



Cabotage Law And Sustainable Indigenous Human Capital Development in Nigerian Maritime Administration and Safety Agency (Nimasa), Rivers State

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ABSTRACT	<p>In this study, researchers in Rivers State, Nigeria, looked at NIMASA, the country's maritime administrative and safety agency, to see how much of an impact the cabotage legislation has on the ongoing development of indigenous human capital. The study included two goals and two research questions. Following this, the research included the Human Development theory into its theoretical framework to elucidate the ever-changing character of Cabotage legislation as well as indigenous peoples' efforts to build sustainable human capability. This study used a descriptive survey research strategy. The study's population was 197, and the sample size that was ultimately employed was 181, using the census sampling approach. We used questionnaires to gather data. We used basic statistical tools like percentages, charts, means, and standard deviations to examine the data. Research in Rivers State, Nigeria, found that indigenous human capital is better used in the maritime industry, which in turn has increased the number of chances for Nigerians to have a say in Nigerian maritime affairs. The study recommended among others that since the level of implementation is not yet satisfactory, Nigerian government should carry out stricter cabotage policy that could limit waivers to foreign vessels, as this would ensure that Nigerians take full control of their maritime activities, to enhance sustainability.</p>
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Keywords:	Cabotage Law, Sustainability, Indigenous, Human Capital, Development, Maritime Administration, Safety
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Introduction

Merging the National Maritime Authority and the Joint Maritime Labour Industrial Council, two parastatals of the federal ministry of transport, on August 1, 2006, produced the Nigerian Maritime Administration and Safety Agency (NIMASA). The primary goals of the organization's founding were the regulation of shipping, the promotion of commercial shipping and cabotage activities, the administration of

maritime labour standards and security, the prevention and control of pollution in the marine environment, and other related matters. It follows that the cabotage unit in Nigeria is under the supervision of NIMASA. There are cabotage units in several nations that enforce stringent regulations against invaders and oversee shipbuilding and other marine activity (NIMASSA, 2006). In response to requests from well-known marine experts and operators, the

Nigerian government passed the Cabotage legislation. The government's need to make an attempt to tap into indigenous marine capabilities is largely responsible for this development. Secondly, to stop the current trend of foreign operators dominating Nigeria's territorial and extraterritorial marine commerce and to use the many possibilities in the sector to benefit the Nigerian people. The government's goal in instituting the Cabotage regime is to promote marine sector development via an interventionist plan to strengthen local capability in response to unsavoury foreign rivalry and dominance (Akabogu & Onyuike, 2004).

As a matter of practical policy, the Nigerian government established cabotage legislation. It was an economic strategy that was based on the experiences of other nations with similar natural resources. The act's focus on indigenization ensures that indigenous communities will have a chance to be involved in the oil and gas sector. To prevent capital flight, the policy check is in place. According to research by Chukwu (2018), referenced in Elem and Emeodu (2019), capital flight hinders a nation's growth. As a result, it is detrimental to the progress of developing countries. For this reason, the Cabotage Act stresses the need of investing in Nigerians' human capital by directing more of the country's labour into the maritime industry. This would help the country's economy expand and prosper. More chances for indigenous people to actively engage in the marine industry are one goal of the "Act" that has recently emerged.

There were several obstacles in the way of the policy's goal. Much of the media attention around the bill was devoted to claims of reborn ambition and the promise that foreign dominance in Nigerian coastal commerce would soon be a thing of the past. According to Nkoro (2012), indigenous Nigerian ship owners and management interests have a fresh window of opportunity in the maritime industry and the market since the Cabotage Law began on May 1, 2004. Unfortunately, there were a lot of obstacles that made it hard to enforce and put the legislation into practice. Oyesiku (2003) and

Filani (2008) state that the legal profession had significant difficulties, particularly in the area of human capacity development and manpower training.

"The human factor in the organisation, the combined intelligence, skills and expertise that gives the organisation its distinctive character," was Armstrong's (2006) explanation of the notion of Human Capital development. People inside the organisation have the power to make changes, innovate, and provide the creative drive that, when inspired, can secure society's existence for the long haul. Consequently, indigenous human development opportunities arise when individuals have the chance to invest in their personal capital. But despite all the obstacles that have stymied the indigenous people's human capital development, the advent of Cabotage legislation has given them hope. It is also crucial to note the connection between cabotage legislation and long-term initiatives to build indigenous peoples' capacities. The clause ensures that domestic shipping remains entirely indigenous by giving Nigerians the only right to engage in the country's coastal commerce and interior waterway transit (Anele, 2018). Other elements that contributed to the development of the cabotage policy include the preservation of national and economic interests, national security, and public agitations (Ijarshar, 2015). The expansion and improvement of the economy stand to gain much from a strategy that is more protectionist in character. Weak policy execution and infrequent policy reviews could have unintended consequences. The expansion of Nigeria's shipping capacity is critical to the country's future, and a well-executed cabotage strategy might lead to an increase in employment opportunities, a rise in skill acquisition, a rise in revenue production, and, finally, a rise in income. With that claim in mind, we set out to investigate NIMASA's policies on cabotage law and the long-term cultivation of indigenous peoples' human capital.

Statement of the Problem

To address the overall maritime development gap and encourage more Nigerian boats and

enterprises to participate in international shipping, the cabotage legislation incorporates promotional initiatives. Such a development is far from unique and has remained a major worry for those involved in shipping. Ngbuelo (2023) cites research by Ndikom et al. (2017) that indicates that after more than a decade of implementation, Nigeria's cabotage programme has failed to provide the desired outcomes. That in no way absolves it of responsibility for the lack of beneficial effects. Ship operators and maritime stakeholders are confident that the cabotage law opened up many opportunities for Nigerian shipping businesses (Ozioruva, 2004; Chilaka and Ege, 2018). Many believed that local operators would be able to grow thanks to the law's multiplier effect, which would benefit various segments of the domestic shipping industry.

Despite the cabotage rules outlining the process for putting the Act into action, doing so has proven difficult, and stakeholders and the general public are now quite critical of the implementation effort. Developing and enforcing the cabotage Act falls on the Nigerian Maritime Administration and Safety Agency (NIMASA). The goal of this law is to encourage indigenous shipping lines to take part in coastal and inland trade, manage the Cabotage Vessel Financing Fund (CVFF), educate potential investors about the cabotage trade through seminars, workshops, conferences, etc., and keep track of all the ships owned by indigenous shipping lines so they can participate in the national cabotage trade (NIMASA website, 2019).

Research on cabotage and the cultivation of human capital is extensive. One such research is that of Okon and Edem (2019), which looked at the effects of the Nigerian government's cabotage law on the indigenous shipping industry in the state of Rivers. Evidence suggests that cabotage legislation has a multiplicative effect on the development and maintenance of an area's indigenous people resource. The research concluded that improving human capital was an essential part of enforcing Nigeria's Cabotage Law. It takes more than 20 years to become an expert

shipbuilder, according to a research on capacity building by Igbokwe (2006), which suggests that the government should provide resources to human-capacity development. Limiting this to the oil and gas industry at the price of commercial shipping might be a mistake. The reason for this is because the marine business encompasses much more than just oil and gas.

According to research by Njar and Okon (2018), which examined the effects of Nigeria's capotage law on SMEs and indigenous shipbuilding technologies, the capotage regime significantly reduces the number of indigenous boats. Research by Olukoju (2004) provide credence to the claims made above, revealing that the Nigerian government allocated a pitiful \$25 million for shipping development after the passage of the Cabotage Act in 2003—a sum that pales in comparison to the country's population. This implies that the Nigeria Maritime Authority (NMA) and indigenous business owners were just involved in collecting rent. Previous administrations and its proxies have a history of misappropriating and diverting NMA cash rather than investing in the industry's future. Five percent of yearly revenue will go towards funding the marine Academy of Nigeria (MAN) under the NIMASA Act, while thirty-five percent would go towards developing marine infrastructure.

The effects of the Cabotage Act on business formation and expansion in Nigeria were the subject of research by Nweze (2006). The study found that cabotage, which can be defined as trade along the coast or in inland waterways, has a significant impact on the economy of the country. The cabotage act offers several business opportunities, including: improving indigenous capital formation in the maritime sector; transferring technological know-how to Nigerians; increasing employment opportunities for Nigerians in the maritime industry; enhancing national finances, particularly in the area of foreign exchange conservation; and giving the government and the people of Nigeria more say over maritime security.

Njar and Okon (2018) found that indigenous shipbuilding technology and small and medium

enterprises in Nigeria were both affected by the cabotage law. This suggests that the cabotage regime has a major effect on the quantity of indigenous boats. Research by Olukoju (2004) provide credence to the claims made above, revealing that the Nigerian government allocated a pitiful \$25 million for shipping development after the passage of the Cabotage Act in 2003—a sum that pales in comparison to the country's population. This implies that the Nigeria Maritime Authority (NMA) and indigenous business owners were just involved in collecting rent. Previous administrations and its proxies have a history of misappropriating and diverting NMA cash rather than investing in the industry's future. Five percent of yearly revenue will go towards funding the marine Academy of Nigeria (MAN) under the NIMASA Act, while thirty-five percent would go towards developing marine infrastructure. According to Olukoju (2004), the Maritime Academy of Nigeria (MAN) received financing from the agency for a jetty and boat project. In their 2012 article, Okeke and Anichie highlighted the problems with Nigeria's Cabotage policy. They pointed out that foreign enterprises had it easier when applying for a waiver, thus more ships from other countries would probably be able to participate in cabotage in Nigeria. The reason for this is because the Nigerian fleet is currently inadequate to meet the needs of Nigerian Cabotage shipping. Because of this, the addition of waiver renders the Cabotage Act useless and undermines its original intent by shifting the majority of the obligations from indigenous vessel proprietors to foreigners. One major obstacle, as pointed out by Igbokwe (2003), is that the Indigenous Ship-owners Association of Nigeria (ISAN) is not included in the ministerial consultation process. One of the problems he found with the rules was that they did not include Nigerian shipowners and operators like ISAN. Consequently, the Minister misses out on the opportunity to inquire as to whether or not any vessels owned entirely by Nigerians are accessible and fit to carry out the service(s) or activity(s) requested. According to Igbokwe (2003), one major obstacle is the high

expense of enforcement and monitoring. The cost of the necessary infrastructure to track the implementation of the Act is high. The off-shore traffic zones required by NIMASA and other enforcement agencies necessitate the use of pricey amphibious aircraft and patrol boats. Despite NIMASA purchasing a few patrol boats, they are woefully insufficient. Aside from a lack of capital, Ihenacho (2004) listed a shortage of human resources as another problem plaguing Nigeria's maritime industry. According to Agbakoba (2004), the main obstacle to efficient implementation of Nigeria's Cabotage Law is the need to establish a conducive atmosphere.

All these studies point to one thing, which is that there is a huge resource gap despite the cabotage law. Sadly, what this means is that as the foreign experts are hired, it contributed to capital flight which Chukwu (2018) lamented that it affects development. Interestingly, despite the seriousness of the problem and the volume of researches done so far, none has sufficiently linked the cabotage law to human capital development. Given the above gap, the study seeks to examine cabotage law and sustainable indigenous human capital development in NIMASA, Rivers State, to find out if truly cabotage has the capacity to improve and sustain indigenous human capital development in Nigeria maritime sector in Rivers State as well as the percentage of indigenous people involved in maritime activities and the level of implementation of the cabotage law

Objectives of the Study

- (i) Ascertain if cabotage law have the capability of improving indigenous human capital development in NIMASA, Rivers State.
- (ii) Examine the percentage of indigenous people involved in maritime activities and the level of implementation of the cabotage law as it relates to sustainable indigenous human capital development in NIMASA, Rivers State.

Research Questions

- i. Does cabotage law have the capability of improving indigenous

human capital development in NIMASA, Rivers State?

- ii. What is the percentage of indigenous people involved in maritime activities and the level of implementation of the cabotage law as it relates to sustainable indigenous human capital development in NIMASA, Rivers State

Theoretical Framework

As its theoretical basis, this research used the notion of human development. Amartya Sen first put up the notion in 1999. The hypothesis added to what was already known about development and growth. Assumption number one is that it will make human-centered efforts to alleviate poverty the top priority in international development efforts. Investment in people via people-friendly policies and regulations, so the thinking goes, will pave the way for development and progress by giving individuals the freedom to choose their own courses in life. The ability to engage in communal life and access the resources and social services necessary for a good quality of living are the most fundamental capacities for human growth, according to the notion.

People and their chances and choices are at the centre of human development theory and research. Instead of thinking that economic progress would inevitably lead to increased welfare for everyone, human development focuses on enhancing people's lives. This view views rising incomes not as an aim but as a means to a goal. Human development, in terms of opportunity, is about giving people the freedom to live the lives they value. The Act mandated that all crew members of cabotage boats be Nigerians in order to provide jobs for the people of Nigeria, making human capital an essential component of the enforcement of the cabotage law in Nigeria. Additional findings include a decrease in underdevelopment, poverty, and reliance on foreign resources as a result of the utilisation of foreign resources. More indigenous people were involved in stream vessel operations via cabotage.

According to this view, foreign countries that invaded Nigeria with the intention of seizing

their capitals took advantage of the people of Rivers State and the country as a whole. The adoption of cabotage legislation was a response to this conflicting goal; it would safeguard the people's economy from the greed of international corporations while simultaneously encouraging them to invest in human capital development. Overall, the tactic was successful in elucidating the ever-changing dynamics of Rivers State's indigenous sustainable human capital development and Cabotage legislation. In other words, the rate of compliance has been determined by analysing the act's actions since its implementation. This is due to the fact that the cabotage legislation brought about several positive changes, such as higher wages for indigenous workers, more educational opportunities, a more stable currency, protection of national interests, and an overall higher quality of life.

Literature Review

There is no consensus on the meaning of the word "cabotage". Cabotage, sometimes known as the coaster trade, is a country's internal maritime commerce, including the guiding and transportation of ships inside its territorial seas. All crew members, owners, and builders must be citizens of the country in question for the vessel to be legally able to navigate coastal waters (Nigeria). To rephrase, the principal objective of the Nigerian Cabotage Act is to ensure that only boats owned and managed by Nigerian residents may participate in the commercial movement of commodities, products, and services throughout Nigeria's coastal and interior waterways. Increasing the "local content" in our domestic trade—that is, the indigenous maritime firms' ability to export and transport crude oil and import refined petroleum products—was actually one of the goals of the Cabotage Act's adoption, which aimed to empower them for economic growth. The government's actions have led to the marine industry's blatantly dishonest viewpoint, its fraud-like tendencies and features, and the capital flight that has plagued it for years (Aguda, 2021). The Act's stated goal is to encourage the growth of indigenous tonnage while limiting the participation of

foreign boats in coastal commerce inside the country. Restriction, enforcement, the Cabotage Vessel Financing Fund, and waivers for lack of capacity are some of the requirements. Limiting or limiting marine commerce within a country's geographical area to indigenous capabilities is the purpose of the Act, which is a legislative tool. The improvement of indigenous human capital is the intended goal of cabotage. Many people use the words "human capital," "human resources," "labour," and "manpower" interchangeably (Ngbuelo, 2023). "The understanding of human capital development is consistent with analyses presented by classical economists who hold the view that: i," states a recent publication by the New Partnership for African Development (NEPAD). It is important to see humans as capital, ii). As a result of its development, human capital produces goods and services that add to GDP over time, and (iii). Increases in national production and wealth are directly proportional to levels of investment in human capital. Human capital, according to Armstrong (2006), is the "human element" in any community or business, consisting of the people who work there and their collective knowledge, experience, and intellect. The people that work for the company are its most valuable asset because they have the potential to make changes, be innovative, and provide the creative drive that, when inspired, will guarantee the company's longevity. In addition, human capital was defined by the OECD (2001) as the sum of an individual's innate knowledge, abilities, and competences that contribute to their material, social, and communal prosperity. An extension of this idea would be that human capital is all about the skills and knowledge that people, communities, and nations have that allow them to do their jobs well and reach their objectives.

They had the human capital, but they needed to grow and enhance even more to meet the cabotage mission and lessen the likelihood of invasion. According to Adeleye, Adegbite, and Aderemi (2014), developing human capital is crucial for enhancing and cultivating competences. Human capital development, according to Agbiogwu, Ihendinihu, and

Azubike (2016), is primarily concerned with providing workers with the tools they need to do their jobs well enough to meet the quality and performance criteria set by their employer. Human capital development, then, is an organization's intangible asset. The connection between cabotage legislation and indigenous peoples' long-term human capital development may be more easily discussed after drawing on a number of theoretical frameworks and academic investigations. Igbokwe (2006) argued that the government should prioritise human development over oil and gas, since it takes over 20 years to become an expert shipbuilder. The study also noted that the oil and gas industry uses just a small portion of the maritime industry for logistics. These kinds of cabotage initiatives help keep indigenous peoples' human capital development going strong.

Ngbuelo (2023) said that the industry's indigenous capability is lacking, citing the Director-General of NIMASA as an additional source. To address the skills gap and provide employment for young people, he said that Nigeria should educate more than 50,000 seafarers to crew coastwise commerce boats (Daily Independent paper: 2011). As this would increase indigenous peoples' involvement in marine operations and the economy, it is crucial for human capital development. Okon and Edem (2019) found that human capital development was an essential component of Nigeria's Cabotage legislation implementation in their research of the effects of the legislation on the country's indigenous shipping sector at Onne Sea Port in Rivers State. The fundamental purpose of cabotage legislation is to better indigenous peoples' livelihoods, and from any angle, this is impossible to do without sufficient human capital development.

Methodology

The study's methodology was a hybrid of qualitative and quantitative techniques. Triangulation approach or mixed method describes this design. Rivers State's NIMASA was the site of the research. Reason being, NIMASA is a cabotage house. In addition to its headquarters in the metropolitan area of Port

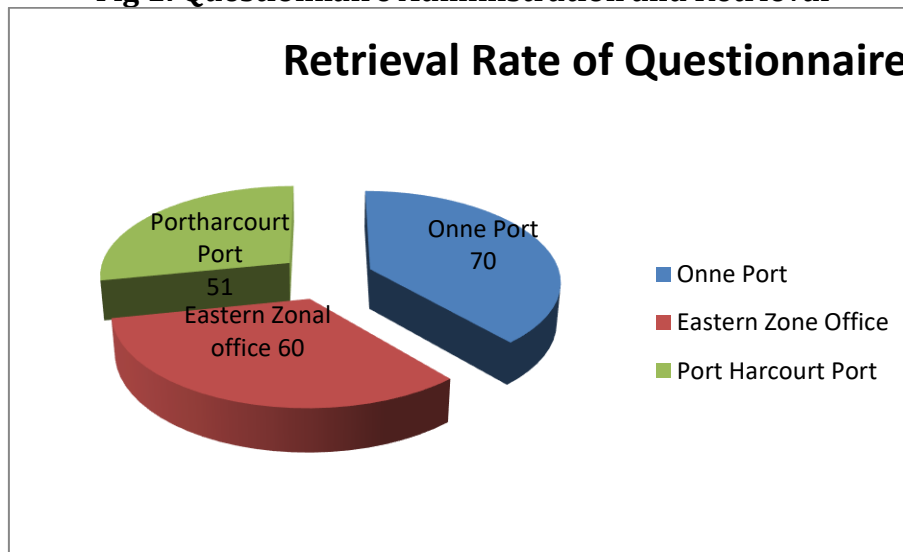
Harcourt, the Nigerian Maritime Administration and Safety Agency (NIMASA) has other offices spread out over Rivers State. Among the maritime agencies that uphold cabotage legislation is NIMASA. This study's population includes all 197 employees of NIMASA in Rivers State. In 2023, the Office of the NIMASA Director in Nbguelo, Rivers State, had 71 employees on the NIMASA staff list, 80 at the port office in Port Harcourt, and 46 at the onne port. The research used a census sampling approach to choose 197 participants as a sample. Executives and entry-

level workers alike were hand-picked using a purposive sampling strategy. Surveys and in-depth interviews were the means of gathering information. We used a t-test, content analysis, charts, percentages, means, and standard deviations to examine the responder data.

DATA ANALYSIS

Also, it should be known that retrieved questionnaire were 181 out of 197 questionnaires. This implies that retrieval rates were 91%. Thus represented as thus:

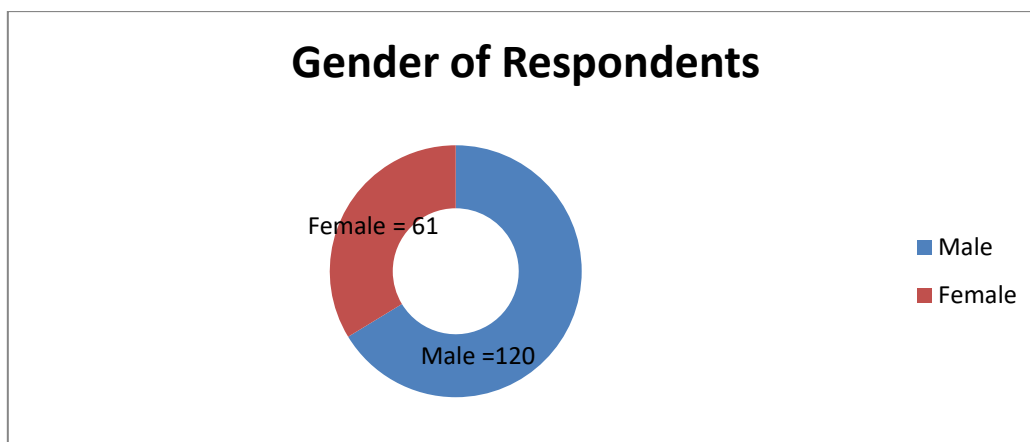
Fig 1: Questionnaire Administration and Retrieval



Source: Fieldwork (2024)

Given the result, it implies that majority of respondents were found in Onne Port with 70 respondents, followed by the respondents in Eastern Zonal office with 60 respondents while the least were Port Harcourt Port with 51 respondents.

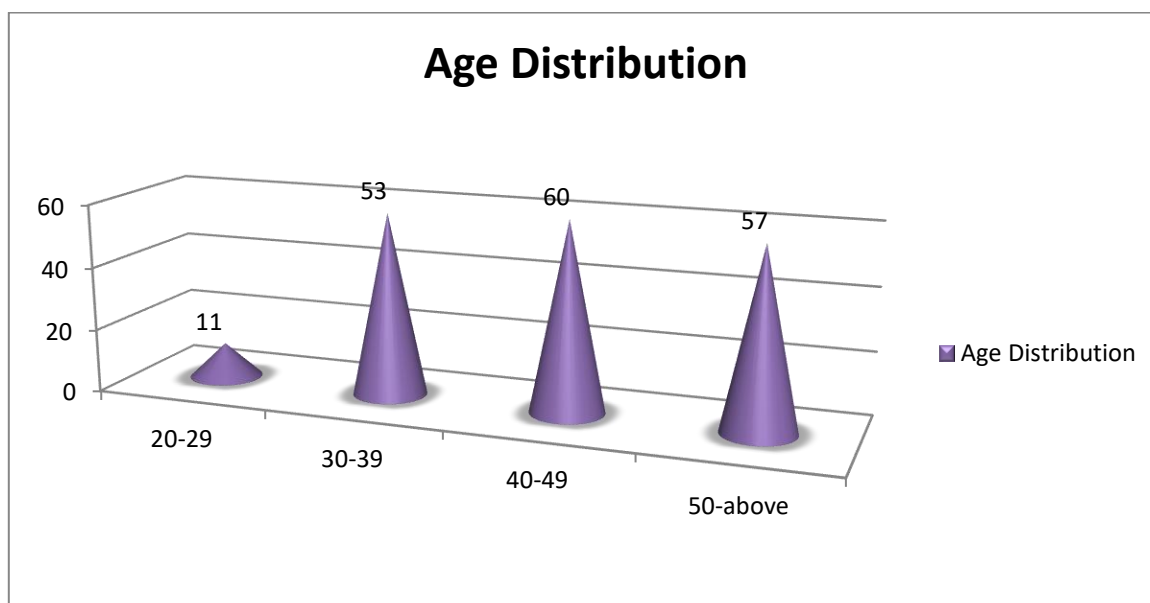
Fig. 2: Showing Respondents Gender



Source: Fieldwork (2024)

The result shows gender of respondents. it implies that male respondents which are 120 (66.3%) is the majority over female respondents which are 61 (33.7%). The variation among gender is due to the nature of Cabotage job that requires technicality and physical strength.

Fig. 3: Age of Respondents



Source: Fieldwork (2024)

Given the result, it showed the age distribution of respondents. Accordingly, respondents within the age bracket of 20-29 were 11 respondents (6.1%). Those within the age bracket of 30-39 are 53 representing 29.3%, while those within 40-49 are 60 respondents represented 33.1%. Finally, respondents within the age bracket of 50-above are 57 respondents representing 31.5 % of total percentage.

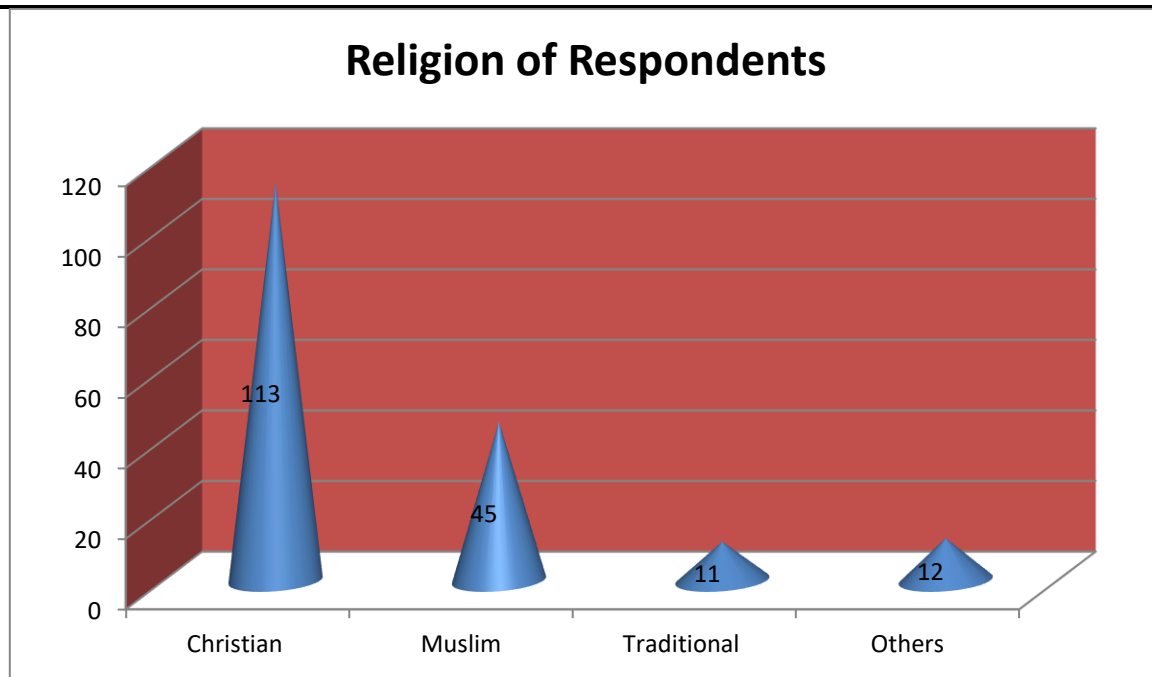
Table 1: Educational Qualification of Respondents

Variables	Frequency	Percentage
Educational Status		
O. Level	20	11%
B. Sc/B,Ed./HND	60	33.1%
Msc/M.Ed./MA/Mphil	40	22.1%
Ph.D	21	11.6%
Others	40	22.1%
Total	181	100%

Source: Fieldwork (2024)

The data presented in the study reveals that 20 (11%) of the respondents had O. Level education; 60 (33.1%) of the respondents had B. Sc/B,Ed./HND. Also, 40 (22.1%) of them had Msc/M.Ed./MA/Mphil education, while 21(11.6%) of them had PhD. Finally, others may be vocational/technical education/skills were 40 (22.1%) of the respondents had some level of vocation training/Education. It is noteworthy to mention that the majority of respondents are those that had B. Sc/B,Ed./HND.

Fig. 4 Religious Distribution of Respondents



Source: Fieldwork (2024).

The following table reveals the religious affiliations of the participants: 113 (62%) are Christians, 45 (24.9%) are Muslims, and 11 (6.1%) are members of the Traditional Religion. The last group, 12 people (6.6%), practise another faith but refuse to identify as such.

Research Question One: Does cabotage law has the capability of improving indigenous human capital development in NIMASA, Rivers State?

Table 2 showing mean and standard deviation score on if Cabotage law has the capability of improving indigenous human capital development

S/N	Questionnaire Items	Mean	SD	Decision
1	Through cabotage law, indigenous people can be fully involved in maritime activities	3.73	.44	SA
2	Nigerians must own and manage Cabotage Vessels according to the legislation	3.61	.66	SA
3	Indigenous Nigerians now have a chance to construct and own ships thanks to the country's Cabotage Law.	3.41	.53	A
4	Nigerian citizens must own and operate all cabotage vessels, which helps to promote and support the development of indigenous human capital.	3.58	.53	SA
5	Indigenous peoples' stakes in the marine industry may grow if the Cabotage Law reduces competition from international corporations.	3.38	.52	A
6	More job opportunities would be available to Nigerians as a result of the Cabotage legislation.	3.55	.54	SA
7	People in Nigeria are able to make a living wage because shipyards in the country are required to construct Cabotage Vessels.	3.45	.53	A

8	Do you agree that cabotage law was designed to empower Nigerians in the maritime sector and can build human capacity development	3.10	.81	A
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Source: Research fieldwork (2024)

The table above shows if cabotage law has the capability of improving indigenous human capital development. Hence, item 1,2,3,4,5,6,7 and 8 were all accepted. Thus, by implication, all the items specify that cabotage law has the capability of improving or ensuring sustainable indigenous human capital development. This is because through cabotage law, indigenous people can be fully involved in maritime activities as cabotage vessels are owned and managed by Nigerians. The need that all crew members be Nigerian citizens lends legitimacy to the idea of indigenous capital development, and the fact that the Cabotage Law has the ability to open up opportunities for shipbuilding and ownership to indigenous people in Nigeria's maritime industry further supports this idea. Another reason is because it has the capacity to cause reduction in competition with foreign companies as through this, it can increase indigenous holdings in the maritime sector amongst other.

Given the analysis of the study, it was found that cabotage law has the capacity or capability of improving or ensuring sustainable indigenous human capital development. First, it established that through cabotage law, indigenous people can be fully involved in maritime activities. Also, the fact that cabotage law allows for indigenous (Nigerians) to own and manage vessels, it can improve indigenous people and stir sustainable development. The research reiterates that the cabotage system may promote human capital development since it places an emphasis on indigenous ship construction, ownership, and management. However, the findings showed that the cabotage law was designed to empower Nigerians through employment creation. For instance, since most vessels were built by Nigerian shipyards, it provides Nigerian to be employed in the process. Given the above findings, it reflects that view of the Federal Ministry of

transportation (2007) that posited that the objective of the Act is Primarily:

To reserve the commercial transportation of goods and services within Nigeria coastal and in land waters to vessels flying the Nigerian flag, owned and crewed by Nigeria citizens and built in Nigeria (FMR, 2007:5).

Nkoro (2012) also found that indigenous Nigerians who owned ships had new chances in the shipping industry and in the market after the cabotage legislation went into effect on May 1, 2004. This conclusion is in line with this research. Furthermore, Mbokwe (2006) argues that the government should allocate more resources to the cabotage law and provide indigenous people with more opportunities to learn shipbuilding. This would help reduce reliance on oil and gas, which only make up a small part of the coastal or maritime industry. Thus, the aforementioned findings corroborate the hypothesis, which stated that the indigenous human capital development in the Nigerian Maritime Sector, Rivers State, is likely to be enhanced by the constant and efficient implementation of cabotage provisions.

Given this, it follows that the aforementioned points to the fact that Cabotage Law in Nigeria has significant advantages. Revenue creation from registration, approval, licence, and fine fees is one of the expected advantages of cabotage in Nigeria, according to Usoro (2004). One of the nation's concerns is tremendous unemployment and poverty elimination, thus if Cabotage is correctly managed, it would provide four million jobs a year. According to his analysis, our enormous human resources are best used to create a brand-new economic structure. According to Akabogu and Onyuike (2004), Nigerians stand to gain from a well-enforced Cabotage Law. Various parts of

Nigeria's economy, including "oil and gas, ship ownership, chartering, insurance, brokerage, shipbuilding, trading and fishing," are believed to reap these advantages. Nigeria, the world's sixth-largest oil producer, is well-positioned to reap the legal advantages of its 800-nautical-mile coastline, which has 21 ports, rivers, and private jetties (Ajiye, 2013). In addition, according to Nekasil (1996), "the United States would not be able to sustain the maritime infrastructure essential to its national and economic security" (referring to the domestic fleet as the critical mass). He argued that the United States' national security depends on its Cabotage Laws because they guarantee

American ship ownership and control, a level playing field in domestic trades where the fleet is active (i.e., no government subsidies), and a favourable investment environment for American ship builders and ship operators. As a result, indigenous human capital development benefits and is sustainable in proportion to the cabotage act's level of implementation.

Research Question Two: What is the percentage of indigenous people involved in maritime activities and the level of implementation of the cabotage law as it relates to sustainable indigenous human capital development in NIMASA, Rivers State

Table 3: showing mean and standard deviation score on the percentage of indigenous people involved in maritime activities and the level of implementation of the cabotage law as it relates to sustainable indigenous human capital development

S/N		Mean	SD	Decision
9	In contrast to foreign engagement, indigenous contractors are projected to play an ever larger role in ship building and vessel construction.	2.73	.77	A
10	Do you agree or disagree that Nigerians are taken of the Nigeria Maritime sector	2.94	.79	A
11	Will you agree that more Nigerians have achieved given the introduction of Cabotage Law	3.17	.70	A
12	Because of Cabotage law more Nigerians are being sent abroad by NIMASA to be trained so that they can Mann vessel engaging in Cabotage business	2.60	.76	A
13	Because Nigerians are trained, manning of ship by the indigenous people has increased since the cabotage law	3.20	.86	A
14	More Nigerians have been involved in ownership of vessels in compliance with cabotage law	3.31	.58	A
15	The cabotage law has led to more Nigerians becoming sea farers onboard	3.72	.41	SA
16	Do you agree that percentage of indigenous people participating in Cabotage units of maritime sector are below 100%	2.76	.90	A

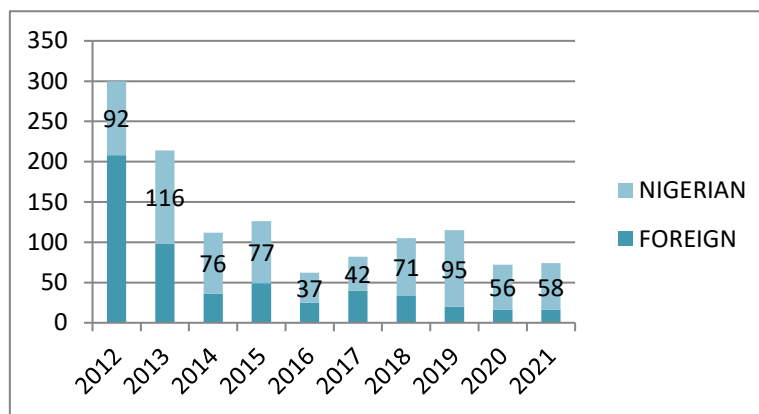
Source: Fieldwork (2024)

From a sustainable human capital development perspective, the table above indicates the proportion of indigenous people engaging in marine activities and the degree of application of the cabotage legislation. We may see the degree of uniformity from the acceptance of Items 9–16. Assuming everything is OK with the world, how come there aren't more indigenous people participating in marine activities? Since more indigenous people are actively participating in ship manning and constructing seafaring, it also specifies the degree of cabotage legislation application in relation to sustainable indigenous human capital development.

The result of the analysis revealed that about 75% of the Nigerians are involved in Maritime activities. This is indicated in the table below, exposing the level of implementation.

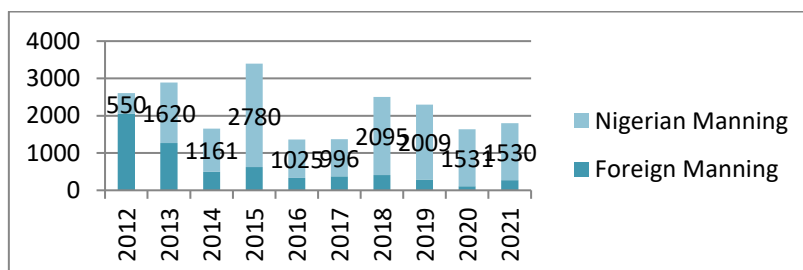
SUMMARY OF NIGERIAN OWNED VESSELS, VESSELS BUILT IN NIGERIA AND NUMBER OF NIGERIAN SEAFARERS ONBOARD FROM 2013 TO 2021, ONNE PORT

Fig 5. OWNERSHIP BY LOCAL AND FOREIGN INVESTORS



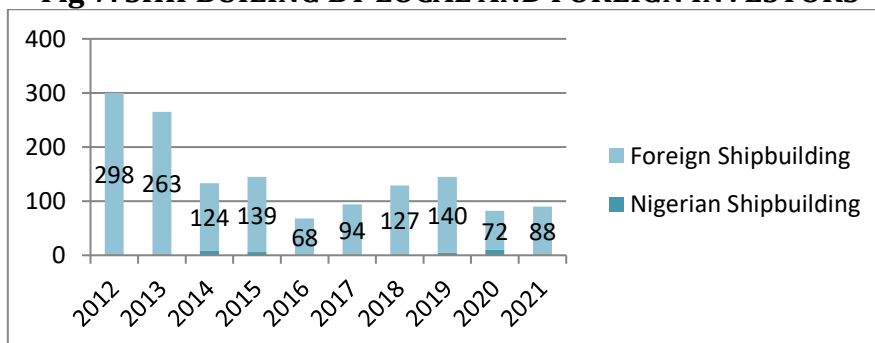
Source: Cabotage Services Department Onne, Daily Monitoring and Enforcement Reports

Fig 6. MANNING



Source: Cabotage Services Department Onne, Daily Monitoring and Enforcement Reports (2024)

Fig 7. SHIPBUILDING BY LOCAL AND FOREIGN INVESTORS



Source: Cabotage Services Department Onne, Daily Monitoring and Enforcement Reports (2024)

Although indigenous contractors have not contributed significantly in ship construction compared to foreign engagement, they are becoming more involved in ship ownership and manning, according to the report. According to the data in the table above, Nigerians have a significant advantage in the cabotage maritime business. There has been improvement in ship manning, seafarer training, and vessel construction, as well as more participation and implementation, according to the report. The cabotage Act, in its second portion, establishes restrictions on ships engaged in domestic coastal commerce. For the avoidance of doubt, no vessel owned, operated, or registered in Nigeria may engage in the domestic carrying of cargo or passengers inside Nigerian land waterways or marine zones unless the whole crew is Nigerian.

More indigenous people are associated with the police, according to this legislation. This analysis is in line with the findings of Anele (2017), who elucidate the implications of this clause by showing that the coastal commerce and land waterway transit of Nigeria can only be conducted by ships that are constructed, owned, and operated by Nigerians. The study's findings are in line with those of Ganiyu (2011), who found that indigenous shipping development has not met expectations, even with the introduction of the Vessel Purchase Fund (VPF) and the cabotage policy.

Conclusion

The research provides sufficient evidence to support claims about cabotage and the need for indigenous peoples to invest in their own human capital effectively. It is reasonable to assume that cabotage fosters a nation's shipbuilding and ship repair capabilities, which contributes significantly to the country's economic and infrastructure growth. Nigeria is well-positioned to reap the benefits of cabotage due to its status as a developing nation, its large agricultural population, its extensive coastline, and its interior waterways, which contain a lot of crude oil. Nevertheless, the Cabotage Act captures the legal framework for cabotage in

Nigeria. To promote indigenous human capital development and provide adequate safeguards to indigenous ship operators, such as technology transfer and consultation with ISAN before granting waivers to foreign ship operators, the conditions for granting waivers should be revised.

Another reason Nigeria is using a flexible cabotage system is because it has limited success potential due to systemic shortcomings. As a result, one need to take the appropriate actions to establish a rigorous application of the law. When these improvements are in place, the cabotage system may be advantageous to Nigerians, just as it is for other nations that use it to generate both domestic and international income. All things considered, it is important to stress again that shipbuilding competence is crucial for cabotage to succeed; hence, substantial investment in the marine industry is needed.

Recommendations

The importance of the work on cabotage law and sustainable indigenous human capital development, gave rise to these recommendation that if utilized could ensure high level implementations and benefit to the indigenous people of Rivers State and Nigeria at large. They are as follows:

(i). Firstly, given the awareness that cabotage has the capacity to improve and sustain indigenous human capital development in Nigeria, it is imperative for a well modified reform that can encourage proper investment in the sector, which should include establishing a standard maritime University, Through such efforts, indigenous human capital efforts can be improved.

(ii). Given that the level of implementation is not yet satisfactory, Nigerian government should carry out a more strict cabotage policy that could limit waivers to foreign vessels. This would ensure that Nigerians take full control of their maritime activities. To achieve this more, Nigerian NIMASA should ensure more training of indigenes on shipbuilding, manning and

seafaring. With such effort, the level of implementation will be satisfactory

Any act of corrupt practices by management of cabote unit or NIMASA should be punished to discourage others who might have want to involve in such nefarious act.

(iii). Part III of the Cabotage Act, which dealt with waivers, and Part IV, which dealt with co-ownership of boats by foreigners (Joint-Venture Companies), respectively, also need immediate amendment. The main point is to make sure that the Act doesn't allow for the issuing of waivers to foreign boats. This will prevent arbitrary waivers to foreigners, even when there is competent local capability.

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