The Relationship between Border Market and Development of Sistan & Balouchestan Province

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Abstract

This research examines the relationship between border market and development of Sistan & Balouchestan province that show there is positive significant relationship between each of the research variables. The present research with respect to purpose is regarded as applied research and with respect to method is regarded as descriptive and corrective research. The statistical society of this research is 7 border markets of Sistan and Balouchestan and among 280 available markets, the total number of 250 markets were selected as statistical sample that were selected by using V. KREJCIE. And. DARYLE W ·MORGAN Table on simple random basis. The method of collecting data is standard questionnaire and it was benefit from descriptive statistics for analyzing information and correlation statistics and linear regression for inferential analysis. Results of research show that there is positive significant relationship between creation of border markets and permanent development at Sistan & Balouchestan province.

Key Words: Border Market, Permanent Development, Customs

1) Introduction:

According to transaction by-law approved by state cabinet, border market is an area that is located at zero border line and next to authorized customs, fulfills customs formalities of discharging goods or is a place that is specified according to agreement concluded by and between Islamic Republic of Iran and neighbor countries (Zamani Farahani, 2005). Access of Sistan & Balouchestan province to free waters and being neighborhood with some underdeveloped countries prepares appropriate and exclusive condition for turning this zone as trading zone. Therefore, since many years ago this province was regarded as gateway of trade and connecting west to east and inhabitants of this area were active in the field of trading transactions. The first development plan in the year 1988-1977 for establishing border market is the most significant policy of commercial sector that its consequences is increasing employment and partnership of province and national economic and trade. These activities

that are mainly launched and developed with partnership of private sector not only lead to developing province based on commercial sector, but also affluence at this zone. The higher dependency to social-cultural and economic structures of this province improves national structures which are among fundamental strategies of developing east of Iran for reducing economic, social and cultural depression. The goal of this research is studying relationship between creation of border markets and developing export, income, per capita, employment and reducing import that the results show relationship between all of the variables.

2) Statement of Problem:

Having positive parameters in this province encourages state cabinet after victory of Islamic Republic of Iran to specifically consider commercial and trading aspect of this province in order to remove depravity, creating employment opportunity based on commercial and trading resources and through establishing border market and specific industrial zone of Chabahar took important steps for permanent development of this province. On this basis, border markets including: Pishin, Mirjaveh and Kohak were ratified by state cabinet in the year of 1992 and Milak border market in Zabol city was approved by secretariat of Higher Council of National Secuirty and in compliance with conditions of Afghanistan. Zahedan and Pakistan railway and location of this province at communication road of ECO and having suitable opportunity of export goods and service specially transit is among other potentials of this province. Jalej border market in Saravan and Gomshad in Zabol and Rimdan in Chabahar are among active markets of this province. Border markets are established with the goal of organizing trading affairs in this province. These markets leaded to much economic advancement and in this region and researches and statistics show that export has key role; nevertheless, still most of border markets do not benefit from their entire potential for developing their commercial and trade affairs. In this research it is attempted to study reasons of this problem and offer recommendation and solution for benefiting from maximum potential of border market.

3) Research Basis:

1-3) Development:

Researchers believe that basically individual property leads to stimulating society and society develops when people have ability of discovering secrets of nature and applying knowledge for obtaining to a better life. Some scientists believe that development is achieved when human has enough skill for living within complicated society and through applying technical skills to benefit from modern technology. In addition, through finding cultural and social skills it is possible to adapt with complicated condition of society. Therefore, the most important issue is learning (Alesina & Rodrik 2011). Scientists of communication sciences consider development of information and communication network of society and regard it as one of the pre-conditions of any type of development; since, they believe that basics of today's society depends on information and communication. Although there is no agreement for definition of development, there is implied agreement for this concept including: Development means change at social, cultural, political, economic and judicial structures that not only leads to quantitative growth of society but also qualitative changes of lifestyle, social welfare, cultural affairs and economic infrastructures. In addition, some specialists define development as: gradual progress from elementary mode and movement toward more completed stage (Haerian 2010, 25). Development is a process that is evolved with cultural

believes, social, economic and political institutes are significantly evolved that in compliance with recognized capacities to improve welfare of society i.e. development means complete reconstruction of society specifically from view point of creating new organizations that are compatible with important thoughts. In the way of this reconstruction and creation of new organizations, a new civilization is created which improves society. Nowadays, we refer to concept of development as all inclusive process (not just economic development) that focus on improving all aspects of life of people in society (Qarebaghian 1994, 23).

2-3) Border Market:
According to transaction bylaw approved by the state cabinet, border market is an area that is located at zero border line and adjacent to authorized customs for fulfilling formative of discharging goods or is a place that is determined according to agreement between Islamic Republic of Iran and adjacent countries (Motevaseli 2003, 87). Inhabitants of both sides of border are authorized to transact their required goods and products upon observing rules and regulations of export and import stipulated at this article for transaction of goods at border market:

1) Establishing customs at entrance and exit gateway of market and applying export, import and supervision rules by Customs Departments

2) Export goods at border market should be possible without requiring to offer foreign currency obligation

3) Entering and discharging goods at border market is only permissible through offering sale invoice of pavilion at border markets of Iran and there is no requirement to offer other documents including: pro forma invoice and bill of lading. Statistical registration each market is performed by agent of Ministry of Commerce

4) Under cases that it is impossible to supply goods from border market of second party country without offering sale invoice, the price of imported goods is determined by the Customs Department

5) Ministry of commerce determines and announces share of transactions and related changes, list of transacted goods at each market with respect to level of activities, facilities and requirements of border provinces and mutual agreements, rules and regulations of export and import

6) Import authorized goods shall be permissible by submitting certificate of foreign currency through border market in compliance with rules of import and with respect to foreign currency certificate in addition to maximum limit of markets

7) Rules related to "import before export" is cancelled at border markets

8) All real persons residing at legal areas shall be permissible to operate at border market

9) Transactions at border market shall be permissible upon establishing agents of Ministry of Commerce, customs, police force and upon applying related rules about amount and type of import and export goods and receiving commission of government

10) All authorized persons operating at border market shall be permissible to import and discharge goods that are purchased at border market through customs, free trading and industrial zone upon paying commercial profit and customs tax in return of export goods. The documents that are approved at customs offices of Iran shall remain valid for removing foreign currency obligations due to export through market and the Customs Department of Iran shall offer enough budget to eliminate foreign currency obligation due to export goods from market in all border customs and face trading and industrial zones to prevent from carrying excess goods (Nazari 2006, 44)

Regarding the main purpose of establishing border market strongly influenced on border line and some of the positive effects of having border market are including
* Permanent security of borders: Establishing border market at border lines of Iran could gradually solve the problem of security at border lines adjacent to border market; since, if transportation is high in border lines, the smugglers of narcotics and the insecurity factors and feel more endangered
* Developing non-oil export: Rules related to border markets leaded to increase non-oil export of Iran. The positive point of border market is adjacency to countries that strongly require import which increased non-oil export of Iran
* Increasing production of industrial and productive units at cities around border line: For cost of effectiveness of exporters, some factors manufacture their productive facilities near border area which leaded to this fact that productive units at border area are prosperous
* Healthy economy border and increasing transaction of border inhabitants: Border markets could prevent from informal transactions; since, informal transactions has high risk and finally people by spending low price may meet their trading requirements through border markets
* Increasing employment and healthy income for border inhabitants: Establishing border markets leads to directly and indirectly employment of thousands of people at border; which, leads to preventing from many crimes and social chaos either inside of Iran or at border areas
* Prevention of smuggling goods at border: As it was mentioned, smuggling goods has high income for smugglers, the risk of such activity is very high. Establishment of border market encourages border inhabitants to perform transaction at border market
* Prevention from immigration of border inhabitants and establishing borders of Iran: Bad climate, absence of income and appropriate job are among reasons of immigration of border inhabitants into borders of Iran which faced borders of Iran with several threats. Consequently, creation of border market could prevent from immigration of several border inhabitants to Iran.
Improving political, cultural and economic relationship of neighbor countries and border markets leaded to promote trading, cultural and social relationship and being more familiar with view point of neighbor countries (Abunouri 2010).

3-3) Research Background:
Mahmmoudi (1999) studied impediments and problems of border markets as case study of north and North West of Iran. This is field research that deals with problems of border markets of northern and north western provinces of Iran and finally offers some recommendations. Statistical universe of this research is all experts and persons having pavilion at border provinces of North and Northern West of Iran. Some of these recommendations are including:
* Development and equipments of North and Northern West markets
* Revision at customs tariffs of import and export for facilitating commerce at border
* Revision at comer rules at borders
* Creating new markets for North and Northern West provinces
- Ali Akbar Nazari Faculty Member of Islamic Azad University, Torbatjam Branch in the year 2006 studied the role of border markets for development of Ghaenat city and south Khorasan province. The method for collecting information is library and field. This research deals with advantages of border markets at South Khorasan province and statistics and performance of this market and related problems. The research methodology is descriptive and field method

- Normohammadi (1992) in his article studied the advantages of establishing specific economic zones and reducing smuggling, increasing employment and reducing immigration of border line

4) Conceptual Framework of Research
Figure 1
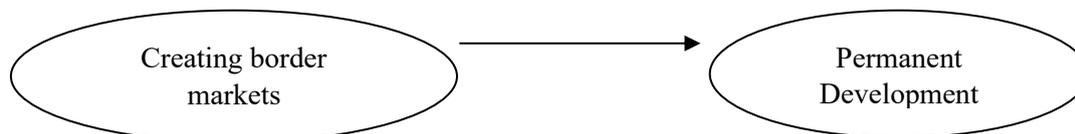
5) Research Question:
Which type of relationship is available between border markets of Sistan & Balouchestan with permanent development of Sistan & Balouchestan

6) Research Objectives:
1) Studying the relationship between border market of Sistan & Balouchestan with permanent development

2) Studying influence of creating border market on permanent development of Sistan & Balouchestan

3) Offering recommendations in compliance with results of research

7) Research Methodology:
The main section of each research design is selecting suitable research methodology. Offering this issue that based on which conceptual pattern the variables and relationship are determined, shows level of validity and reliability of results of research. This research with respect to objective is regarded as applied and with respect to method is descriptive and correlation.

1-7) Statistical society, Volume Sample & Sampling Method:
Statistical society of border markets of Sistan & Balouchestan including: Milak, Mirjaveh, Pishin, Gomshad, Jalegh, Rimdan and Kohak. Volume sample of this research in compliance with statistical society was selected among 7 border markets and among 280 persons, total number of 250 persons were selected as statistical sample that were selected by using V. KREJCIE. And. DARYLE W ٠MORGAN Table on random simple basis. Data is collected by using standard questionnaire consisting of 20 questions for border markets and 20 questions for development.

2-7) Reliability and Validity of Research:
In this research in order to assess validity of questionnaire it was benefit from comment of experts and professors. A time based test has reliability with observation grades and real grades with high correlation. Several factors are effective on reliability and validity including:
1) Not defining terms 2) Absence of attention to questioners 3) Incompatibility of respondents 4) Changing conditions of asking question 5) Appearance and inner status of tools 6)

Incompatibility of different stages of research (Ranji Jifroudi 2010). In order to assess reliability of questionnaire it was benefit from Alpha Cronbach. Results of this test for questionnaire of border market is 0.96 and for development 0.87. Whereas results of this test for both questionnaires is higher than 0.7; therefore, questionnaire has suitable reliability.

8) Analyzing Data:

For better recognition of society, before analyzing statistical data, the data should be described. In addition, statistical description of data takes long step for finding out basis for describing relationship of variable.

1-8) Descriptive Statistics

This section deals with describing demographical properties

1-1-8) Sex

Sex	Frequency	Percentage of Frequency	Cumulative Percentage
Male	217	87	87
Female	33	13	100
Sum	250	100	

2-1-8) Age

Sex	Frequency	Percentage of Frequency	Cumulative Percentage
Up to 25 years	105	42	42
26 to 35 years	95	38	80
36 to 45 years	32	13	93
45 years and over	18	7	100
Sum	250	100	

3-1-8) Education

Education	Frequency	Percentage of Frequency	Cumulative Percentage
Diploma	115	46	46
Associate Degree	70	28	74
Bachelor's Degree	30	12	86
Master's Degree and Higher	35	14	100
Sum	250	100	

4-1-8) Employment at Border Market

Employment	Frequency	Percentage of Frequency	Cumulative Percentage
Up to 10 years	144	58	58
10 to 15 years	65	26	84
16 to 20 years	25	10	94
21 years and over	16	6	100
Sum	250	100	

2-8) Hypothesis Test

This section deals with correlation of variables and it was benefit from Pearson test and correlation test for variables

1-5-8) Main Research Question

Main research question: There is relationship between border markets of Sistan and Balouchestan province and permanent development of Sistan and Balouchestan province

Table 5: Summary of test for Pearson correlation coefficient about border market and permanent development

First variable	Second variable	Correlation coefficient	Sig level	Result of test
Border market	Permanent development	0.699	0.000	No relationship

According to information of table 5, it is observed that at sig level of Sig=0/000 the Pearson correlation coefficient for border market and permanent development is obtained as 0.699; therefore there is positive significant correlation between 2 variables. By having 99% certainty the zero hypothesis is rejected and research hypothesis is confirmed and it is concluded that there is direct significant relationship between border market of Sistan and Balouchestan province and permanent development of Sistan and Balouchestan province

2-5-8- Linear Regression Test

Regression analysis has close relationship with correlation coefficient between variables, dispersion diagram and linear regression. In fact, if there is good correlation between variables, it is benefit from regression for hypothesis test (Afshani 2008, 139). In this research in order to show influence of border market on permanent development, it was benefit from regression.

Independent Variable	Dependant Variable	R	R^2	Balanced R2	Beta	T	Sig Level
Border market	Permanent development	0.699	0.488	0.484	0.699	11.633	0.000

As it is obvious from table 6, the sig level 0.000 show that total model is significant. If significant level of statistics is small (less than 0.05) then the independent variables appropriately describes changes of dependant variable. The determining coefficient shows level of variance of dependant variable that describes independent variable. Here R^2 is 0.488 i.e. variable of creating border market only describes 48.8 % variance (changes) of permanent development. Beta is standard coefficient and if Beta and T are larger and significant level is smaller it means that independent variable (anticipation) has strong influence on dependant variable. Within double variable regression the Beta is equal to correlation coefficient and here Beta is .0699 and T is 11.633

9) Conclusion & Recommendations:

The main research question is finding sig test for creating border market and permanent development of Sistan and Balouchestan province. The zero hypothesis refers that there is no relationship and the other hypothesis refers that there is relationship between border market and permanent development of Sistan and Balouchestan province. It is observed that at Sig=0.000 the Pearson correlation coefficient for creating border market and permanent development among companies in this study is 0.699; therefore, there is positive significant correlation between aforesaid variables and by certainty of 99% the zero hypothesis is rejected and the research hypothesis is confirmed. It is concluded that there is direct significant relationship between creating border market and permanent development at statistical society and results of this hypothesis is compatible with researches of Mahmmoudi (2008) Nazari (2006) Normohammadi (1992). According to results of research the following recommendations are offered:

1) Whereas influence of border market on developing export of this research, it is recommended to take due action for identifying other important areas at borders of Sistan and Balouchestan province that have potentials of establishing border market

2) One solution for developing foreign trade is having required infrastructures. It is obvious that absence of having required infrastructures and suitable solutions withdraws exporter from continuing export; therefore, investment on this field assists to growth of province and border line.

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