

Research Paper

Comparative Comparison of Effects of Smuggling Goods on the Development of Rural Settlements (Case Study: Commercial area of Dehsheikh in Fars Province and Gachin in Hormozgan Province)

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ABSTRACT

The most important challenge for security in the border regions of the country is unemployment and locals' dissatisfaction of economic activities. This problem makes people to earn money through all kinds of fake and informal jobs. One of the fake activities is the growth of the informal cross-border trades (smuggling). The aim of this study is to compare the economic, social and physical effects and consequences resulted from the expansion of the informal economical activities and its different reflections on the development of rural settlements located in the commercial area of Dehsheikh in Fars Province and Gachin in Hormozgan Province. This study is an applied research with cross-sectional design. Then data on the area and the subject were collected through surveys (questionnaires, observations and interviews). Based on Cochran formula, a total of 156 and 160 questionnaires have been completed in rural areas of Dehsheikh business district and Gachin village, respectively. According to Friedman, the average number of each 3 variables in Dehsheikh village is almost identical and have an almost identical distribution. However, the averages of the indexes of Gachin Village have a big difference with each other in such a way that economic indicators with an average score of 50.142 has the most influence and the social and physical indicators with the average scores of 35.4675 and 33.9935, respectively, had the least influence.

Key words:

Smuggling activities,
Rural economic,
Rural employment,
Commercial area of
Dehsheikh, Village
Gachine

Extended Abstract**1. Introduction**

Spatial differences create economic opportunities that lead to the emergence of different strengths between areas. Illegal trade and smuggling (informal or shadow economy) is one of the consequences of uneven and unjust development, which today has affected a wide range of villages in the border areas of the country. The

most important challenge for security in the border regions of the country is unemployment and dissatisfaction of economic activities. This causes people to earn living and spend their lives in a variety of disguised and unofficial jobs. Obviously, the growth of any business, has many effects and consequences in economic, social, cultural and physical aspects of rural areas. The study aims to compare economic, social, and physical effects resulting from the expansion of the informal economy and different reflections on rural settlement development located in the commercial area of Dehsheikh in Fars Province and

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Gachin in Hormozgan Province. In other words, we try to find out why the implications of activities in these areas (Dehsheikh commercial area in Lamerd and Gachin in Bandar Abbas) are not the same, despite the fact that both are engaged in similar activities.

2. Methodology

This study is an applied research and has a cross-sectional design. In this study, first the necessary insight on the subject was obtained from the library research. Then the relevant data on the subject were collected through questionnaires, observations, and interviews. For this purpose, a questionnaire was designed (including family questionnaire) with a set of open and closed questions. The close questions were scored based on the Likert-type scale. The reliability of the questionnaire was confirmed based on the Cronbach's α which ranged from 0.79 to 0.87. Based on a Cochran formula, 156 and 160 questionnaires were completed in rural areas of Dehsheikh business district and Gachin village, respectively. According to the desired dimensions in analytical method, some indicators are set and referrals are taken into account for each index matched in the research or independent variable. In addition, statistically different methods (t test and Friedman and Mann-Whitney) were used to analyze the data.

3. Results

In order to identify the extent and severity of the impact of informal activities in different dimensions on rural development from the perspective of the studied samples, initially effect of each variable was determined through 1-sample t-test. Then, the number and the average of each of these indicators were discussed through the Friedman test. Analysis of the data by 1-sample t-test showed that the majority of the economic components for both villages have an average higher than the desirable number of 3. The average of the components of the economic index for Gachin village was slightly higher than that of Dehsheikh area. With regard to social impact, 13 relevant components have been higher than average, and other items have an average values of less than 3. The results of the analysis of the impact of these activities on the physical development of villages show that all study components in Dehsheikh village are higher than average value i.e., 3; while are less than 3 in Gachin village.

4. Discussion

Optimal utilization of geographic areas in national development process depends on diversification and spread of new forms of economic activity besides the agricultural

activities. Based on the results, one form of this diversity is the prevalence of illegal imports of goods, especially in rural border areas of the country. This is due to regional inequalities and dichotomy. According to the results, the economic impact of these activities is very evident and significant in both villages, so that they have been very effective in increasing income, making new job opportunities, improving the economy and investment, salary and job satisfaction of the residents of the studied villages. However, occupational implications have been different on social and physical situations of these villages, so that it is estimated as positive in Dehsheikh while it is not tangible in Gachin, which is due to the characteristics of traditional culture and poor participation of the villagers in diverse affairs.

5. Conclusion

High income alone cannot be a factor in the development of rural areas, but other factors are also essential, too; such as the culture of partnership and cooperation between villagers and village authorities (council, RM) and accepting some new good ideas alongside the traditional and common beliefs.

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Conflict of Interest

The authors have no conflict of interest to declare.