



On the examination of reasons why border dwellers tend to goods smuggling and its impacts on the non-accomplishment of economic development

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ABSTRACT

Iran has over 6000 kilometers joint (land) border with countries of Afghanistan, Pakistan, Turkmenistan, Turkey, Armenia, Republic of Azerbaijan and Iraq. Iran also has a 2700 kilometer maritime border in the Caspian Sea, Persian Gulf and Oman Sea and has the longest border with Iraq and shortest border with Armenia. Border dwellers turn to smuggling due to some reasons. This research addresses reasons why border dwellers tend to goods smuggling and its impacts on the non-accomplishment of economic development. This research is descriptive in nature and its methodology is export facto; because the researcher seeks to find possible ways in which border dwellers tend to goods smuggling. The statistical population of this research consists of male residents in the city of Bane in 2014 who amounted to 30000. The sample volume was selected 384 people based on the Morgan formula who were selected via random sampling. The research tool was a researcher made questionnaire where appropriate questions and options were used given the research's hypotheses and objectives. The questionnaire's validity was confirmed by professors and the mean questionnaire's reliability was estimated 0/75 by using Cronbach's alpha. The results of the current research finding which are in line with the researches investigated in this field suggest that factors related with familial subsistence and factors related with the economic system have all affected tendency to goods smuggling.

Keywords: Goods smuggling; Economic development; Bane Market

1. INTRODUCTION

The phenomenon of goods smuggling in our country, in addition to economic ill effects, assumes importance as a social and economic challenge. Today, this phenomenon is considered a serious threat on the way of free trade and also imposes much costs on the body of the economy. Goods smuggling, on the one hand, reduces state tax and duty receipts and on the other hand, causes the exit of currencies, huge withdrawal of investments, increased joblessness, reduction of internal industrial products and the like. In a healthy economy, all the economic activities are registered; however, a group of economic activists are not inclined to such a thing and thus render in the formation of the underground economy or the black economy. Of the most important examples of the underground economy is the phenomenon of goods and currency smuggling which disrupts the nationwide economic information system and cause problems for the economic decision making, thereby resulting in policy making to lose their own credibility. Goods and currency smuggling has always been more than legal trading and practically, the leash of Iranian bazaars, specially "High Tech" industries which have demanding and costly products are owned by people and groups who not only have no role in the economic indices, but also they are considered to causes of economic and social fallout of a country (Bagheri and Garmaroodi, 1998).

One of the factors that lead to the expounded goods smuggling in the country is the geographical status of the country. Thousands of land and maritime borders and also neighborhood with instable countries have all reduced generating investment in border countries. Goods smuggling is mainly done through border dwelling areas. In the border areas of the country, due to poverty and loss of peoples' professional opportunities in order to meet their financial ends, they begin smuggling goods. Of other reasons why border dwellers get inclined to goods smuggling is the false culture prevailing on the society that needs to be corrected via adopting measures for a proper acculturation. Our country's border areas possess capacities and potentials, if identified and applied well, not only threats will become opportunities, rather our dear country will get help in the direction of economic expansion and growth. Thus, production, industrial agriculture and livestock potentials as well as fisheries need to be regarded in the status quo (Bahrami, 2006). That which is for certain is the serious ills which are imposed on the country's economy through goods smuggling. Goods smuggling, while disrupting state's supportive objectives, will lead to the elimination of tariff and non-tariff based policies effects by the state. While non-payment of the state's duties on the part of smugglers will reduce investment in industries, and leads to reduced volume of production activities inside the country and consequently, reduced investment in industries and given the fact that domestic production industries are obliged to get involved under their own capacities, as a result, the finished price of all products will go up and lead to increased inflation in the country (Shakibaei and Sadeghi, 2002).

Province of western Azarbaijan enjoys great potentials, which attention to using them optimally is thought of a great step in eliminating the omen phenomenon of smuggling. It is essential to identify existing potentials and capacities in the section of cooperation for the growth and progress of the economy and all the efforts need to be directed at creating cooperatives within border areas. Unfortunately, in many of the border cities, smuggling has become a value among the young people and students, as we have seen, have dropped out of school to become smugglers. National and provincial officials need to take care of this category and come to this understanding that, via large investment in border areas and

supporting exporters of border minimarkets, they could direct the view of the young people towards proper activities through border trading minimarkets. Existence of border minimarkets and as a result, border trading and exchange and exportation of products through these minimarkets will not only help solve border dwellers' subsistence problems rather this will be an achievement for the entrance to larger economic areas. Given the fact goods and currency smuggling is a multifaceted phenomenon; thus, various factors including, economic, social and cultural factors play roles in its formation. Thus, identification of these factors will help presenting good guidelines in treating this sinister economic and social phenomenon. For this, this paper seeks to identify the causes and factors creating goods smuggling and the resulting destructive effects of smuggling on the economic state of the country.

Concept of smuggling

Smuggling is one of the common phenomena and is a known blight for countries' economies. Lexically, smuggling is considered a kind of custom fraud which includes transference of goods without paying custom duties and paying business interests. Generally smuggling means hidden entry and exit of goods through official and unofficial sources without paying state duties (Nasiri, 2002). As per article 2 of the Islamic Penal Code, smuggling means a criminal offence for which the policy maker, in case laws, including rule pertaining to discretionary punishments for the smuggling of goods and perpetrators of smuggling, has foreseen such penalties as goods confiscation, imprisonment (if necessary), or their annihilation. According to the law of entry and exit of goods, monitoring needs to be done and in the presence of custom officials and if goods are brought in or taken out without doing custom protocols or through non-custom sources (unofficial gates) or contrary to custom rules and regulations, this action is called smuggling (Bahrami, 2006).

In the law of Budget, 2001, Islamic Council Representatives have presented a definition of smuggling, stating that all the goods brought in or taken out of the official borders of the country without legal protocols and entrance duties as well as pertinent charges is called smuggling. This good, if seen in anywhere including in borders, entrance sources, warehouses, while transporting or in supply centers, it is called smuggling, good without ID implying where it has come from and no legal protocols is observed about it. According to the law enacted by the session, such acts and goods are called smuggling. Generally, smuggling involves two sections; one is smuggling of prohibited goods; i.e. goods whose exports and imports are legally prohibited like drugs, weapons and alcoholic beverages and the other, i.e. goods permitted or conditionally permitted; which means those goods whose imports and exports is impossible with observing legal criteria; however, they are smuggling because legal criteria are not met (Abrishami et al. 2007).

Causes and factors affecting goods smuggling

Of these factors, One can refer to economic reasons such as reduced employment and increased unemployment, escape from paying taxes and custom duties and payment of subsidies to goods (via paying subsidies, the price of subsidy include goods will be less than their price in the neighborhood country; e.g. gas and gasoil). Social and cultural reasons like dissemination of the culture of consuming foreign goods (stating that foreign goods are endurable; but Iranian goods are not endurable), advertisement (immense volume of

advertisement through domestic and foreign media) are also among the reasons of increased goods smuggling. In the following, factors affecting goods and currency smuggling are mentioned:

1. Demand inside the country: Smuggling of imported goods mainly expands based on public demands inside the country. The phenomenon of imported goods takes roots from the existence of demands for the goods in the bazaar. Of factors leading to increasing demands, is the growing trend of domestic consumption expectations and lack of diversity in the bazaar of domestic goods. As for other components such as beauty and innovation in colors and designs of goods high quality of goods, compared to domestic goods, consumers' requirements and increased purchasing power, compared to a high volume of goods available in the bazaar are also effective in increasing goods smuggling.
2. Large scale advertisement: Of among various factors causing an increase in demands for smuggling of goods inside the country, one can refer to advertisement; specially that advertisement constitutes an independent technique and science in today's world and ways of influencing consumers in business has become special expertise. On the other hand, expansion and increase of public access to transnational media has paved the way for advertisement of foreign goods. Business advertisement plays an effective role in creating the need for goods inside and in case of all out advertisement, should obtaining goods on demand is faced with limitations and prohibitions, not only demand for it will not decline, rather it will create a good setting for smuggling of those goods. Foreign advertisement represent in domestic and foreign publications, advertisement billboards at crossings, TV foreign serials, the Internet and satellite channels.
3. Undue limitations and prohibitions: Of other factors that would render in the creation of goods smuggling is rules and regulations as well as prohibitions. Many of the goods, from a content and format point of view, lack normal grounds; however, they are subjected to custom based prohibitions. In this state, domestic macro level demands are faced with uncontrolled limitations and that which is practically exchanged in urban bazaars are regarded as prohibited in custom sources. In this state, demands that can be met legally are referred to business area and the same issue will automatically create grounds for expanding goods smuggling.
4. Inconsistent prices inside and outside of the country: Of factors which expand goods smuggling-inside or outside of the country-is that prices are not similar inside or outside of the market. In case prices inside and outside of the market are the same, though there are grounds for goods smuggling, there will be no motivation for the goods smuggling. This factor assumes importance in smuggling exported goods (from inside to the outside); because the price of some domestic goods, due to state subside, is less than that in neighboring countries and this will per se result in the exit of goods.
5. Economic vacuums: Economic vacuums include series of ways and factors which allow for smuggling. Of these factors, we can refer to the discrepancy between currency rate and free market rate (unofficial rate) of the currency which leads to the goods smuggling becoming lucrative. Also, the ineffective bureaucratic system is among other factors that creates a series of problems and crises for the legal trading.

6. Long borders: Maritime and land long borders with neighbors make controlling and monitoring of entry and exit of goods a tricky task. Meantime, the existence of such borders makes using advanced facilities and modern equipment in border crossings difficult and impossible. Under such conditions despite 8755 kilometers of borders with its neighbors, perils of goods smuggling will reduce and dare for breaking the laws will rise.
7. Cases of bribery or co-op between some police forces in borders: Due to lucrative professions related with goods smuggling, it is natural that agents of smuggling act to bypass legal mechanism. In this regard one of the major objectives of the hidden investment is to draw the cooperation or relinquishing some of the agents and body of police forces in the border that would lead to financial and administrative corruption; thus the result will be silence and inability of the agents to fight such a phenomenon.
8. Cooperation by some of the custom agent with smugglers: In addition to police forces, the other custodians controlling entry and exit of goods through borders is the Customs Organization which is important for smugglers as a subject of investment and agents of smugglers need their cooperation.
9. Lack of cooperation between officers and government entities with the police forces: On the one hand, loss of financial sources necessary for fighting goods smuggling and on the other hand, shortage of effective office forces in other government offices- except for police forces- are factors that aggravate goods smuggling. It is essential to integrate and coordinate efforts by government organs to cooperate with police forces.
10. Applying ineffective human force by the police forces: That group of human force working on the behalf of police forces in border areas includes soldiers, low rank non-commissioned forces and personnel in exile such that one cannot make use of such human forces in the area of fighting goods smuggling. These human forces have naturally more readiness for operation with smugglers.
11. Failure to enjoy necessary knowledge and applied awareness in police forces: Fighting illegal entry and exit of goods in the country requires a specialized look into this phenomenon and police forces need to strive for success in this regard through developing forces and updating their specialized knowledge (under the heading of smuggling experts). In this case, some kind of expertise cycle will be formed in this area.
12. Low price level of smuggled goods compared to domestic products: When speaking the existence of higher public demands in the internal market compared to goods smuggling, this subject needs to be heeded that smuggled goods are not mainly sold with their own real prices, while domestically manufactured goods need to return most of the costs the manufacturer has endured during the production phase. Goods smuggled do not commonly involve costs and while having favorable quality for the consumers are sold with cheaper prices. Therefore, domestic consumers are commonly inclined to goods smuggled and this is one of the vulnerabilities of the products domestically manufactured.
13. Weak domestic industry and product: Of fundamental factors in increasing demands by domestic consumers compared to smuggled goods is the quantitative and qualitative weakness of internal products and low level of technologies in production areas. Under such conditions, smuggled goods will enjoy higher quality and sale volume in the internal market.

14. Unemployment of the young people in border cities and areas: Main forces importing smuggling are mainly the young people who are residing in border areas and enjoy little cultural and economic facilities. Thus, lack of healthy and cheerful professions in border regions will add to agency in smuggling.
15. Lucrative goods smuggling: Smuggling, generally, is among most lucrative professions across the world. As an example, smuggling drugs is among the most lucrative industries. Goods smuggling also return huge loss to its own agents and during a long time, it will create a false professional area and a market which can easily attract forces under the condition of a lack of health professions.
16. Lack of exact control and Monitoring over distributors and sales of goods: Various crossings and sources account for smuggling goods. In addition to border areas wherein entry and exit of smuggled goods are done, one can transfer mechanism of monitoring and control to the inside of domestic bazaars. Despite this, under the current conditions, no such monitoring is done over distributors and for this, it is easily possible to do business.
17. Weak level of economic security: Economic security is among major components in prosperity of bazaars and maintain their health rate; loss or shortage of economic security, on the one hand will destroy economic participation and investment in non-state sectors and on the other hand, it allows for areas and vacuums for then growth and development of smuggled business. Stagnant public investment and non-participation of them in the process of production is among outcomes of low economic security factor.
18. Weak rules and regulations for fighting smuggling: In the science of Law, increased costs and penalties and expanding the radius of penalties to include all levels is thought of one of the mechanism for deterring criminals and reducing conduct of offence. In this connection it appears that the current rules and regulations against smuggling do not have the pervasiveness and there are also some legal indiscriminate points in this area and no legal measures have been thought of for various forms of this activity and its complexities.
19. Low risk of goods smuggling: The consequent result of lack of legal measures and shortage of police and economic controls compared to smuggling of that good is that perils and risks will decline and this will lead to attraction of more human forces to the underground economy and on the other hand, it will render in resulting ills.
20. Administrative corruption: Administrative corruption is a more comprehensive task than goods smuggling; however, existence of administrative corruption alongside other factors will disrupt monitoring. Fundamentally, administrative and bureaucratic systems have a basic controlling function and administrative corruption hinders the bureaucratic system from its own main functioning.
21. Weak private sector and the economy being state owned: the economy being state owned will per se negate the possibility of participation of stagnant capital in the social sector and hence, during the distribution process of smuggling goods in the market, the smuggled goods will be get engaged with the least alternative . Lack of alternative for smuggled goods in the domestic market on the one hand is a product of weak private sector and on the other hand, it generates ailment like grounds for the unhealthy growth of the economy.

22. Deprivation of provinces and cities: There are fundamental problems in the area of geographical scatteredness and socioeconomic facilities. Provinces of Sistan and Baluchistan, Kurdistan and Ilam which are major crossings for transit of smuggled goods are always under the list of enjoying national facilities and the population of these provinces is inactive populations and they do not generate added economic value in the absence of planned investment. Therefore, the inactive population of these provinces-specially in border cities and village which are totally deprived of socioeconomic privileges- are inclined to smuggling.

Impacts and outcomes of goods smuggling

Goods and currency smuggling have negative effects on the country's economy; in the following some of which are mentioned:

1. Neutralization of economic policies: annually, the government, viewing nationwide facilities and requirements and in order to create a kind of balance in foreign payments and with help from a series of trading policies will determine the volume of exports and imports. Goods smuggling, as a doubled and interfering factor, disrupts macro state objectives. In other words, goods smuggling in research in the national economy is an "interfering variable" or "unwanted variable" an since it occurs out of the state's information and control, it has a low foreseeability and its minimum and maximum is determined with estimations close to reality.
2. Imposition of currency- incurred costs: Annual budget of the state is determined by relying on hypothetical currency costs, while goods smuggling out of the national economy cycle will automatically impose hefty costs on the state which will disrupt the national economy movement. Currency incurred costs arising from cluster pressure exerted by the good smuggling occurs in form of disruption within middle term and long term programs will be in an ascending form and the ratio of time in this ascending trend will form a geometric ascending; meaning that continuation of goods smuggling and lack of serious counteract with that will add to currency costs.
3. Increase of official imports costs: Impacts of goods smuggling on official imports costs occur in two ways: first, goods of demand in the internal market will be met with reduced formal demands; such that a part of these goods is supplied through smuggling imported goods and its profit will enter the black market and is out of the state's control. On the other hand, goods smuggling being non-manufacturing will render in weakening of internal goods and parts of consumption goods which enter into the market via smuggling will flourish.
4. Disruption with currency appropriation by the state for the imp[ro]ts of basic goods: Considering the previous item, it can be said that goods smuggling will disrupt the state's objectives for importing necessary, investment and intermediary goods in order to develop internal production; because smuggled goods are consumable and unnecessary and have no positive effects on the internal production growth.
5. Social consumption pattern dysfunction: goods smuggled have negate effects on the consumption pattern of the society. The nature of such goods which is mainly unnecessary will lead the society towards entertainment and negative reliance on debauchery. Since man is a cultural being and his identity is formed by culture and also since the human life is per se a social life, he can meet his own needs and desires

through satisfying his own needs and with the help of principles of "cooperation in survival" and "cooperation in transcendence" for a prosperous life. In this regard, it can be stated that social prosperity pattern relies on conditions and facilities. Smuggling goods will basically change domestic consumption. When luxury goods enter the market with cheaper prices, the consumption of these goods will naturally rise and hence, consumption pattern will turn to luxury and consumption goods.

6. Weakening of internal industrial products: According to existing statistics, the volume of investment involved in smuggling in Iran equals three billion dollars which will undermine the domestic industrial products for as much as 8%. This trend will cause to slow the nationwide expansion process. Smuggling of imported goods will deprive the state from receiving trading returns and custom duties and reduce its Rial based revenues. Thus, entry of smuggled goods due to non-payment of charges and custom duties has lower prices and in competition to domestically manufactured goods will lock down internal industries.
7. Tension with domestic market competitions: When goods smuggling make a part of internal consumption markets dependent on itself, it is natural that the ground for the competition of internal competitors will get closer and this will create a sort of tension and pressure among internal manufacturer which involves two dimensions: first tension and challenge will rise in internal companies and this false tension will reduce professional band economic security factor and second, some sort of unbalanced and unfair competition will occur among internal manufacturers and importers of smuggling goods.
8. Decline of job opportunities: A drop in production and consequences from goods smuggling in this regard will leave adverse effects on the employment level in the county; this crisis will allow for social and cultural crises per se. According to researches done, for each 15-30,000 dollar's worth of goods smuggled, one job opportunity is lost, whereas for creating each job, there is a need for two thousand dollars investments. It can be said that the investment involved in the goods smuggling sector will remove almost 300000 job opportunities annually. Reduction of job opportunities is by itself another procedure related with reduced production investment.
9. Decline in national per capita production: crisis in internally generating investment will naturally lead national per capital production to problems. The significance of the impacts of goods smuggling on this area will be once clearer when it is known that the Iranian economic market is automatically faced with a kind of capita production crisis such that the state is always bound to inject revenues from oil selling.
10. Decline of national per capital income: Of outcomes related with reduced internally generating investment and reduced per capital production is the increasing reliance of citizens on state subsidies and mother budgets which will reduce the national per capita income with declines. It can be stated that of adverse consequence of goods smuggling is spreading out of of poverty in the society. Meanwhile, wavering of the economic status will keep the vulnerable people aware from the sates' access such that the state will be met with confusion and indiscrimination.
11. Dissemination of bio-cultural maladaptive patterns: various dimensions of cultural influencing related with goods smuggling is among issues raised in this regard. Cultural goods are among common smuggling gods and that which is threatened as

destructive cultural forces of social formats and frameworks are patterns disseminated through such goods.

12. Weakening of labor culture: Various jobs will be faced with social reactions. Official jobs are series of professions which are legal and confirmed to have value and credit. Position professions are those, though not acceptable, they are not regarded anti-value and cannot be regarded as lacking social credibility. To the contrary, some professions such as smuggling are automatically considered to be anti-value in the society; because there must be a public view against any physical or mental efforts and should a group has some unconventional income with spending little time, it will be faced with social reaction. Existence of such professions at the society level will lead to a valuable and welfare life. Under such conditions, some thinking will prevail in the society where profitability can be disseminated through any way possible in the public culture. Non-treatment of such professions including smuggling at the society level will automatically strengthen this culture. Therefore, social coherence and links will be lost and the society will go towards some hostile situation.
13. Disruption with the country's currency system: Goods smuggling will increase demand for currency in the unofficial market and the internal price increase of currency will have an inflationary property and on the other hand, with the increase of goods' supply and avoiding increased supply of goods and avoiding price hikes, disruptions will be made in the currency system. Most imported smuggled goods are luxury goods and their custom charges is over 50% and considering 2 billion dollars per annum, as much as 2000 billion Rial will be lost.
14. Weakening of non-oil exports: Of the most important components of economic growth and development in Iran is non-oil export. Under conditions of expanded goods smuggling, exports of smuggled goods will replace non-oil goods and in the end, it will increase the national economic system's reliance on oil.
15. Cultural expansion of the hidden economy: Various damages from goods smuggling manifestations in the society and also the emergence of this reality in form of ineffectiveness and illegal ways in the economy and various economic mutations will gradually lead the public perception to the hidden economic behaviors and economic applications.
16. Creation of security crises: The category of smuggling of goods is not simply confined to trading goods and in the long term, negligible treatment with agents of smuggling will make this group turn to anti-security activities. Therefore, expansion of goods smuggling will allow for the smuggling of opiates as well as guns smuggling. Loss of sufficient monitoring and control will cause havoc and cause serious problem to political, social and cultural pillars of the system.
17. Formation of an underground or black economy: The phenomenon of smuggling will lead to formation of an underground economy or a black economy and since such activities are done in unofficial markets, they will not get registered in national accounts; thus, national gross product or income will be estimated less than it is real due to necessary statistics and data. Since tax evasion is on the rise in the underground economy, state's revenues will be reduced in total. Thus, the phenomenon of goods smuggling causes the state's income to reduce in three ways:
 - a) Expansion of underground economy and tax evasion
 - b) Reduced tariffs and custom duties

c) Reduced currency incomes

Hence, hefty prices will go to the smugglers' pockets.

Guidelines for fighting goods and currency smuggling

- Establishing value added in avoiding economic corruptions and smuggling is necessary. In fact, we need a string and effective tax system as well as a discriminatory tax system that could well address tax receipts from people.
- Purposeful, and planned acts could improve the quality of internal products and their competition power against similar foreign goods.
- Reviewing the policy of creating a border minimarket as a loophole for the smuggling of trading goods and revision in the policy of employment and income generation an attention to development and expansion of border regions and compensation of their underdevelopment and establishing necessary security for the healthy economic activities for border dwellers and attempts for reforming the border related laws and increasing employment activities are important.
- Liberation of goods imports within the framework of stock exchange bazar and currency
- Eliminating bureaucratic obstacles ahead of economic expansion and attracting internal and external investment
- Attention to increasing consumers' welfare, organizing foreign companies in case the goods of these companies are legally entered into the country. Currently, given trading rules, these companies can supply their own goods provided that post sale agency has at its disposal some spare parts warranty and guaranty.
- Reforming subsidy grant system is a major step in the reduction of goods smuggling; in this area it is important to administer economic evolution and development by the ninth state
- Creating an evaluation system for measuring systems' tasks. This way is an appropriate guideline to address wrongdoing like goods smuggling. and evaluation system measure them with various indices, where this act is effective in preventing from crimes.
- Increasing smuggling related risks with the goal of reducing goods
- Agencies of goods entered into Iran need to be obliged to distinguish goods legally entered in the country from those illegally entered the country. Thus, via presenting Farsi warranties for the endurable consummation goods, they can determine this

Social and cultural guidelines for fighting goods and currency smuggling

Popular participation is the most important need for the success of plans on fighting goods smuggling. Some goods are cheap and lack certain health standards and its smuggling can be easily determined by people.

Promoting the culture of social consumption; many of the goods that enter the country are consumption goods and are not among basic goods needed by the consumers; rather smugglers advertise their goods. On the other hand, establishing value added in avoiding economic corruptions and smuggling is necessary. In fact, we need a string and effective tax

system as well as a discriminatory tax system that could well address tax receipts from people.

To sum up, with regards to border dwellers' tendency t goods and currency smuggling can be summarized as follows:

Firstly, Iranian border dwellers' tendency to goods and currency smuggling is due to unemployment and deprivation of border points and lack of investment in economic sectors

Secondly, phenomenon of goods smuggling in our country imposes hefty costs on the economic body of the country and hinders us from reaching some economic growth and examination.

Thirdly, given the fact that currency and goods smuggling is a multifaceted phenomenon; thus, various factors as economic, political, social and cultural factors play roles in its formation; identification of these factors will help present appropriate guidelines for treating this issue. The overall research objective was to examine the causes of Iranian border dwellers' tendency to gods smuggling and its impacts on non-accomplishment of economic expansion.

2. METHODOLOGY

This research addresses reasons why border dwellers tend to goods smuggling and its impacts on the non-accomplishment of economic development. This research is descriptive in nature and its methodology is export facto; because the researcher seeks to find possible ways in which border dwellers tend to goods smuggling. The statistical population of this research consists of male residents in the city of Bane in 2014 that amounted to 30000. The sample volume was selected 384 people based on the Morgan formula who were selected via random sampling. The research tool was a researcher made questionnaire where appropriate questions and options were used given the research's hypotheses and objectives. Given lack of a standardized scale in the area of the subject matter and also due to acceleration and expansion in gathering data necessary, while considering scientific standards for preparing a scale, a researcher made questionnaire was formulated to ask for the views of border dwellers in relation to currency and goods tendency. To prepare the questionnaire, based on research hypotheses, 23 questions (22 questions via 5 degree Likert scale and one open ended question) was developed. In order to analyze data, in this research descriptive statistics like tables, graphs and percentages and frequencies were used and for testing the questions in the inferential section single sample t test was used.

3. FINDINGS

Table 1. Describing background variables

Variable		Frequency	Percentage
Gender	Woman	184	52/08
	Man	200	47/91
Age	20-30	127	33/07

	30/1-40	127	33/07
	40/1-50	130	3/85
Education	Under diploma and diploma	103	26/82
	Associates'	136	35/41
	B.A.	146	37/76

Table 2. Examining research questions.

	Theoretical mean	Mean	SD	T	Freedom degree	Sig.
Tendency level to smuggling	12/5	18/04	4/32	12/02	383	0/001
Subsistence status	18	25/78	6/21	9/67	383	0/001
Political system	24	23/23	11/55	0/56	383	0/455
Economic system	18	26/80	5/34	33/44	383	0/001
Geographical state	5	5/01	0/9	0/71	383	0/12

According to information of Table 2, research hypotheses were examined and the following findings were obtained. As per each of the hypotheses, theoretical means were estimated. To estimate this mean, variations range of each variable was estimated and was divide by six (three deviations higher than mean and three lower than mean). The number obtained is the mean sample expected. It is expected that the society has a little discrepancy with the theoretical mean. In cases, where the sample mean discrepancy (true man) is greater with the theoretical mean, estimate results will lead to significance of the T level.

Research results indicated that level of tendency to smuggling in border dwellers with a mean of 18/04 has difference with the theoretical man and the difference is significance at 0/01. Therefore, according to the data, it can be argued that level of border dwellers' tendency is greater to smuggling. Research results indicate that level of political system's effects on the border dwellers' tendency is 23/23 and the difference observed is not significant at 0/01. It can also be argued that ecobomic system's effects affects border dwellers' tendency and the difference is significant at 0/01.

4. CONCLUSION

This research addresses reasons why border dwellers tend to goods smuggling and its impacts on the non-accomplishment of economic development. In this relation, some questions were formulated and statistically examined. Findings revealed that from the view of border dwellers in the border city of Bane, level of tendency to smuggling is high. Findings

also suggested that from the view of border dwellers, factors related with subsistence state and economic system affect peoples' tendency to smuggling and this influence is significant at the 0/01 level. Also, it was reported that political and geographical factors were not having effects on the expansion of goods smuggling (Bahrami, 2006). Findings of the current research are in line with other researches in this regard where factors related with political and subsistence are considered to be effective on the tendency of border dwellers to smuggling (Bahrami 2006, Bagheri Garmaroud, 1998 and Azam Safarabadi et al. 2016).

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