

## Role of Trade Associations on Entrepreneurial Development in Nigeria's Road Transport Industry

P. C. Ugboaja<sup>1#</sup>, C. Onyemechi<sup>2\*</sup>, E. A. Ejem<sup>1</sup> and W. I. Ukpere<sup>3</sup>

<sup>1</sup>*Department of Transport Management Technology, Federal University of Technology, Owerri, Imo State, Nigeria*

*Telephone: #<+234 (0) 8037207696>, \*<+234 (0) 8063928094>;*

*E-mail: #<gibengr@yahoo.com>, \*<c\_onyemechi@yahoo.com>*

<sup>2</sup>*Department of Maritime Management Technology, Federal University of Technology, Owerri, Imo State, Nigeria*

*Telephone: +234 (0) 8035448661, E-mail: willejem@yahoo.com*

<sup>3</sup>*Department of Industrial Psychology and People Management, Faculty of Management, University of Johannesburg, South Africa*

*E-mail: wiukpere@uj.ac.za*

**KEYWORDS** Trade Associations. Entrepreneurial. Development. Road Transport. Nigeria

**ABSTRACT** The purpose of this paper is to substantiate the major roles of trade associations on entrepreneurial development in Nigeria's Road Transport Industry. This paper offers an analytical assessment of the contribution of trade associations. To do this, a survey research method was adopted for the study and questionnaires were used as data collection method. A random sample of one hundred and forty four (144) trade associations in Nigeria's road transport industry were selected for the study out of a population of two hundred and twenty-four (224) trade associations with seven hundred and twenty (720) respondents. For completeness, a sample of six hundred and fifty-seven (657) related organizations (infinite population) were included in the study. A total of one thousand, three hundred and seventy seven (1377) questionnaires were used for the study. The data collected were measured in 5-point Likert scale with a hypothesized mean of 3.00. The data analysis revealed that trade associations practiced pro-competitive and anti-competitive roles with overall mean score of 1.9516 and 4.0824 respectively. The test of hypothesis using two sample z-tests indicated that the z-calculated value for differences in the two mean scores was 130.6724 with a significance (one-tail) probability of less than 0.0001 which is less than the critical value of 0.05. Consequently, it was concluded that the extent of practice of anti-competitive roles was significantly higher than the extent of practice of pro-competitive roles by the trade associations in Nigeria's road transport industry. This study also found that major roles of trade associations on entrepreneurial development in Nigeria's Road Transport Industry were anti-competitive while pro-competitive roles were considered to be minor roles of the trade associations.

### INTRODUCTION

Entrepreneurial ideas began to grow out of technology centres, even though there were no official laws to support individual proprietorship in most countries. Entrepreneurship is defined as an individual initiative based on organizing one or more people's personal property in a private business for the purpose of receiving income in exchange for accepting risk associated with the use of the personal property. The pursuit of entrepreneurship and small business ownership in emerging economies, is often made difficult because of "resistance to change within the government, religious, business, and social institutions; failing energy, transportation, educational and healthcare infrastructure; underdeveloped legal and financial systems; restrictive and inconsistent taxation, high interest

rates and inflation and a lack of management skills" (Luthans and Ibrayeva 2010).

Trade associations play valuable, fundamental roles as forums for the discussion and exchange of views on important issues of common interest for the transport industry sector which they represent. Many trade associations' activities should be supported and encouraged, because they promote the efficient functioning of the market (Oshin 1990). Trade associations consist of individuals and firms with common commercial interests, joining together to further their commercial or professional goals. The important role played by trade associations in modern economies is widely recognized. Their activities benefit their members-especially the smaller members, and may also be beneficial in increasing the efficiency of the market (Eurofound 2011). Although their principal function

is to provide services to their members, trade associations also have important *industrial policy* and *political functions*. Most trade associations take an active role in shaping the way their industry works. They promote product standards and best practices, and they define and promote standard terms and conditions of sale (Newspaper Association of America 2008). They publish and enforce codes of ethics and in some cases they formulate and enforce industry self-regulation. They issue recommendations to their members on a variety of commercial and non-commercial issues. Trade associations also promote, representing and protecting the interests of members on legislation, regulations, taxation and policy matters, which may likely affect them (Ugboaja et al. 2013)

Many trade association activities benefit from statutory and non-statutory exemptions or immunities from the application of competition rules, which enables them to perform these beneficial roles. In many countries, the existence and some of the activities of trade associations are protected by fundamental rights of freedom of association and expression and the right to freely petition the government (Procassini 1995). In order to prevent conflicts between these fundamental rights and competition policy objectives, many jurisdictions have exempted a number of trade association activities from the application of competition rules. However, these exemptions are generally interpreted narrowly, because accommodating these values may sometimes also impose costs on consumers. A fundamental right of individuals and corporations is the right to associate freely or to join an existing association (Eurofound 2011). An important consequence of this right is that membership and participation in the activities of a trade association should not be viewed as a violation of antitrust rules as such or as sufficient evidence to prove an antitrust conspiracy. Trade associations and their members cannot be held liable under the antitrust statutes simply for exercising a fundamental and constitutionally protected right. This is so even if active participation in a trade association may provide the 'opportunity' for unlawful agreements. One of the primary functions of trade associations is to build consensus among the members on public policy issues, which affect the industry and to promote these policy interests with the government and with other public institutions (Procassini 1995).

Such activity, however, may level the playing field among the members of the association and to a certain extent limit competition in the industry. In order to preserve the associations' right to petition governments, some jurisdictions have exempted them from antitrust liability concerted efforts to secure government-imposed restraints on competition. For competitors to lobby the government to change the law in a way that would reduce competition cannot be a violation of the antitrust laws, unless the concerted action is a mere 'sham' to cover what is actually nothing more than an attempt to interfere directly with the business relationships of a competitor. Many activities of trade and professional associations are established by law or find their justification in public policies (Venter and Levy 2011). Some associations are expressly given powers by a public entity to set prices or other terms and conditions for exercising a commercial activity (for example, meeting certain standards or certification requirements). The public entity in some cases is also asked to approve or veto a resolution by the industry association. The question is whether such activities, which can entail serious price or output restrictions on the members of the associations, should be subject to antitrust scrutiny although they are compelled or authorized by law. In many countries, courts have concluded that no antitrust liability can be found if the challenged private conduct (including conduct by trade associations) is determined by lawful public measures (Grogan 2009). Under the so called "state action" or "regulated conduct" doctrines, companies are not liable under the antitrust statutes if their anti-competitive behavior is required by a public measure and companies have no space for autonomous conduct.

Trade associations may offer opportunities for direct competitors to meet repeatedly. This could easily spill over into illegal and anticompetitive activities and favour collusion and co-ordinated exclusionary conduct. Trade associations remain by their very nature exposed to antitrust risks, despite their many precompetitive aspects (Luthans and Ibrayeva 2010). Participation in trade and professional associations' activities provide ample opportunities for companies in the same line of business to meet regularly and to discuss business matters of common interest. Such meetings and discussions, even if meant to pursue legitimate association

objectives, bring together direct competitors and provide them with regular opportunities for exchanges of views on the market, which could easily spill over into illegal coordination (Tripathi 2009). Casual discussions of prices, quantities and future business strategies can lead to agreements or informal understandings in clear violation of antitrust rules. It is for this reason that trade associations and their activities are subject to close scrutiny by competition authorities around the world. Although there is a wide consensus on the fact that trade associations should be subject to competition rules, if only to avoid members escaping antitrust enforcement by acting through the intermediary of the association, the role of a trade association in the infringement may vary significantly, like its liability for the anti-competitive conduct. Members of an association that create it would be responsible for restrictions in the act of incorporation or in by-laws of the association (for example, anti-competitive membership criteria). The association itself, however, may be responsible alongside its members if it had a separate role in suggesting, orchestrating or executing an illegal conduct (Bendix 2010). No liability should be imposed on the association if the illegal conduct is put in place by the members without the association being aware of it. The traditional areas of concern about trade associations are price fixing, allocation of customers or territories and bid-rigging. Naked price fixing or customer allocation conspiracies orchestrated by a trade association are becoming rarer, though. Competition enforcement is increasingly focused on trade associations' practices that facilitate collusion among the members (Ugboaja et al. 2013). Unduly restrictive membership rules, exchange of detailed and sensitive commercial information, exclusive or closed industry standards, marketing restrictions and ethical codes regulating pricing or other trading practices that limit the members' ability to compete freely are among the antitrust-sensitive issues which mostly affect the activities of trade associations today (Olubomehin 2012).

Associations may be liable for antitrust infringements, but the application of competition rules to associations may raise specific issues when it comes to determining and assessing monetary sanctions. In most jurisdictions, the infringement of competition laws exposes the participants to sanctions and penalties. Trade

associations are not immune from the consequences of an antitrust infringement, and when they are responsible for organizing and executing the infringement, they can be subject to fines separately from the members. This has raised practical difficulties in practice, as fines to trade associations based on the trade association turnover may not achieve the necessary deterrent effect, not only towards the association concerned (specific deterrence) but also towards other associations engaged in practices that are contrary to competition laws (general deterrence) (Ugboaja et al. 2013).

### Research Question

What are the major roles of trade associations on entrepreneurial development in Nigeria's road transport industry?

### Research Objectives

The study attempts to explore the role of trade associations on entrepreneurial development in Nigeria's Transport Industry. The following specific objectives shall be examined:

1. To substantiate the role of trade associations in entrepreneurial development of road transport industry.
2. To determine trade associations alternatives in response to the economic, environmental and social consequences of entrepreneurial development.

### Hypothesis

The extent of practice of anti-competitive roles is not significantly higher than the extent of practice of pro-competitive roles by trade associations in Nigeria's road transport industry.

### Literature Review

Scholars generally agree that transport occupies an important place in the process of economic development (Norton 1963; Camemark 1979; Mallon 1980; Olanrewaju and Falola 1986; Olukoju 1996). For this reason, researchers have shown considerable interest in transport studies. In Nigeria however, previous studies on the subject of transport have tended to concentrate on the physical and infrastructural aspects of the transport system. For example, Njoku (1979)

and Olubomehin (2001) looked at the physical development of road infrastructure in Eastern and Western Nigeria respectively. The other aspects of road transportation that researchers have studied include the issue of rail road competition (Oshin 1990, 1991), the geography of road transportation (Hay 1968) and road transportation as a business enterprise (Hawkins 1958). The exception to this trend is the study by Drummond-Thompson (1993) which focused on the rise of entrepreneurs in Nigerian transport industry. In spite of this, one can still say that there has been a general neglect of the study of the role and impact of the entrepreneurial development in Nigeria's transport industry. For instance, currently, the number of road transport entrepreneurs in Nigeria is more than 1.5 million. Given their number, the group exerts a considerable influence on the country's economic life. Yet this impact is often over-looked. This study attempts to fill this gap. It provides a historical documentation of the roles and impact of the road transport entrepreneurs on the Nigerian economy since the early decades of the colonial period. The concern of this paper is not to talk about how roads were constructed or how road constructions were financed. This paper is also not concerned about road networks or the vehicles which plied the roads; rather the interest of this paper is to look at the operators in the road transport sector, their organization and impact on the economy. This is an important way in which this paper differs from previous studies on road transportation in Nigeria.

Nigeria got her independence in 1960. From this date up to the present time, Nigeria was ruled at different times by both the civilians and the military government. The period provides an opportunity for the nation to look at the dimension of continuity, change and adaptation in the examination of the role of the road transport within the Nigerian economy (Ugboaja and Ukpere 2010). One important area in which the road transport have continued to impact on the economy since 1960 is in the provision of employment opportunities for many Nigerians. This is a very important impact in a country which overtime has found it difficult to proffer adequate and lasting solution to the high rate of unemployment in the economy. Particularly since the 1980s, unemployment has led to widespread poverty, increased crime rate and frustration within the country (Ukpere 2013). Frustration arising

from unemployment has been linked with the various aggressive behaviours prevalent in the society, including the menace of kidnapping currently confronting the country (Olubomehin 2012).

In this particular regard, the road transport has made significant contributions towards reducing the rate of unemployment in the country. It is estimated that over 1.5 million people are today engaged in the road transport sector (Mobolaji et al. 2011; Ugboaja et al. 2013). An important change in this regard is the increasing number of university and polytechnic graduates among the membership of the road transport business. Since the 1980s, the austerity condition in the country and the difficulty of getting office jobs have driven many to seek employment in the road transport sector. This is a good development for the economy because it means that people are becoming self-employed unlike in the past when young graduates had to wait for white-collar jobs in the towns and cities (Adekunle and Kasumu 2005).

A very good example is the Eastern Nigeria based transporter, Mr. Frank Nneji who is the owner of the popular transport service known as Associated Bus Company Ltd. (ABC Transport). The company operates on routes not only within the country but also along the West African sub-region. Mr. Nneji is a Biology graduate from a Nigerian University (Adekunle and Kasumu 2005). His transport business is a leader in the inter-city road transport business in Nigeria (ibid). Perhaps because of their level of education, graduates like Mr. Nneji who have gone into the transport business appear to be doing very well. Another positive development in the history of the road transport in post-colonial Nigeria is the entry of big transport entrepreneurs into the transport business in the Eastern Nigeria. They owned luxurious buses which ply different routes to the northern and western part of the country from their base in the east (Stephens and Ukpere 2011). This is a new factor of change in the transport sector and indeed, in the evolving history of the road transport entrepreneurs in Nigeria. The pioneers in this respect included individuals like D.D. Onyemelukwe, J.C. Ulas, Louis Philip Ojukwu and Chief Augustine Ilodibe the owner of the popular transport outfit known as 'Ekene Dili Chukwu'. Other transport entrepreneurs were Chidi Ebere, Izuchukwu and Chief C.N. Okwunwa (Adekunle

and Kasumu 2005). The new entrants into the road transport business in Eastern Nigeria include the owners of Emenike Motors, Micmerah International Agency, G.U.O. Okeke transport service, F.G. Onyenwe, Dan Dollars, The Young Shall Grow Motors and ABC Transport Service (Olubomehin 2012). Of these luxurious bus enterprises, ABC Transport has witnessed a most phenomenal growth, with the company employing many Nigerians and the outfit spreading its transport services from Nigeria to the West African sub-region.

As part of their contribution to the growth of the national economy, the road transport workers have continued to provide millions of naira in revenue to the government through the payment of various duties for hackney permits, drivers' licenses, vehicle licenses, vehicle plate numbers and insurance, to mention just a few (Olubomehin 2001). In all, one can say in this particular regard that the transport entrepreneurs have served as partners with the government in the process of national economic development. In 1978, a milestone occurred in the history of the road transport entrepreneurs in Nigeria with the formation of the National Union of Road Transport Workers popularly known as the (NURTW). Since this date, the activities of the road transport entrepreneurs have revolved around the NURTW. For a paper of this nature, it will be a big omission if we do not dwell a little bit on the structure and operations of the NURTW. The NURTW membership, broadly defined, include individuals (mainly male), who are involved in the use of different modes of transport such as motorbikes (motorcycles), buses, cabs, tankers and tricycles in conveying passengers and goods from one destination within the country to another (Ogboaja and Ukpere 2010; Stephens and Ukpere 2011). The need for orderliness prompted members of the sector to form two associations, namely the Road Transport Employers Association of Nigeria [RTEAN] and the National Union of Road Transport Workers [NURTW]. Though the RTEAN predates NURTW, it is less active than the NURTW, which was registered as a trade union in 1978, and is an affiliate of the Central Labour Organisation [CLO], now known as the Nigerian Labour Congress [NLC]. While the RTEAN is less known, the NURTW has grown overtime, with its membership burgeoning on daily basis. Thus, it boasts of over "1.5 million membership

throughout the federation" (NURTW Diary 2011). With the exclusion of petroleum tanker drivers, all professional commercial drivers are automatic members of the Union. As such, the NURTW serves as an umbrella body for drivers operating motorbikes, taxi cabs, tricycles, buses (both intra and inter-state services), trailers and Lorries that engage in the conveyance of passengers and goods. The main objective of the Union is to promote the economic welfare of its members (Ukpere 2007; Bendix 2010).

Given the coherent and sound administrative organization of the road transport trade associations described above, the entrepreneurs have become partners with the government in the process of national political and socio-economic development. The politicians usually take advantage of the large population of the members of road transport trade associations, which is one of the largest that any professional union could boast of in the country. Not only this, because many of the road transport entrepreneurs are very close to the people at the grass root level, politicians often used them to influence the people at that level in order to achieve their political end. Due to the evolving rapport between the politicians and the road transport entrepreneurs, a particular scenario developed in the political terrain of Nigeria whereby some state governors give officers of the NURTW who have supported their candidature into political office so much freedom to operate within the society. The union works actively with government agencies to teach drivers the dangers involved in HIV/AIDS (Letamo 2011). The union therefore, contributes to the government's efforts at checking the spread of the disease in the country. Away from health matters, the NURTW also contributes to the society in other important respects. The union holds regular meetings with Vehicle Inspection Officers (VIOs), the Federal Road Safety Corps (FRSC) and other government road traffic agencies. At such meetings drivers are told the importance of having valid vehicle particulars and keeping their vehicles in good and road worthy state. They also teach drivers to how to behave nicely towards passengers. The height of such training workshops is usually from September of every year through to December when there is high traffic of vehicles on the road (Ugboaja et al. 2013). The FRSC usually intensify its activities in teaching drivers to avoid over-speeding and drinking alcohol

while driving. All these, of course, have helped to reduce accidents on the roads (Stephens and Ukpere 2011). Oral evidence also shows that members of the union engage in road maintenance particularly in areas where government has failed to carry out such work. Hence, members of the NURTW can be seen filling pot holes on roads and cutting grass to aid driver's visibility in corners and other dangerous spots on the road. Of course, when such good works are done both commercial and private vehicle owners benefit from the union's community effort (Olubomehin 2012).

The foregoing analysis has been used to explain the roles and impact of trade associations in road transport on the Nigerian economy. The literatures reveal that through their services, the road transport industry had, and is still contributing significantly towards the development of the Nigerian economy. In other words, it can be said that the road transport workers have contributed immensely towards the development of the Nigerian economy. Although, Europeans and Levantines participated actively in the economy, indigenous road transport entrepreneurs were not passive. They have played a key role in the growth of the Nigerian economy.

## METHODOLOGY

The work assessed the extent of practice of pro-competitive roles among trade associations in Nigeria. The focus of the research was on the impact of these roles on entrepreneurial development of these associations in Nigeria. Questionnaires were used to collect primary data reflecting the industry's assessment of these roles. Analysis of the result was carried out using a 5 point Likert scale as well as z sample test statistics. The set lower acceptance limit on the Likert scale was 3.0.

## RESULTS AND DISCUSSION

### Extent of Practice and Roles of Trade Associations on Entrepreneurial Development in Nigeria's Road Transport Industry

A total of fifteen (15) roles of trade associations on entrepreneurial development in Nigeria's transport industry were considered in the present study. Seven (7) of the roles (item-1 to -7) on the questionnaire are pro-competitive roles, while the remaining eight (8) roles (item-8 to item -15) are anti-competitive roles on entrepreneurial development in Nigeria's transport industry. Respondents' view on the extent of practice of these roles by trade associations in Nigeria were measured on a 5-point Likert scale with an expected or average value of 3.00. Consequently, a given role was accepted to be a major role of the trade associations if its mean score is greater than the expected value of 3.00; otherwise, it was rejected as a major role.

Tables 1(a) and 1(b) respectively show the extent of practice of pro-competitive and anti-competitive roles by trade associations in Nigeria's road transport industry. From Table 1a, it was observed that none of the seven (7) pro-competitive roles considered in the present study was found to be a major role of the trade associations. This is because they all have mean scores less than the expected value of 3.00 on a 5-point Likert scale. However, the pro-competitive role on entrepreneurial development in Nigeria's transport industry that is mostly practiced by the trade associations is item-7 (conducts that positively influence government policies) with a mean score of 2.4793. This is followed by item-3 (collection of cost index data) with a mean score of 1.1619. The overall rating of the extent of practice of all the seven (7) pro-

**Table 1a: Pro-competitive roles**

| <i>Item</i> | <i>Description</i>                                                                                                                        | <i>Mean</i> | <i>Std dev</i> | <i>Obs</i> |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------|------------|
| Item-7      | Conducts that positively influence government policies                                                                                    | 2.4793      | 1.2217         | 1377       |
| Item-3      | Collection of cost index data                                                                                                             | 2.3253      | 0.7164         | 1377       |
| Item-2      | Conferences, workshops and seminars                                                                                                       | 2.3224      | 1.7757         | 1377       |
| Item-6      | Technical and compliance support                                                                                                          | 2.1053      | 0.5704         | 1377       |
| Item-5      | Media relations                                                                                                                           | 2.0000      | 0.2641         | 1377       |
| Item-4      | Crises control                                                                                                                            | 1.2665      | 0.7057         | 1377       |
| Item-1      | Commercial services, namely, legal assistance to members, insurance and risk solutions, finance solutions and vehicle inspection services | 1.1619      | 0.5021         | 1377       |
| Overall     |                                                                                                                                           | 1.9516      | 0.3970         | 1377       |

**Table 1 b: Anti-competitive roles**

| <i>Item</i> | <i>Description</i>                                                                | <i>Mean</i> | <i>Std dev</i> | <i>Obs</i> |
|-------------|-----------------------------------------------------------------------------------|-------------|----------------|------------|
| Item-12     | Conducts that restrict the entry of firms into legitimate services and operations | 4.8025      | 0.6066         | 1377       |
| Item-14     | Hoarding of information provided by government regulatory agencies                | 4.8025      | 0.6066         | 1377       |
| Item-15     | Management guidance and decisions that lead to restraints on competition          | 4.2687      | 0.7186         | 1377       |
| Item-13     | Unfair trade practices                                                            | 4.0015      | 0.4017         | 1377       |
| Item-11     | Conducts that restrict facilities and technology                                  | 3.7306      | 0.5584         | 1377       |
| Item-8      | Conducts that restrict prices                                                     | 3.7284      | 1.4513         | 1377       |
| Item-10     | Conducts that restrict customers and sales channels                               | 3.6841      | 0.5522         | 1377       |
| Item-9      | Conducts that restrict quantities                                                 | 3.6412      | 0.6407         | 1377       |
| Overall     |                                                                                   | 4.0824      | 0.4567         | 1377       |

competitive roles considered in the study is 1.9516, which is less than the expected value of 3.00 on a 5-point Likert scale. This means that the extent of practice of pro-competitive roles on entrepreneurial development by trade associations in Nigeria's road transport industry is generally below average.

Similarly, it was observed, from Table 1b, that all the eight (8) anti-competitive roles considered in the present study are found to play major roles of the trade associations. This is because they all have mean scores greater than the expected value of 3.00 on a 5-point Likert scale. The anti-competitive roles on entrepreneurial development in Nigeria's road transport industry that are mostly practiced by the trade associations are item-12 (conducts that restrict the entry of firms into legitimate services and operations) and item-14 (Hoarding of information provided by Government Regulatory Agencies) with mean score of 4.8025. They are followed by item-15 (Management guidance and decisions that lead to restraints on competition) with a mean score of 4.2687, while the anti-competitive role on entrepreneurial development in Nigeria's road transport industry that is least practiced by the trade associations is item-9 (conducts that restrict quantities) with a means score of 3.6412. The overall rating of the extent of practice of all the eight (8) anti-competitive roles considered in the study is 4.0824, which is greater than the expected value of 3.00 on a 5-point Likert scale. This means that the extent of practice of anti-competitive roles on entrepreneurial development by trade associations in Nigeria's road transport industry is generally above average. It can therefore be concluded that the major roles of trade associations in entrepreneurial development in Nigeria's road transport industry consist of all the eight (8)

anti-competitive roles considered in the study, while all the seven (7) pro-competitive roles considered are of minor roles of trade associations.

### Test of Hypothesis

The extent of practice of anti-competitive roles is not significantly higher than the extent of practice of pro-competitive roles by trade associations in Nigeria's road transport industry.

**Table 2: Two sample z test for differences in the extent of practice of pro-competitive and anti-competitive roles by trade associations in Nigeria's Road transport industry**

| <i>Variable</i>              | <i>Practice-n</i> | <i>Practice-p</i> |
|------------------------------|-------------------|-------------------|
| Mean                         | 4.0824            | 1.9516            |
| Known variance               | 0.2086            | 0.1576            |
| Observations                 | 1377              | 1377              |
| Hypothesized Mean Difference | 0                 |                   |
| Z-calculated                 | 130.6724          |                   |
| P (Z<=z) one-tail            | <0.0001           |                   |
| Z-tabulated (one-tail)       | 1.6449            |                   |
| P (Z<=z) two-tail            | <0.0001           |                   |
| Z-tabulated (two-tail)       | 1.9600            |                   |

Table 2 shows the two sample z test for differences in the extent of practice of pro-competitive and anti-competitive roles by trade associations in Nigeria's transport industry. The table shows that the mean scores for the practice of pro-competitive and anti-competitive roles by trade associations in Nigeria's road transport industry are 1.9516 and 4.0824 respectively. This means that trade associations in Nigeria's road transport industry practice more of anti-competitive roles than pro-competitive roles. The z-calculated value for differences in the two mean scores is 130.6724 with a significance (one-tail)

probability of  $<0.0001$ , which is less than 0.05. Thus the test is significant (one-tail) probability of  $<0.0001$ , which is less than 0.05. Thus the test is significance at 5% level of significance ( $p < 0.05$ ). We therefore reject the null hypothesis and accept the alternative hypothesis.

### CONCLUSION

All seven indicators of pro-competitive role chosen for the research performed below the acceptance limit scoring less than 3.0 on the Likert scale. The tested roles include conducts that positively influence government policies with a score of 2.4793, collection of cost index data with a score of 2.3253, conferences, workshops and seminars with a score of 2.3224, technical and compliance support 2.1053, media relations 2.0000, crises control 1.2665, while commercial services namely, legal assistance to members, insurance and risk solutions, finance solutions and vehicle inspection services scored 1.1619. On the other hand, all the eight anti-competitive roles considered in the study were found to be major roles of the trade associations, which have mean scores above the acceptance level of 3.00. The tested roles include conducts that restrict the entry of firms into legitimate services and operations with a score of 4.8025, hoarding of information provided by government regulatory agencies also scoring 4.8025, management guidance and decisions that lead to restraints on competition 4.2687, unfair trade practices 4.0015, conducts that restricts facilities and technology 3.7306, conducts that restricts prices 3.7284, conducts that restricts customers and sales channels 3.6841, while conducts that restricts quantities scored 3.6412. The tests were found to be significant both on the one tail and two tail z statistics tests with a p-value of less than 0.0001 in either case. Consequently, we conclude that the extent of practice of anti-competitive roles is significantly higher than the extent of practice of pro-competitive roles by trade associations in Nigeria's road transport industry.

### RECOMMENDATIONS

Based on the findings of the research, government is therefore encouraged to focus on the following roles which include, conducts that restrict the entry of firms into legitimate services

and operations that scored 4.8025, hoarding of information provided by government regulatory agencies which also scored 4.8025, management guidance and decisions that lead to restraints on competition with a score of 4.2687, unfair trade practices with a score of 4.0015, conducts that restricts facilities and technology with a score of 3.7306, conducts that restricts prices with a score of 3.7284, conducts that restricts customers and sales channels with a score of 3.6841, and conducts that restricts quantities which scored 3.6412.

### REFERENCES

- Bendix S 2010. *Industrial Relations in South Africa*. Cape Town: Juta & Co Ltd.
- Camemark C 1979. Some Economic, Social and Technical Aspects of Rural Roads (ESCAP Workshop on rural Roads, Dhaka 10-23 Jan.): 18, cited in Role of Transport in Economic Development. From [www.scribd.com/doc/2423416/Role-of-Transport-in-Economic-Development](http://www.scribd.com/doc/2423416/Role-of-Transport-in-Economic-Development) (Retrieved on 15 January 2013).
- Eurofound 2011. Freedom of Association. From [www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/freedomofassociation.htm](http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/freedomofassociation.htm) (Retrieved on 20 September, 2013).
- Grogan J 2009. *Workplace Law*. Cape Town: Juta & Co Ltd.
- Hawkins EK 1958. *Road Transportation in Nigeria: A Study of African Enterprise*. London: Oxford University Press.
- Hay AM 1968. *Geography of Road Transport in Nigeria*. PhD Thesis. University of Cambridge, England.
- Letamo G 2011. *Social and Psychological Aspects of HIV/AIDS and their Ramifications*. Sweden: InTech Publishers.
- Luthans F, Ibrayeva ES 2010. Entrepreneurial self-efficacy in Central Asian transition economies: Quantitative and qualitative analyses. *Journal of International Business Studies*, 3(5): 20-25.
- Mallon RD 1980. Transport and Economic Development Economic Digest. From <http://www.pide.org.pk/pdf/digest/1960/issue2/8-13/pdf> (Retrieved on 15 March, 2013).
- Njoku ON 1979. Development of roads and road transport in south eastern Nigeria, 1903-1939. *Journal of African Studies*, 2(3): 28-33.
- Newspaper Association of America 2008. About NAA. From <http://www.nna.org/aboutNAA.aspx>. (Retrieved on 16 July 2012).
- Okoroji L, Ukpere WI 2011. A strategic reposition of the maritime industry for economic recovery and sustainability: "The Cabotage Act". *African Journal of Business Management*, 5(14): 5658-5663.
- Olarenwaju SA, Falola T 1986. Introduction. In: T Falola, SA Olarenwaju (Eds.): *Transport Systems in Nigeria*. Syracuse: University Maxwell School of Citizenship and Public Affairs, pp. ix-xv.
- Olubomehin OO 2001. The development of roads and road transportation in south western Nigeria, 1906-

1920. *Nigerian Journal of Economic History*, 4(1): 14-25.
- Olubomehin OO 2012. The Nigerian motor transporters since the 1920s. *International Journal of Humanities and Social Science*, 2(12): 7- 13
- Olukoju AO 1996. Transportation in Colonial West Africa. In: GO Ogunremi, EK Faluyi (Eds.): *An Economic History of West Africa since 1750*. Ibadan: Rex Charles Publication in Association with Connel Publications, pp. 144-156.
- Oshin O 1990. Rail and Road Transport Competition in Nigeria, 1904-1950. In: F Toyin (Ed.): *Modern Nigeria: A Tribute to G.O. Olusanya*. Lagos: Toyin, pp. 62-89.
- Oshin O 1991. Road transport and the declining fortunes of the Nigeria Railway, 1901-1950. *Journal of Transport History*, 3(1): 12-16.
- Procassini AA 1995. *Competitors in Alliance: Industry Associations, Global Rivalries and Business-Government Relations*. New York: ABC-Clio.
- Stephens MS, Ukpere WI 2011. Port performance: The importance of land transport in a developing economy. *African Journal of Business Management*, 5(21): 8545-8551.
- Stephens MS., Ukpere WI 2011. Accidents and level of intelligence: A view from the nigerian experience. *Journal of Human Ecology*, 35(2): 75-84.
- The Nigerian Union of Road Transport Worker (NURTW) 2011. *Diary*. Abuja: NURTW.
- Tripathi PC 1999. *Personnel Management and Industrial Relations*. New Delhi: Sultan Chand and Sons. Pp. 10-15
- Ugboaja PC, Ikeogu C, Ogwude IC, Chikwendu D 2013. *Impact of Trade Associations on Entrepreneurial Traits in Nigeria's Transport Industry*. India: International Organization of Scientific Research (IOSR).
- Ugboaja PC, Ukpere WI 2010. The economic sustainability of Nigeria's National Transport Policy. *Journal of Academic Research in Economic*, 2(3): 348-366.
- Ukpere WI 2013. *Globalisation and the End of a Single Orthodoxy*. Johannesburg: University of Johannesburg Professorial Inaugural Lecture.
- Ukpere WI 2007. *The Functional Relationship between Globalization Internationalization, Human Resources and Industrial Democracy*. PhD Thesis. Cape Town: CPUT.
- Venter P, Levy A 2011. *Labour Relations in South Africa*. Cape Town: Oxford University Press South-ern Africa.