

**MARITIME ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT IN
SELECTED RIVERINE COMMUNITIES IN ANAMBRA STATE**

Unachukwu, Ikenna Chukwukamnene
Email: ic.unachukwu@unizik.edu.ng

Abstract

The study evaluated the impact of maritime entrepreneurship on economic development in selected riverine communities in Anambra State. Specifically, the study sought to determine the extent to which maritime entrepreneurship enhance employment creation; boost rural economy; and enhance the income of the rural population in riverine communities in Anambra State. Relevant conceptual, theoretical and empirical literatures were reviewed. The study was anchored on theories of the Refugee and Schumpeter effects. Survey research design was adopted. The population of the study constitutes all the maritime entrepreneurs in three selected riverine communities in Anambra State. The communities include Atani, Otuocho and Omor. Sample size of 90 maritime entrepreneurs was purposively selected for the study. Questionnaire was employed as the instrument of data collection. Simple regression was employed in analyzing the data. The study found that maritime entrepreneurship has significant impact on employment creation in the riverine communities. Also, maritime entrepreneurship was found to have enhanced the income of the rural population in the riverine communities. The study further found that maritime entrepreneurship boost rural economy in the riverine communities. Based on the foregoing, the study concludes that maritime entrepreneurship has significant impact on economic development in riverine communities in Anambra State. The study therefore recommends that specialized training programmes in entrepreneurship should be organised to expose potential and existing maritime entrepreneur to risk-taking strategies inherent in self-employment and wealth creation.

Key Words: Maritime Entrepreneurship, Maritime Entrepreneurs, Economic Development

INTRODUCTION

The contribution of entrepreneurship and maritime entrepreneurship in particular in fostering economic growth and development cannot be overemphasized. The specific attention on them is based on their expected impact and potential contribution on broad and diversified production base, as well as their acceleration effect in achieving macro objectives pertaining to full employment, income distribution and the development of local technology. They are particularly most conducive for diffusion of management skills and emulation of indigenous entrepreneurship overtime. Maritime entrepreneurship is a key to economic development due to its strategic niche in the transformation and creation of jobs in the maritime sector. The growing interest in the area of entrepreneurship has developed alongside interest in the changing roles of small businesses. Maritime entrepreneurship has a fabulous potential in developing the economy of the riverine communities particularly in developing nations.

Ajagbe and Ismail (2014) posit that entrepreneurship is viewed as the capability and attitude of an individual or team of people to implement new ventures ideas with the possibility of success or failures. Nwachukwu and Ogbo (2012) assert that entrepreneurship represents the veritable vehicle for achieving nation's economic objective of employment generation, poverty reduction, indigenous technology, reduce the flow of people from rural to urban areas, increase the gross domestic earning etc. at low investment rate as well as the development of capabilities. Similarly Ogbari, Ajagbe and Ada-Turton (2015) posit that a healthy entrepreneurship sub-sector is a sine qua non for inclusive and socially sustainable development even though institutions that provide support services where available are often limited in capacity and coverage in developing economies. It is obvious on the way some countries have encouraged the entrepreneurs particularly in the maritime sector, thus reducing the level of unemployment to the barest minimum in the maritime environment.

Nigeria has vast and extensive maritime endowment base with a coastline of 800 kilometers, an Exclusive Economic Zone of over 200 nautical miles and this predisposes on the nation's maritime sector the potential to speed up her economic development beyond crude oil revenue earnings. Additionally, Nigeria has a vast inland waterway

resource estimated at about 3,000 kilometers and comprising of over 50 rivers, both large and small, that can support a vibrant inter-regional trade (Usman, 2020). The country is also advantageously located on the coastline corridors of the Gulf of Guinea and the Bight of Benin and has eight littoral states coupled with a growing population and huge market that confers the capacity to stimulate substantial domestic tonnage. The critical issue has been whether entrepreneurs have begun to strategically harness and exploit these opportunities in view of envisaged positive contributions to the growth of the nation's economy and thereby reduce the nation's unsustainable over-reliance on petroleum as Nigeria's major revenue earner.

Most of Nigeria's current economic woes can be partly traced to a historic over dependence on oil to the negligence of all other sectors including customary trades, agriculture and maritime sector, decades of non-inclusive policies that alienated the vast majority of Nigerians plunging the country into a miasma of extreme poverty, ravaging civil and political strife. Economic decline in Nigeria since the 1980s has created a hostile environment that is unfavorable to maritime entrepreneurial success in the riverine communities. The lack of infrastructure limits maritime entrepreneurial effectiveness in the riverine communities and is a barrier to success. The high cost of doing business in Nigeria, such as the lack of adequate electricity and basic needs by a large amount of the population cripple maritime entrepreneurial activity. Difficulty in gaining access to bank credits and other financial institutions proved to be a major obstacle hindering the process of maritime entrepreneurial development but the most serious and damaging problems threatening the state of maritime entrepreneurship in Nigeria is a lack of government interest in and supports for medium scale enterprises particularly in the riverine areas. This explains why there has never been any real attempt on the part of government to develop any programs or lasting policies to support small businesses in the riverine areas.

Maritime entrepreneurial forces are relatively strong in Nigeria as the lack of jobs and raise in poverty leaves few other options for the Nigerian people. The crisis of youth unemployment in the labour market due to corruption, which has permeated the entire social structure of Nigeria, has robbed the country of developing a vibrant economic base. Funds meant for development projects have been misappropriated,

diverted or embezzled and stashed away in foreign banks (Okafor, 2010). Based on the foregoing, the study evaluated the impact of maritime entrepreneurship on economic development in selected riverine communities in Anambra State. Specifically, this study examined the extent to which maritime entrepreneurship enhance employment creation in riverine communities; ascertain the extent to which maritime entrepreneurship boost rural economy; and investigate the extent to which maritime entrepreneurship enhance the income of the rural population.

LITERATURE REVIEW

Maritime Entrepreneurship

Entrepreneurship is an ancient concept that is both simple and complex at the same time. Conceptualization, definitions and understandings of the phenomenon, have attracted scholars and practitioners for a very long time. Tijani (2004) even though the definition of entrepreneurship has been debated among scholars, educators, researchers and policy makers since the concept was first established in the early 1700's, there is no complete consensus on the definition of this field of study. Tijani-Alawiye (2005) defines entrepreneurship as the process of increasing the supply of entrepreneurs or adding to the stock of supply of small, medium and big enterprises available to a country by creating and promoting many capable entrepreneurs who can successfully run innovative enterprises, nurture them to growth and sustain them with a view to achieving broad socio economic development goals.

Akanwa and Akpanabia (2012) argued that entrepreneurship is the willingness and ability of an individual to seek out investment opportunities, establish and run an enterprise successfully. Owoseni and Adeyeye (2012) argued that entrepreneurship is more than starting a business and it is a process through which individuals identify opportunities, allocate resources, and create value. This creation of value is often through the identification of unmet needs or through the identification of opportunities for change. Akande (2014) described entrepreneurship as a powerful engine of economic growth and wealth creation for many developing countries, which is crucial for improving the quality, number and variety of employment opportunities for the poor. Worlu (2011) maintained that the importance of entrepreneurship in developing

countries is more pronounced because it offers the only feasible avenues for creating additional jobs and thus lowering poverty and boosting the standard of lives. Ogbari, Ajagbe and Ada-Turton (2015) posit that a healthy entrepreneurship sub-sector is a *sine qua non* for inclusive and socially sustainable development even though institutions that provide support services where available are often limited in capacity and coverage in developing economies.

Simply put maritime entrepreneurship means entrepreneurship activities within the maritime sector or environment. Maritime entrepreneurship refers to promoted innovative business concepts related to the maritime economy and the values of sustainable entrepreneurship contributing thus to the improvement of entrepreneurial mentality with socio-economic benefits and the enhancement of business activity in the maritime environment. White (2018) defined maritime entrepreneurship as the practice of creating or innovating new products or services within existing businesses or within newly forming business particularly in the riverine areas. Shepherd (2017) defines maritime entrepreneurship as the process by which individuals notice opportunities in the maritime sector and act to creatively organize transactions between factors of production so as to create surplus value.

Economic Development

There is no unanimously accepted definition, but most of the scholars think of the economic development as a process that generates economic and social, quantitative and, particularly, qualitative changes, which causes the national economy to cumulatively and durably increase its real national product (Haller, 2012). Economic development is the increase in the standard of living in a nation's population with sustained growth from a simple, low-income economy to a modern, high-income economy. Economic development is therefore expressed in a longer period of time. Economic development of an economy consists of a series of structural changes. The economic development of the country will be achieved through greater participation of the processing capacity of industrial production (secondary sector), and at higher levels is increasingly dominated by service sector (tertiary sector). Economic development is a process where low income national economies are transformed into modern industrial

economies. It involves qualitative and quantitative improvements in a country's economy. Political and social transformations are also included in the concept of economic development in addition to economic changes. Literally, economic development can be defined as passage from lower to higher stage which implies change.

Economic development encompasses progress in providing livelihood on a sustainable basis, access to education and basic healthcare for the majority of the population (Belshaw & Livingstone, 2002). The meaning of the term "development" becomes clearer with the understanding of the term "economic growth". By economic growth, economists generally mean the increase over time in a country's real output per capita. Though other measures can be used, output is most conveniently measured by the gross national product (GNP). This implies that economic growth is measured by the increase in a country's per capita GNP. Economic growth is thus sustained expansion of production possibilities measured as an increase in the real GDP over a given period. Rapid economic growth maintained over a number of years can transform a poor nation into a rich one, as has been the experiences of Hong Kong, South Korea, Taiwan and other Asian economies (Bade & Parkin, 2002).

Theoretical Framework

This study was anchored on resources based theory of entrepreneurship. The Resource-based theory of entrepreneurship argues that access to resources by founders is an important predictor of opportunity based entrepreneurship and new venture growth. This theory stresses the importance of financial, social and human. Thus, access to resources enhances the individual's ability to detect and act upon discovered opportunities. Financial, social and human capital represents three classes of theories under the resource – based entrepreneurship theories.

1. Financial Capital/Liquidity Theory, this theory suggests that people with financial capital are more able to acquire resources to effectively exploit entrepreneurial opportunities, and set up a firm to do so.
2. Social Capital or Social Network Theory, that is, an individual may have the ability to recognize that a given entrepreneurial opportunity exist, but might lack the social

connections to transform the opportunity into a business start-up. It is thought that access to a larger social network might help overcome this problem.

3. Human Capital Entrepreneurship Theory, underlying the human capital entrepreneurship theory are two factors, education and experience. The knowledge gained from education and experience represents a resource that is used by individuals to discover and understand differences in opportunity identification.

This theory is relevant to the study in that ability to acquire financial resources, social network and the necessary education and experience are necessary for entrepreneurs to effectively function in this environment in order to contribute meaningfully to economic development of their locality.

Empirical Review

Mwangi and Ngugi, (2014) examined the influence of entrepreneurial orientation on growth of micro and small enterprises in Kenya. The research adopted a descriptive research design. Multivariate regression model and correlation analysis were employed in analyzing the data. The results indicated that innovativeness had an effect on growth of SMSEs; results also revealed that risk taking had an effect on growth of MSEs; pro-activeness was also statistically significant and entrepreneurial managerial competence had an effect on growth of SMSEs. Ogbo (2012) examined the role of entrepreneurship in economic development in Enugu State. Chi-square statistics and analyses of variance were employed in analyzing the data. The study found that SMEs have performed below expectation due to a combination of problems which ranges from attitude and habits of SMEs themselves through environmental related factors, instability of governments and frequent government policy changes etc.

Akande (2014) examined the effect of Entrepreneurial business operation on the economic survival of the Nigeria people in Ilorin Metropolitan area. The results of the research show that small scale business operation has a positive and significant effect on the economy Survival. Ali and Ali (2013) identified the relationship between entrepreneurship development and poverty reduction at Benadir region in Somalia. The result indicates that there was weak positive correlation between entrepreneurship development and poverty reduction. Misango and Ongiti (2013) examined the

economic role of women entrepreneurs in poverty reduction in Kenya. A case study was carried out among women entrepreneurs at the Maasai market within Nairobi City's Central Business District. The result indicates that majority of the respondents agreed that the businesses had made them improve their economic status. The businesses contributed to the promotion of tourism, employment and export trade.

METHOD

The study adopted descriptive survey research design. This method was chosen because it is designed to scientifically describe phenomena and their relationships in the actual environment after a given time secondly, the use of sample of respondents drawn from the population and considered a representative of the population has been widely applied in similar previous researches. This study was carried out in Anambra State. Three riverine communities along the bank of River Niger were studied. The communities include Atani, Otuocha and Omor. The communities were selected for the study because of its maritime environment and the presence of high number of maritime entrepreneurs in the area. Purposive sampling technique was employed in selecting 90 entrepreneurs, 30 each from the communities selected for the study. Structured questionnaire was employed as the instrument of data collection. Simple regression technique was employed in analyzing the data.

RESULTS

Simple regression technique was used to empirically test the impact of maritime entrepreneurship on economic development in riverine communities. The result of the analysis is presented and analyzed below.

Maritime Entrepreneurship and Employment Creation

Table 1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.795 ^a	.645	.531	2.755	1.941

a. Predictors: (Constant), Maritime Entrepreneurship

b. Dependent Variable: Employment Creation

Table 2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	558.267	4	139.567	18.390	.000 ^b
Residual	1722.728	96	7.589		
Total	2280.996	90			

a. Dependent Variable: Employment Creation

b. Predictors: (Constant), Maritime Entrepreneurship

Table 3 Coefficient of the Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	7.485	2.073		3.610	.000
Maritime Entrepreneurship	.073	.058	.073	2.254	.001

a. Dependent Variable: Employment Creation

Source: SPSS 23.0

Table 1 shows the coefficient of determination (R^2), the adjusted R^2 and Durbin Watson Statistics. Coefficient of determination (R^2) value of 0.645 and adjusted R^2 value of 0.531 indicate that the explanatory power of the independent variables is relatively high. This implies that 53.1% of the variations in employment creation in the riverine communities in Anambra State are being explained by the variations in maritime entrepreneurship. Also, the Durbin-Watson (DW) statistics recorded a value of 1.941 which is approximately 2. This implies that there is no autocorrelation since d^* is approximately equal to two. Therefore, the variables in the model are not autocorrelated and that the model is reliable for predications.

Table 2 above indicates that f-statistics recorded a value of 18.390 with f-statistics probability of 0.000. This shows that the independent variables have significant

relationship with the dependent variable. This shows that maritime entrepreneurship explain the variations in employment creation in riverine communities in Anambra State. The t-statistics value of 2.254 and probability value of 0.001 in table 3 indicates that maritime entrepreneurship has significant relationship with employment creation. This implies that maritime entrepreneurship enhance employment creation in riverine communities in Anambra State.

Maritime Entrepreneurship and Boosting of Rural Economy

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.263 ^a	.669	.652	3.060	1.988

a. Predictors: (Constant), Maritime Entrepreneurship

b. Dependent Variable: Boosting of Rural Economy

Table 5 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	192.689	5	38.538	4.116	.001 ^b
Residual	2593.275	85	9.362		
Total	2785.965	90			

a. Dependent Variable: Boosting of Rural Economy

b. Predictors: (Constant), Maritime Entrepreneurship

Table 4.3.2 Coefficient of the Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	25.943	2.252		11.520	.000
Maritime Entrepreneurship	.008	.062	.008	2.120	.004

a. Dependent Variable: Boosting of Rural Economy

Source: SPSS 23.0

Table 4 shows the coefficient of determination (R^2) value of 0.669 and adjusted R^2 value of 0.652 indicate that the explanatory power of the independent variables is relatively high. This implies that 65.2% of the variations in boost in rural economy in the riverine communities in Anambra State are being explained by the variations in maritime entrepreneurship. Also, the Durbin-Watson (DW) statistics recorded a value of 1.988 in Table 4 implies that there is no autocorrelation since d^* is approximately equal to two. Therefore, the variables in the model are not autocorrelated and that the model is reliable for predications.

Table 5 above indicates that f-statistics recorded a value of 4.116 with f-statistics probability of 0.001. This shows that the independent variables have significant relationship with the dependent variable. This shows that maritime entrepreneurship explain the variations in rural economy in riverine communities in Anambra State. The t-statistics value of 2.120 and probability value of 0.004 in table 6 indicates that maritime entrepreneurship boost rural economy in the riverine communities in Anambra State.

Maritime Entrepreneurship and Enhancement of the Income

Table 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.805 ^a	.726	.609	2.823	2.980

a. Predictors: (Constant), Maritime Entrepreneurship

b. Dependent Variable: Enhancement of Income

Table 8 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	539.395	5	107.879	13.534	.000 ^b
	Residual	1849.244	85	7.971		
	Total	2388.639	90			

a. Dependent Variable: Enhancement of Income

b. Predictors: (Constant), Maritime Entrepreneurship

Table 9 Coefficient of the Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.963	2.333		3.413	.001
1 Maritime Entrepreneurship	.097	.040	.153	2.425	.000

a. Dependent Variable: Enhancement of Income

Source: SPSS 23.0

Table 7 shows the coefficient of determination (R^2) value of 0.726 and adjusted R^2 value of 0.609 indicates that the explanatory power of the independent variables is relatively high. This implies that 60.9% of the variations in income enhancement in the riverine communities in Anambra State are being explained by the variations in maritime entrepreneurship. Also, the Durbin-Watson (DW) statistics recorded a value of 2.980 in Table 7 implies that there is no autocorrelation since d^* is approximately equal to two. Therefore, the variables in the model are not autocorrelated and that the model is reliable for predications.

Table 8 above indicates that f-statistics recorded a value of 13.534 with f-statistics probability of 0.000. This shows that the independent variables have significant relationship with the dependent variable. This shows that maritime entrepreneurship explain the variations in income enhancement in riverine communities in Anambra State. The t-statistics value of 2.425 and probability value of 0.000 in table 9 indicates that maritime entrepreneurship enhances the income of the rural populace in the riverine communities in Anambra State.

CONCLUSION

The study evaluated the impact of maritime entrepreneurship on economic development with particular reference to three selected riverine communities Anambra State. Data sourced from maritime entrepreneurs in these communities were subjected

to empirical analysis. The study found that maritime entrepreneurship has significant impact on employment creation in riverine communities. The study also found that maritime entrepreneurship enhances the income of the rural population in riverine communities. The study further found that maritime entrepreneurship boost rural economy in riverine communities. The findings is in line with the position of Usman (2020) that that the nation's maritime sector has become a notable contributor to efforts at poverty reduction, creation of wealth, promotion of skills acquisition and encouragement of entrepreneurship. Also, it has been proven, beyond doubt, that the maritime sector has the potential of contributing at least 10 percent of Nigeria's GDP in no distance future because Nigeria has the biggest market in Africa and generates about 65-67 percent of cargo throughput in West Africa, and 65 percent of all cargo heading for this region invariably end up in the Nigerian market (Usman, 2020). Based on the foregoing, the study concludes that maritime entrepreneurship has significant impact on economic development in riverine communities in Anambra State.

RECOMMENDATIONS

The study recommends the following:

1. Government should create a favourable atmosphere for maritime entrepreneurship development in the riverine communities by providing them with all necessary supports.
2. Specialized training programmes in entrepreneurship should be organised to expose potential and existing maritime entrepreneur to risk-taking strategies inherent in self-employment and wealth creation.
3. Government agencies and development partners should develop and organize business awareness workshops and disseminate information on investment opportunities available in the maritime environment locally.

References

- Ajagbe, A. M. & Ismail, K. (2014). Factors influencing venture capital assessment of high growth companies in Malaysia. *International Journal of Entrepreneurship and Small Business*, 21(4), 457-494.
- Akande, O.O. (2014). Entrepreneurial business orientation and economic survival of Nigerians. *International Review of Management and Business Research* 3(2), 1254 – 1263.
- Akanwa, P. U., & Agu, C. N. (2005). *Entrepreneurship theory and practice in Nigeria*. Owerri: Resources Development Centre.
- Ali D. A.H., & Ali, A.Y.S. (2013). Entrepreneurship development and poverty reduction: Empirical survey from Somalia. *American International Journal of Social Science*, 2. (2), 108-113,
- Belshaw, D. & Livingstone, I. (2002). *Renewing development in Sub-Saharan Africa: Policy, performance and prospects*. London: Routledge.
- Haller, A.P. (2012). Concepts of economic growth and development. challenges of crisis and of knowledge. *Economy Transdisciplinarity Cognition*, 15(1), 66 – 71.
- Mwangi, M.M.A., & Ngugi, K. (2014). Influence of entrepreneurial orientation on growth of micro and small enterprises in Kerugoya, Kenya. *European Journal of Business Management*, 1(11), 417 - 438.
- Naude, W.A. (2011) Entrepreneurship is not a binding constraint on growth and development in the poor countries, world Development.
- Nwachukwu, C. C. (2005). *The Practice of Entrepreneurship in Nigeria*. Onitsha: Africana-First Publishers Limited.
- Ogbari, M. I. E., Ajagbe, A. M. & Ade-Turton, D. (2015). Effects of Subcontracting on Modern Day Organizations. *Australia Journal of Commerce Study*, 2(2), 1-11.
- Owoseni, O.O., & Adeyeye, T.C. (2012). The role of entrepreneurial orientations on the perceived performance of small and medium-scale enterprises (SMEs) in Nigeria. *international Business and Management*, 5(2) 152 – 158.
- Usman, H.B. (2020). Entrepreneurial opportunities in Nigerian maritime sector. Retrieved from <https://guardian.ng/opinion/entrepreneurial-opportunities-in-nigerian-maritime-sector/> on June 17th, 2021.
- Worlu, E.R. (2011). Consumer–purchasing motives in nigerian cellular phone market: An empirical investigation. *Journal of Research in National Development*, 9(1), 33 – 42.