors as discussed in section 6.2. Gençtürk and Kotabe (2001) even made mention of the fact that must government officials in many developing countries are making policies available to their friends and relatives. The questionnaire shows that many of these SMEs were not aware and were not benefiting from a range of policy available to them that can help improve export performance. This raises the question of how to create awareness, making sure SMEs benefit from these policies, and above all making sure SMEs are

using the policies that best describe their respective stages in the internationalisation process. The government, therefore, should be transparent in the provision of export promotion programmes by making sure SMEs have full access to these programmes. The government should also, therefore, be able to accept and act on the recommendations from the committee of SME Cocoa exporters about existing or new programmes because they better understand the impact of these policies on their business.

In terms of improving awareness, the government should maximise all possible means of communication to make sure up-to-date market information and information about export promotion programmes get to the SMEs. While making use of the radio and TV to publicise such policies, the use of newsletter should be wide use. Field advertisements should be encouraged because some of the TV and radio programmes can go unnoticed. Also, information about these policies should not only include the availability of the policies and how SMEs can benefit from them, but should also provide SMEs about how benefiting from the usage of these policies will impact their business. Moreover, information about these policies should be sent out based on the language best spoken and understood in the various regions. The dominant use of the French language in the country should be restricted to the French section why information on West Cameroon should be entirely in English. The government should understand the benefit of these SMEs to the growth of the country and therefore ensure that benefits from the policies should be based on political inclination, friends or family relations.

7.5 Limitations and Directions for Further Research

This research has key strengths in some areas. First, its conceptual framework was built after a careful review of relevant literature depicting the empirical link between the direct and indirect effects of government policy for export promotion on the export performance of SME Cocoa exporters. Second, the methodology and method of analysis used for this research are

very robust as shown in chapter four. It has made use of structural equation modelling to analyse the data. Primary data for the research was obtained through a questionnaire and was self-administered. However, there are some limitations which provide avenues for further research as explained below.

Transparency has been a big issue for many African economies like Cameroon. Issues of transparency are manifested in the form of lack of data, lack of reliable data, refusing to provide data due to fear of the unknown among others. It was, therefore, difficult to have a valid secondary data that could have contained an up-to-date list of SME Cocoa exporters and acted as a reference point in identifying research participants for the research. Moreover, the scope of the research was limited to just two out of the seven Cocoa producing regions in Cameroon to obtain a sample of 101 SMEs. These two regions (South West and Central) are, however, responsible for 50% and 30% of total Cocoa produced in Cameroon (Ngoon and Forgha, 2013). Even though the sample size could have been increased if all seven regions were considered, the 101 samples from two regions accountable for 80% of total Cocoa produced in the Cameroon can be a fair representation of the economy.

The researcher has used the perception of the managers to understand their performance without asking for discrete financial data which many SMEs will not be willing to give for various reasons. This may raise some questions as to how reliable manager's perception can be used in the analysis. However, many other studies such as Oly Ndubisi et al., (2009), Shamsuddoha et al., (2009), Gençtürk and Kotabe (2001) also had non-discrete financial data in their research and obtained the desired outcome. Research that will make use of real financial data is needed to generate a deeper understanding of the effects of export promotion programmes on export performance.

More interesting information could have been obtained if this research was cross-sectional or longitudinal. It is therefore not possible to generalise the findings to other sectors. The research, therefore, accepts the criticism of a

case study approach. Moreover, interesting information could have been gained if this research had involved other developing countries involved in the exportation of Cocoa in Africa. There is, therefore, the need for research that will be cross-sectional or longitudinal that will analyse two or more sectors to make a comparison of the performance consequences of respective sectors as a result of benefiting from government policies for export promotion. Research is also needed on comparative studies with other countries and see what Cameroon can learn from them.

The research design used in this study to critically investigate the effect of government policy on export promotion on the export performance of SME Cocoa exporters is quantitative. This was justified in the literature because all of the studies that have investigated such relationship have adopted a quantitative approach. This quantitative method was also used because the research was about cost effect relationships and have focused mainly on SME Cocoa exporters perception and nor that of the government. It is therefore required that qualitative research is conducted that involves both SME Cocoa exporters and government authorities that will rediscover the hidden motives for SME Cocoa exporters to use government policy for export promotion and a critical examination of the knowledge acquisition process. Moreover, this research has used aggregate measures for government policies for export promotion and export performance. This, to some extent could have prevented a deeper understanding of the hypothesised model as individual policies could be having different effects on individual measures of export performance. The researcher, therefore, suggests further research to be conducted that analyses individual policies against respective measures of export performance.

Based on the above limitations, the generalisation or applicability of the findings of this research to other sectors or context should be undertaken with caution. The next section will now provide a chapter conclusion.

7.6 Chapter Conclusion

Drawing from the resource-based view of the firm, this research investigated the direct and indirect effects of government policies for export promotion on the export performance of SME Cocoa exporters in Cameroon. To address the research objective, a conceptual model which lead to the development of hypotheses was developed after reviewing relevant literature and underpin to the resource base view of the firm. Quantitative research method (questionnaire) through snowball sampling was used to collect data from collect 101 SME Cocoa exporters in the South and Central Regions of Cameroon. Using information from the 101 samples, the research validates the conceptual framework to show that government policies for export promotion have direct and indirect effects on the export performance of SME Cocoa exporters in Cameroon. These policies can, therefore, play a fundamental role as a core capability in improving export performance of SME Cocoa exporters in Cameroon. The research makes contributions to theory, practical implications and policy development in Cameroon which is a classic example of a developing economy where studies on export performance are limited and urgently needed.

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APPENDIX A

QUESTIONNAIRE

A CRITICAL EXAMINATION OF THE DIRECT AND INDIRECT EFFECTS OF GOVERNMENT POLICIES FOR EXPORT PROMOTION ON THE EXPORT PERFORMANCE OF SMEs COCOA EXPORTERS IN CAMEROON

INTRODUCTION

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This research critically assesses the effectiveness (direct and indirect effects) of government policies for export promotion on the export performance of SMEs Cocoa exporters in the South West and Centre Regions of Cameroon. The framework builds on the literature by discussing the relationship between government policy for export promotion and the export performance of SME Cocoa exporters, with a particular focus on the resource-based view. The researcher does not need any company financial information. The findings will be useful to both SMEs and policy makers.
This research is conducted as part of the PhD thesis at the **University of Wales Trinity Saint David (TSD)** in London. Confidentiality and anonymity of your participation are guaranteed by the TSD ethics and research procedures. Your participation in this project is not obligatory. If you choose to participate, please, kindly fill in this questionnaire following the instructions provided. This research is purely for academic purpose. Your responses would provide the main data set for my PhD research project and the information provided will be treated in the strictest of confidence. The final results will be made available to participants at the end of the project.
Please kindly answer the following questions by ticking the right responds.

THE QUESTIONNAIRE

THEME 1: THE PROFILE OF EXPORT-RELATED SME

1. What is the name of your organisation (optional)?
   _____

2. Ownership status: a) Sole proprietorship ☐ (b) Partnership/Cooperative ☐

3. What is the size of your firm: a) Less than 5 (b) 5-10☐(c) 10-15☐(d) 15-20☐(e) 20 and above ☐

4. Size of SME capital(Million CFA): (a) 0-25 ☐(b) 25-50 ☐(c) 50-75 ☐(d) 75-100 ☐

5. Number of years in export (direct or indirect) business: a) 3-8 years ☐ (b) 8-13 years ☐ (c) 13-18 years ☐ (d) Above 18 years ☐

6. Describe your level of formal education (Tick all that is applicable):
(a) Primary Education ☐ (b) Secondary/Vocational College☐ (c) University degree BA, BSc, etc.)☐

THEME 2: ATTRACTIVENESS OF THE COCOA INDUSTRY FOR EXPORT-RELATED SMES

7. How would you describe your level of agreement or disagreement with the following statements with regards to the attractiveness of the business environment with "1" = strongly disagree (SD), "2"= disagree (D), "3" = somehow disagree (SHD), "4" = neither disagree nor agree (NDNA), "5" somehow agree (SHA), "6" = Agree (A) "7" = strongly agree (SA)

Statements	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Increase in Cocoa production has been consistent							
Transportation facilities and distribution networks are good							
The exits direct financial/non-financial support from government							
Financial intermediaries (access to loans, make/receive payments) are guaranteed							
Firms have greater access to foreign markets							
Laws and procedures to facilitate business in the cocoa industry are easy to understand and less costly							

8. Please rank your level of agreement with the following statement on the major challenges preventing your business from archiving the objectives described in Q 10 above by ticking the right responds (with "1" = strongly disagree (SD), "2"= disagree (D), "3" = somehow disagree (SHD), "4" = neither disagree nor agree (NDNA), "5" somehow agree (SHA), "6" = Agree, "7" = strongly agree (SA))

Business Challenges	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Access to finance and capital							
Transport and distribution networks							
Education and professional training (for operating an export-related business)							
Poor relationships with other firms in the cocoa industry							
High taxes and other government-related fees							
Variations in the quantity of cocoa produced during specific periods							
Knowledge of cocoa industry supply chain							

9. How will you describe the extent to which your firm has achieved the results of the following over the past three years (2011-2014)? Please circle "1" for Much below expectation, "2" below expectation, "3" a little below expectation, "4" expectation achieved, "5" a little more expectation, "6" more expectation and "7" much above expectation.

Performance Measures	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Profit growth							
Retends on investment							
Increase size and scale of business (e.g., opening branches in other parts of the country)							
Established direct relationship with partners (e.g., farmers, agents, foreign buyers)							
Change in business orientation (e.g., From unlicensed buying agents to licensed buying agents or from agents to independent exporters)							

THEME 3: EXPORT FINANCE

10. Please indicate by ticking the response, which indicates the extent to which you agree or disagree with each of the following statements (with "1" = strongly disagree (SD), "2"= disagree (D), "3" = somehow disagree (SHD), "4" = neither disagree nor agree (NDNA), "5" somehow agree (SHA), "6" = Agree, "7" = strongly agree (SA))

Statement	**1**	**2**	**3**	**4**	**5**	**6**	**7**
The firm is able to finance its activities from retained profit							
The firm is able to finance its activities from loans obtained from commercial banks							
Export finance provided by the government is often adequate for the firm to efficiently carry out it transactions							
The tax breaks provided by the government often leaves your firm with sufficient funds to effectively carry out it transactions							
Trade agreements signed by the state which also reduces trade barriers provide firms with extra resources to finance their transactions							

THEME 4: EXPORT MARKETING

11. Please indicate by ticking the responds that correspond to the extent to which you agree or disagree with the following statements with "1" = strongly disagree (SD), "2"= disagree (D), "3" = somehow disagree (SHD), "4" = neither disagree nor agree (NDNA), "5" somehow agree (SHA), "6" = Agree, "7" = strongly agree (SA)

Statement	**SD 1**	**D 2**	**SHD 3**	**NDNA 4**	**SHA 5**	**A 6**	**SA 7**
The firm has a well develop channel for distributing its product to foreign markets							
The firm has the right source to collect information to effective analyse the export market							
The firm normally export in large quantities							
The firm has identified customers' needs and wants in terms of the quality of the product							
The firm has full knowledge about trade barriers in markets that it serve							
The firms have a good knowledge about the existence of trading blocks in it export market							
The firm is able to understand and deal with the documentation formalities in exporting							
The firm has the right marketing mix (right product, price, place, and promotion) for it product							
The firm sells it product to many countries to benefit from good retendss in well performing markets							

THEME 5: MANAGEMENT CAPABILITIES

12. Please indicate by ticking the response, which indicates the extent to which you agree or disagree with each of the following statements (with "1" = strongly disagree (SD), "2"= disagree (D), "3" = somehow disagree (SHD), "4" = neither disagree nor agree (NDNA), "5" somehow agree (SHA), "6" = Agree (A), "7" = strongly agree (SA))

Statement	**SD 1**	**D 2**	**SHD 3**	**NDNA 4**	**SHA 5**	**A 6**	**SA 7**
The firm can prepare and handle necessary documentation for exporting							
The firm has significant knowledge about their export market							
The firm has knowledge about international marketing services available from public sources							
The firm can arrange to ship without any difficulty							
The firm's product is more profitable in the export market than in the home market							
Making contacts in foreign market (customers, distributors, LBA, etc.) is easy							
Its relatively simple and easy obtaining payments for sales made to foreign buyers							
The firm's product can compete in the export market							
The export market is not stable							
Exchange rate variations make exporting difficult							
The export market for the firm's product is not stable							

THEME 5: GOVERNMENT POLICY AND PERFORMANCE OF EXPORT-RELATED SMES

13. Please indicate whether you are aware of each of the following measures undertaking by the government to support export-related SMEs? (A= not aware of government support, B= Aware but have never benefited from government support, C= Aware and have benefited from government support)

Measures of performance	A	B	C
Direct financial support to SMEs (e.g. subsidies, tax breaks)			
Direct access to export-related information (e.g. chamber of commerce, foreign trade mission)			
Measures to facilitate access to foreign markets (e.g. trade agreements, reduction in trade barriers)			
Measures to promote networking among export-related SMEs (e.g. trade fairs, exhibitions)			
Measures to develop business and management skills of SMEs (e.g. training programmes, seminars, and conferences)			
Measures to facilitate access to credits (e.g. interest rates, collaterals, support to encourage banks to grant loans to SMEs)			
Measures to facilitate business creations (e.g. procedures to creating a new business, reducing length of time to approve application for licenses)			

14. If your answer to any of the above government measures in Q12 above is C please complete the following table on the effects of each measure on the success of your business (1= Not at all benefit, 2 = not very much benefit, 3 = a little benefit, 4 = somehow benefit, 5 = benefit, 6 = considerable benefit, 7 = very much benefit)

Measures of performance	1	2	3	4	5	6	7
Direct financial support to SMEs (e.g. subsidies, tax breaks)							
Direct access to export-related information (e.g. chamber of commerce, foreign trade mission)							
Measures to facilitate access to foreign markets (e.g. trade agreements, reduction in trade barriers)							
Measures to promote networking among export-related SMEs (e.g. trade fairs, exhibitions)							
Measures to develop business and management skills of SMEs (e.g. training programmes, seminars, and conferences)							
Measures to facilitate access to credits (e.g. interest rates, collaterals, support to encourage banks to grant loans to SMEs)							
Measures to facilitate business creations (e.g. procedures to create a new business, length of time to approve application for licenses)							

THEME 6: NETWORK RELATIONSHIPS IN THE COCOA INDUSTRY VALUE CHAIN

15. How will you rank your level of agreement or disagreement on the important of the 'type' of relationship when interacting with other business partners in facilitating your business operations? (with "1" = strongly disagree (SD), "2"= disagree (D), "3" = somehow disagree (SHD), "4" = neither disagree nor agree (NDNA), "5" somehow agree (SHA), "6" = Agree (A), "7" = strongly agree (SA))

Measures of performance	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Formal contracts defined in written document							
Informal contracts based on trust and commitment							