

# Investigating the Role of Border Markets in Economical and Social Development of the Cities in Neighborhood (Case Study: the Border Market of Incheh Borun)

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**Abstract** – Many economic and social experts and planners believe that for realizing the sustainable development that warrants identity reinforcement, authority and national security, it is essential to put the priority on faraway and deprived areas at national level. While the geographical separation of border areas and their lack of development in economical, social and cultural dimensions is one of the most major factors that prevent them to reach this goal. Meanwhile, many experts believe that border markets are one of the effective steps in order to keep population and make employment in border areas. The current study is done with the aim of investigating and explaining the border market role in the economical and social development of the neighborhood and the case study is the border market of Incheh Borun in Golestan province. The research method in this study is descriptive analyzes and the data collecting is done using library and field resources (interview and questionnaire). The findings show that although the establishment and activities of the market under the study has mostly provided improvement and increase in the intended indicators specially in economical dimension (income, employment and...), the performance of this market in all dimensions and indicators has not been perfect or expected and it shows the significance of local and regional authorities' comprehensive planning and policy in order to reach sustainable development in border areas.

**Index Terms** – Border markets, economical development, the border market of Incheh Borun, border exchanges.

## 1. THEORETICAL BASIS

Border areas are the sensitive and strategic points of the country that in contrast with the available capacities and abilities, due to some of their features like isolated and non-fertile nature specially in mountains and deserts, potential inabilities in production, lack of employment, low income and inaccessibility to basic needs and also lack of welfare and essential ambitions for life has encountered with disturbances like migration, smuggling goods, rebellion and insecurity in

this area (Zarqani, 1386). While the developing countries' experience in three recent decades shows that border exchange development in form of legal regulations and rules may be a good motivator to increase good exchange formally and business orientation towards relative advantages, extending comprehensive cooperation between free zones, developing inter-regional border markets, decrease in good price, convergence between supply and demand and income generation, employment and security for frontiersmen (Mahmudi, 1384). In other words, the development of border areas and improvement of relative welfare in these areas cause the decrease in some of border problems including smuggling goods, drugs, theft and ... and prevent the evacuation of population in border areas.

Therefore, one of the government's arrangements to economical, social and security organization of these areas, building common border markets nearby the common borders with neighbor countries (Mohammadpour, 1381). Eliminating deprivations and shortcomings in border areas in economical or even security affairs, creating commercial free zones, special economical areas and border markets are the government's main policies and in the meantime, the role of border markets in the development of rural areas seems more effective than other policies.

Border market is an enclosed area located in the zero point border in the neighborhood of the customs, allowed to do formalities of good clearance, or places that is determined according to the agreements between Iran and neighbor countries people of two boundaries can present their own country products to trade in these markets with regard to the export and import regulations (Ministry of Economic and Finance).

In other words, border markets are parts of foreign trades of country that with regard to the regulations and rules of export and import are considered in order that people in boundaries do border exchange with frontiersmen of the neighbor countries. Therefore, we can say that border market goal is making a healthy and continuous commercial connection with neighbor countries, creating economical boom, increasing the security coefficient in the country, flourishing local talent, creating and increasing productive jobs.

One of the essential arrangements for dynamiting the border areas economic is developing the border exchange in legitimate and facilitated forms that can be a good motivator to increase formal exchanges, flourishing relative advantages and extending cooperation and developing inter regional markets, fixing prices, commercial interest orientation, increasing employment and welfare for the border community (Kamran, 1388).

Actually dynamiting the border area economic as a main indicator in communicating with neighbor countries is considered as the indicator of frontiersmen's living; because the people in these areas can utilize opportunities and common resources together. This can lead to friendship and understanding of the parties, security, economical boom and development, creating job opportunities and forming one relative advantage in border areas.

Such realities caused the neighbor countries in the form of common border markets that are considered as the most identified methods of economical development in border rural areas and can make a fundamental change in production, employment, stabilization of borderline population, income increase and finally sustainable development and lead to regional mutual cooperation.

The Islamic Republic of Iran with 31 provinces has various neighbors and long common borders with the neighbor countries. According to the census in 1395, half of the population of the country are in the border provinces of Iran with 8700 Kilometers of land and sea border with Iraq, Azerbaijan, Afghanistan and Turkey (land border) and Kitwe, Qatar, United Arab Emirates and Bahrain (sea border).

The border markets creation plan refers to the article "11" of the export and import law in 1372. According to this law, the government is allowed to create a market in every border area that seems helpful, observing priorities like local talents, employment requirements and the development of commercial relations with neighbor countries. The government established the common border markets informally in 1367 and formally in 1372 (Ministry of Economics and Assets, '381).

Thus, the first border market of the country in 1997 with the aim of developing trade relations with neighboring countries and in order to set strategic development policies, The

consolidation of the border regions and aligning these areas with the policies defined in the economic development plans, Social and cultural establishment of the country, and now there are 57 border markets in the country, of which 13 are active in the market. And other markets remain inactive due to the lack of willingness of neighboring countries or other problems (eftekhari, 89: 1378).

## 2. INTRODUCTION OF THE STUDIED AREA

The market for Inche Bourne is located in the border town of Ince Bron in Gonbad-Kavos County, Golestan Province. This market was established in accordance with the agreement on cooperation between the two countries of Iran and Turkmenistan. This is the center of the Dashli-Browne section of the city of Gonbad-Kavoos, Golestan province. Ince Bourne is located on the border between Iran and Turkmenistan and in the Dasheli section of Bron Gonbad-Kavos and in the north of the city, and its customs, sometimes referred to as the bridge border, An important point of reference is the borderline between the two countries. The Dasheli border with Gonbad-e-Kavos with a city point and 30 villages with a total population of 25,000 alone has a 145-kilometer border with Turkmenistan.

## 3. RESEARCH METHOD

The present research is a descriptive and analytical nature of applied research. The method of data collection is library and documentary and surveying. Therefore, in order to collect information in the documentary style, the instruments, documents, reports and articles of the relevant organizations were used and in the survey method, a Likert scale questionnaire tool was used. To determine the validity of the questionnaire, formal validity was used and to determine the reliability of the Cronbach's alpha coefficient, the value was calculated to be 0.78.

Independent variable in the present study, border markets and its dependent variable are income, employment, both direct and indirect, relative welfare, Immigration, Social Security, Economic Security, and Providing the Needs of the Frontier. The statistical population of the study consisted of about 1850 officials, Exhibitors and activists are active in border markets. According to the statistical population, the sample size was determined using the Cochran formula of 78 people.

## 4. RESEARCH FINDINGS

Given that the findings of this section are based on field studies Therefore, by designing a questionnaire in accordance with the research hypotheses, the researchers assessed the effectiveness of the Inche Bouron border market in the sustainable development of the surrounding areas. The questionnaire contains indicators and sub-indicators appropriate to the development of border areas.

Table 1. Indicators and sub-indicators for assessing the role of border markets in the development of neighboring cities

Below the indexes	Indicators	Dimensions of development
Employment (direct and indirect)- - Income - Economic security (investment, acceptance of checks in transactions, fear of fraud) - Supplying the needs of the border guards	Economic	
Relative Welfare (Housing, - Nutrition, Health and Leisure) Migration- Social security (reduction of unrest, - reduction of crimes, financial and human security, occupational safety) Ethnic and cultural homogeneity- Participation in political and social - activities (national and local elections)	social	

## 4-1. The role of market in regional economic development

One of the reasons for creating border crossings in the border regions is to increase security in these areas through trade development. In this way, the incentive for the border residents to stay in these areas will increase, as well as the presence of people in the region will increase the security of these areas. According to the findings of the research, it can be acknowledged that, given the job mobility of 58.6% of the respondents, the establishment of the common market for Ince Bourne, has had a positive effect on increasing the direct and indirect employment of the border counties. Also, according to 72.7% of respondents, the establishment of joint border markets has led to an increase in indirect employment in the region; As a result of the beginning of the activity and the gradual expansion of exchanges in the form of border markets, in addition to direct employment by the Peeleran in the export and import of goods, there are other requirements, such as loading, transportation of cargo and passengers, warehousing, restaurant services, shops, etc.

Table 2: Distribution of percentages of respondents in terms of income

Before the market is active			Income
Concentration percentage	Percent	Abundance	
55/9	55/29	47	Less than 700 thousand
75/9	17/64	15	From 701 to 1 million USD
92/6	15/29	13	From 1 million to one million to one hundred and thirty thousand dollars
95/4	4/70	4	From one million to three hundred to one million six hundred thousand tomans
100	3/52	3	More than one million six hundred thousand dollars
---	100	85	Total

Based on the information obtained from field studies, it can be seen that revenue of 68.5% of respondents has increased since the establishment of the market. Regarding the role of markets on the income of the border counties, the construction of joint border markets seems to have had a positive effect on the increase in the income of the border counties. It is worth noting that this increase in income from monetization by obtaining a carton card and exporting and importing goods, Sales of

According to the data in Table 3, it can be acknowledged that, from the point of view of respondents after the establishment of the market, the amount of long-term trades (with checks) This is while the amount of scams of fraud has fallen. Also, according to most respondents, construction of the market by

improving the region's economy has led to an increase in investment in other industries.

The attitudes of respondents regarding economic security indicate that 21.24 percent of respondents have high levels of economic security, 51.57% of them have estimated economic recovery at moderate level and 2.1% of them have been estimated at a low level.

Based on the Chi-2 Duct test, the significance level is less than 0.05 Therefore, the hypothesis that creating border markets will have a positive impact on the economic security of the surrounding areas has been positive.

Table 3: Frequency distribution of respondents according to the criteria for improving the economic situation in the region

number of samples	too much	Much	medium	Low	very little	The amount of issues
85	31/7	21/4	23/4	11/5	3/8	Accepting checks on transactions
85	6/7	82	12/7	24/8	43/7	Fraud scams on exchanges
85	1/7	2/8	46/2	26/9	26	Investing in industries

Table 4: Frequency distribution of respondents in terms of attitude toward improving the economic situation due to market activity in the region.

Concentration percentage	Valid percentage	Abundance	The level of economic security
52/8	44/71	38	Top
40/1	52/94	45	medium
2/1	2/31	2	Down
--	-	1	Unknown
	100	85	Total

Table 5: Quasi-two-sided regional economic security

meaningful	Degrees of freedom	Xi amount	Variable
0/000	2	72/68	Economic recovery of the region

Table 6: Frequency distribution of the role of the market in supplying the needs of the border residents

Concentration percentage	Percent	Abundance	Area
45/57	50/58	43	City cities
54/43	8/23	7	Cities and villages in the region
100	41/17	35	Other cities and regions
-	100	85	Total

#### 4-2. The role of the border market in the social development of the region

According to the findings of Table 7, it can be stated that from the perspective of most respondents with the establishment of a common border market in the area of housing improvement, Nutrition and hygiene of the surrounding areas have positive effects at the same time, according to these people, the amount of leisure time has been dramatically reduced due to the increase in employment and the reduction of unemployment in the region.

Another purpose of the government to create markets is the border supply of goods for the border residents, which seems to respond to the opinions of the respondents and the opinion of the experts. Due to the goods exchanged in the market, it is moderately affected by the needs of the people of the region. Also, the examination of the list of exported goods (items such

as food, biscuits, electrical appliances, industrial appliances, etc.) It is well known that the exported goods from this market are rarely of local origin. As 58% of respondents believed that the share of indigenous goods in market exchanges was low.

Based on the findings of Table 8 above, most respondents believe that the Inche Berne border crossing activity In this region, there has been a decrease in unrest in the area In addition, according to these individuals, the establishment of a common border market has led to a reduction in crime in the surrounding areas.

According to the data from Table 9, it can be stated that most respondents (48.42%) of them believe that Creating a marketplace has somewhat contributed to improving the social status of the region, while 26.31% of respondents The social status of logic is at a desirable level and 24.21% of them have a low level.

Table 7: Frequency distribution of respondents according to relative welfare criteria

number of samples	too much	Much	medium	Low	very little	The amount of each of the items
85	42/1	35/8	68	8/4	4/2	Housing situation
85	43/2	26/1	20/8	6/2	4/7	Nutrition status
85	8	11	25	33	18	Leisure time
85	44/7	24/3	12/8	1/8	8/4	Health status

Table 8: Frequency distribution of respondents according to social status improvement criteria in the region

number of samples	too much	Much	medium	Low	very little	Metrics
85	26/7	24/5	17/3	16/4	15/1	Reduce Unrest
85	24/5	19/3	17/2	23/6	15/4	Reduce crimes
85	19/7	22/6	37/8	14/6	5/3	Feeling of security
85	13/7	16/5	43/4	15/8	11/7	Job security

Table 9: Frequency distribution of respondents in terms of attitude towards economic security due to market activity in the region

Concentration percentage	Valid percentage	Abundance	Social Security
26/31	26/31	25	Top
74/73	48/42	46	medium
100	24/21	23	Down
--	-	1	Unknown
	100	85	Total

Table 10: Chi-square test for improving the social status of the area

meaningful	Degrees of freedom	Xi amount	Variable
0/000	2	72/53	Social Security Area

Table 11: Frequency distribution of respondents according to the impact of the market in cultural-social variables

number of samples	too much	Much	medium	Low	very little	The incidence of each of the cases
85	17/8	22/7	26/9	17/8	14/9	Ethnic and cultural homogeneity across the border
85	11/2	13/9	19/6	26/5	14/7	Immigration rate
85	23/5	27/4	32/6	11/8	4/7	The amount of participation in political-social activities

Table 12: Frequency distribution of respondents in terms of attitudes towards improving social status

Concentration percentage	Valid percentage	Abundance	The rate of social improvement
4/21	4/21	4	Completely opposed
12/61	8/42	4	Against
42/08	29/47	25	No comments
70/51	28/43	23	agree on

100	29/47	26	Completely agree
	100	85	Total

Table 13. Two-way Chi-Square Social Security Survey

meaningful	Degrees of freedom	Xi amount	Variable
0/000	2	69/865	Social Security Area

According to the results of Table 10, since the significance level of the test is less than (0.05) Therefore, the hypothesis that the establishment of common border markets can have positive effects on the improvement of the social status of the surrounding areas has proven to be proven.

According to the information obtained, the establishment of the bazaar has increased the level of ethnic and cultural cohesion across the border and improved people's participation in social activities and reduced the immigration of residents from the area.

According to the data from Table 12, 29.47% of the respondents considered the improvement in social status As before, the market has evolved as well as 28.43% of them believe The social status of this era has been relatively benign, while 12% of respondents believe it The deployment of the market has played a very small role in improving the social security of the region.

Turning to the fact that the significance level of the test (0.000) is less than 0.05, then it can be acknowledged It is proven that the creation of border markets has positive impacts on the social development of the border regions.

## 5. CONCLUSIONS AND SUGGESTIONS

One of the concerns of governments, policy makers and country development planners is the development of coordination that blocks the concentration of capital in a region. And the heterogeneous growth of the society and the efficient and profitable economic outlook. The potential natural and economic disabilities of some of these areas, Especially in the agricultural and industrial sectors, immigration, regional and spatial imbalances between central and border regions have been allowed to time governments. In terms of deprivation of liberty, job creation, population retention, the prevention of borderline evacuation and smuggling, Consider measures in the trade of border areas. As stated, one of the existing measures for the dynamics of the economics of the border regions, The development of border exchanges in regulated and facilitated formats called border markets can be a good incentive to increase official exchanges, The flourishing of comparative advantages and the expansion of cooperation and the development of inter-regional markets,

price fixing, Direction of commercial profits is to increase employment and prosperity for the borderline community. In the case of the market, the results showed that the market in most of the welfare variables, Has made a relative improvement in the social and economic mobility of the border areas around them. In addition, this market has, to some extent, benefited from some relative prosperity for the region and created positive changes in the livelihood economy of the border counties. However, it is still far from complete achievement of the goals set up to achieve them. However, based on the results, The evaluation of the economic impact of the Indechero borderline market indicates the positive but relative impact of the market on some development indicators such as employment, Income and welfare are relative. In this way, it can be acknowledged that although in some cases the impact of the market has been greater and in some cases less But it is continuously an important phenomenon in the social and economic mobility of the border region. The following suggestions have been made in order to improve the effectiveness of the Inche Bourne Border Market in the economic and social dimensions of neighboring cities:

1. Participation of indigenous people and residents of the region in trade exchanges so that all individuals and groups benefit from market activities (through the formation of business cooperatives in order to integrate small funds into new businesses).
2. Improving communication, road and transportation infrastructure to facilitate communication with other areas and to enhance the flow and destination of terminals and customs.
3. Supporting the investment of the private sector in the region in the form of establishing production and conversion units that are associated with the export goods of the region.
4. Determine the composition of the exported and imported goods, based on the products and needs of the region.

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