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EXPANDED OF INFORMAL JOBS IN IRANIAN BORDER CITIES, CASE: ZABOL-IRAN

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ABSTRACT

Informal jobs is the part of an economy that is not taxed, monitored by any form of government, or included in any gross national product (GNP), unlike the formal economy. The growing popularity of the informal jobs (especially peddler) in cities is to be found in both hidden and obvious mechanisms rooted in unorganized in the formal sector. What makes issues difference between informal jobs in Zabol rather other cities of Iran are located Zabol in near of Afghanistan borders. So that the phenomenon of smuggling and illegal enter of Afghans to Iran expanded this problem in Sistan region and Zabol city. With attention to multidimensional of subject, in this paper has been used of analytical- description methods and survey activities to understand of peddlers jobs and distribution of questionnaire in both single and mixed status. Also for access to statistical data's has been used of Zabol municipality reports. Results show that status border of Sistan region and some related works to it (such as: smuggling and resident of illegal Afghans) led to expanded of informal jobs in Zabol city.

Keywords: Informal jobs, Peddler, Smuggling, Zabol, Border cities, Poverty, Unemployment.

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Contribution/ Originality

This paper is an original research in this field that introduced most types of informal jobs and affective factors with regard to and the most important reasons of tending to informal jobs in borders' city of Zabol.

1. INTRODUCTION

Today informal jobs are considered as one of the main challenges seen in different parts of Iran especially in cities and has been considered as one barrier in front of formal part. This event in border regions of Iran due to eccentricity of national center, proximity and vulnerability of the

country or neighboring countries, border traffic and uncontrolled entry of foreign nationals has complex, varied and different aspects. In a general classification country's economy can be divided into two parts: formal and informal sectors. The criteria for this classification are formal capability of recording and reporting activities. Informal economy has extensive literature and various researchers have attempted to investigate this phenomenon from different angles.

Sistani as region characterized by a huge informal sector. Stifling bureaucratic interference and corruption at every stage of economic activities is one of the main reasons behind high participation in informal and unregulated sectors. Recent microeconomic evidence for countries with large informal sectors has shown that the cyclical fluctuations in such labor markets are characterized by movements in unemployment which are not all that different from those in developed countries. However, these countries show important reallocations over the business cycle between "regulated", or formal jobs, and "unregulated or informal jobs. In Brazil, where labor force surveys allow a clear distinction between formal and informal workers, the share of informality ranges from 35% to 45% of total employment in the 1980s and 1990s.

Weak of social and economic infrastructure in Zabol and occurring phenomena such as droughts and floods in rural areas have forced them to leave their villages and migrate to cities (Ghazi *et al.*, 2003).

Ghazi *et al.* (2003) dealt with the amount of spreading informal jobs and determining its relation to the social, political, economic and natural affairs and events in Zabol in an article titled "a consideration on informal economy in Zabol city". In this research, it is determined that the occurrence of drought and frontier position in the region caused the increase in employment of many unemployed villagers in informal jobs part. The results of the research show that the organization of employee people in informal jobs in special places and their legal control and also, economic dynamic in the region through necessary capitalization and controlling the frontiers can be effective in slowing the cycle of these jobs. Salehifard (2007) has studied informal part in economy in an article titled "colportage phenomenon, goods traffic phenomenon, interactions and effects". He, first, considered the dimensions of colportage and goods traffic, and the results show this fact that the relation between colportage phenomenon and goods traffic is reciprocal, because while peddlers distribute a main part of small-scale smuggled goods, smuggled goods with low price and profiteering motive provides the spread of colportage in the cities. He knows the organization of peddlers as an effective solution in this field.

Shakibae (2001) is another researcher who spent his attempt and survey on estimating informal economy in Iran. He believes that the loss of information is one of the reasons of arising informal economy in Iran which causes the decrease in efficiency of economic planning and policy-making. The researcher considers that the amount effects on monetary policies, tax gap and distribution of economic income, and introduces tax load and the increase in the difference of formal and free exchange as a reason of forming subterranean economy in Iran.

Nily and Maleki (2006), in an article titled "informal economy: reasons of creation, estimating methods and its effects on formal part", have studied the different dimensions of informal

economy such as the effects of informal economy in the frame of an analytic model with its estimating methods and the various reasons which can cause the informal part in economy. Then, using a temporary econometric Model, they have studied, practically, the effects of the mentioned factors in 26 countries. The results show that tax load, law enforcement, government's interference and decay and scam are some of effective factors on spreading informal part.

Pazhoyan and Maddah (2002) Studied traffic and informal economy, with the method based on the literature related to the potential variables. They say that the traffic is a part of informal economy which is not recorded in formal statistics. This fact can make a problem for government's specialized and distributive function. Whereas, knowing traffic process or its amount and adopting right solutions, we can lead informal economic acts to formal ones which are recorded in national accounts. Finally, they study some ways for decreasing traffic amounts and goods traffic process in Iran through recent 3 decades.

Fakoohi and Amosi (2009), in an article titled "national identity and tribal identity", studied economic living and identity dependence in young people employed in informal economy in Piranshahr and considered feeling of dependence on national identity and tribal identity in Kurdistan. This study says that Piranshahr's young people improved their tribal communal identities through relations, globalization condition, wide prevalence of media like satellite, and political participation in recent years.

They state that this Iranian tribe inhabited in frontier which is a subject to political condition can travel to the neighbor country, means Iraq. Because there isn't a strong supervisory system as a control power, we see the spread of informal economy networks. For example, weakening the government's role in economics, informal and out of control economy, from networked buy to goods traffic are observed. The researchers state illegal trades, especially in frontiers, can show declining process of the government's role in the control of frontiers and finally, they assert that suitable income of frontier informal acts is a main reason for Piranshahr's people and especially the young to do this.

2. RESEARCH METHOD

Given the multidimensional nature of the subject in this research, a combination of different methods (including, descriptive-analytical methods, descriptive and survey activities to visit and see how the peddlers and the battalion, interview, questionnaire) was used. Important part of data was provided by interview and especially designed questionnaire (400) completed by the peddlers in Zabol city was collected and processed, and then Cluster sampling method with simple random was used.

3. PROBLEM

Informal activities in the context of the underground economy and smuggling of narcotics consist of a wide range of tasks to informal jobs (Sarlack, 2005). In fact, in formal economy encompasses set of common economic activities that do not accept the formal frame work and is

not calculated in GDP (Feige, 1990). So Informal economy and generate jobs false legal or illegal goods and services knows that the not to be estimated in the GDP. The segmentation of relationship between the informal sector and the growing phenomena of sales needed to look at activities in the informal economy (Smith, 1994).

Table 1. Segmentation of various activities in the informal economy

Activity	Monetary transactions		Non-monetary transactions	
Illegal works	Buying and selling stolen goods, production and sale of narcotics and trafficking		Production and trade of narcotics, stolen goods and trafficking	
	Refrain from paying taxes	Illegal evasive on of taxes	Refrain from paying taxes	Illegal evasion of taxes
Legal works	Reported income from self-employment	Discount, non-cash benefits and ancillary jobs	Exchange of legal goods and services	All of activities, personal and friendly assistance

Resource: Salehifard (2007).

As you can see, Sale of smuggled goods is one of the illegal activities widespread in the monetary and non-monetary transactions in the informal jobs. In other words, can be admitted to smuggling activities reflective of the traditional functions of the informal sector (Salehifard, 2007) Therefore, the rational and appropriate strategies for organizing and controlling the smuggling phenomenon cannot be achieved outside the unofficial organizing categories.

4. DEFINITIONS

Informal sector is a part of the economy and workers with limited activity and lack of support from its nation allays (Shakoei, 1985). This section of the small-scale self-employment activities with the aim of creating employment and income in a simple level of organization and technology is made without the approval of principal officials. Characteristics of the informal sector consist of: Free and easy entry into irregular market, low investment, low skill and need to resources of local and traditional products, limited amount of practice and in sometimes it need to Family ownership. Experts in the field of informal sector growth believes that numerous laws and regulations, local authority officials, the prevalence of bribery accelerated caused to expansion of the informal economy (Salehifard, 2007). Therefore Sprow believes that in some cases may increase despite economic growth do not reduce the underground economy (Sprow, 1993). Because one of the main its reasons is tax evasion in the informal sector.

4.1. Peddler and lost sales

The lost sales are called Trades people’s whore turns goods on the street and advertises it for sale (Sprow, 1993), or has to offer some goods for sailing in street and marketplace (Mirzaie

Ghajar, 2003). Peddler who often have no fixed place and for sale his goods frequently move from one place to another place and according to that position and his professional is moving in Margin of streets and alleys and in simply word, Peddler who take goods to sell and has to offer it for saleing in the streets and the market. Peddler is an activity that has done outside the formal sector and the legal framework, relying on permanent displacement in urban and rural area stied and partially digested in the economic and social structure (particularly in metropolitan), outside, including insurance and taxes and temporary employment to escape poverty and hunger and the possibility of life in urban society (Salehifard, 2007).

4.2. Smuggling

Smuggled is a complex phenomenon that can be associated with all social security components because due to their secretive nature they can penetrate into different layers of each society. It seems that other security components indicators and threats in various dimensions in addition of economic dimension that much of tries concentrate on it. All are affected by smuggling of goods (Vatanpour, 2009). For example in political dimension, the smuggling of goods may face with challenged the government authority and political legitimacy that it root in distrust citizens to local authorities and serious doubts about their determination to fight with this phenomena and prepare the fields to the crisis of distribution which is result of widespread disturbances in the economic system. In social and cultural aspects, goods smuggling following the series of its affects after imposing of employment may led to labor crisis and social protests. Border market places, visual economic regions, border gates, frontiersman unions, and temporary entry, natural and urban waterfront marina are other areas for contraband of goods smuggling (Vatanpour, 2009).

5. INTRODUCING OF STUDIED REGION

Zabol is in the north of Sistan and Baluchistan and at the east longitude of 61° 29' and north latitude of 31° 13' (plan and budget organization of Sistan and Baluchistan, 2000). The height of this city is 498.2 meters from the sea level. It is situated in a wide and even plain which is bounded by even fields. "Beer and Rice", a German researcher, in his book titled "Zabol" states 1869 AD as the time of establishing Zabol. Zabol is 215 kilometers far from Zahedan and 700 kilometers at the east of Kerman (Ghazi *et al.*, 2003). Zabol ends in Afghanistan from three sides like a peninsula and is connected to Iran just from the west. Life of Zabol depends on the entrance water which enters through Hirmand River from Afghanistan. This dependence caused the region observe destructive effects (unemployment and emigration) in 1947, 1980, 1999, 2003, and so far (Ibrahimzadeh, 2000). Climatically, this city has dry and cold winters an dry and warm summers. According to Copan, it has a desert dry and warm climate. Also, the average amount of relative humidity of climate is 38 percent (Bayk Mohammadi and Noori, 2004) its and annual rain, averagely in 30 years, is about 62.3 millimeters. While the measured evaporation shows 4865 millimeters by tub in Zabol (Ghazi *et al.*, 2003). The 120-day winds, which are the main climatic

phenomenon of the region directing northwest- southeast, dominate from 20 May to 30 September about 131 days and make the inhabitants' life difficult and intolerable (Bayk Mohammadi and Noori, 2004). One of the social and economic problems of Zabol is the presence of Afghan emigrants who include 10 percent, means 13000 people, of the city's population.

6. FINDINGS

6.1. The Main Problem of Employment in Informal Economy of Zabol

The informal part is one with irregular and unreliable income, receiving no wage in illness days and not being supported from governmental institutes, with irregular work time and limited income (Ghazi *et al.*, 2003). We can refer to the colportage of fruits and vegetables, food (compote, ice-cream, etc.), wear (clothes); selling cigarette, pets, cosmetic, new and used electric appliances (laptop, cell phone,) as some kinds of informal jobs in Zabol. Moreover, there are other cases, especially in this city, like: selling bread and gasoline (Ghazi *et al.*, 2003).

6.2. Familiarity with the Appearance of Zabol's Peddlers

6.2.1. Quantities and Statistical Estimation of the Peddlers

According to a study which has been done during April and May 2011 about the peddlers of Zabol (based on field study of main and minor streets and locations), the total number of the peddlers has been estimated 1375 people who are 1322 men (96.2 percent) and 57 women (3.8 percent).

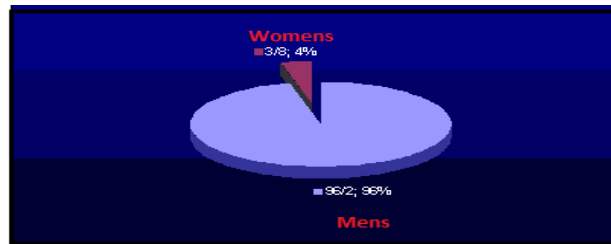


Figure-1. Total number of peddlers, regarding their genders, in 2011

According to the above data, the women peddlers generally sell bread, fruit and vegetable, artistic crafts, handicrafts and clothes.



Figure-2. Examples of informal jobs in Zabol City Municipality (2011)

Table-2. The numbers of the peddlers in Zabol City Municipality (2011)

	Activities of Zabol's peddlers in the city	Numbers of sample size
Kind of peddlers' goods	Weighing at the street	13
	Mending bags and shoes	27
	Cigarette	97
	Electric appliances (cassette player, shaver,)	27
	Toys	32
	Fruits	210
	Bags and Shoes	15
	Cassette, Film and CD	28
	Food (compote)	115
	Book, magazine, press	4
	Clothes	55
	Selling Bread	38
	Fuel (Gasoline...)	240
	Medicines	8
	Pets	220
	Cosmetics	40
	Soothsaying	15
	Plastic	20
	Used electric appliances (laptop, cell phone, sewing machine,)	45
Art crafts and handicrafts	29	
Other	55	
number	Man	1322
	Woman	53

Source: Field Studies (2011).

Sidewalks, generally, devote to the peddlers' activities in Zabol and the main goods of the peddlers which are sold include selling fuel (18 percent), selling pets (16 percent), fruits and vegetables (15.3 percent), selling cigarette (7 percent) and then clothes (4 percent). Place dispersion and geographical position of the peddlers in Zabol is determined in the following map.

6.2.2. General Specifications of the Peddlers

- 1- Age range: the age range of the peddlers was 35.42 years, with the minimum of 8 years and the maximum of 60 years in the studied samples.
- 2- The main reasons of tendency to informal jobs are unemployment, poverty and little income, not having enough capital, lack of specialty and job skill, physical inability, retirement, and finally, addiction, which are shown in the following graph.
- 3- According to the field studies, the price of the peddlers' goods was between 50 cents and 2.5 dollars.
- 4- The cheapest good was 10 cents and the most expensive one was 40 dollars.

- 5- The primary capital of the peddlers was at least 4 dollar and at the most 1 million dollars.
- 6- Educationally, most of the peddlers had primary and guidance education (60.9 percent), some were uneducated (24.1 percent), some had diploma and upper (15 percent), and just 2 percent were undergraduates

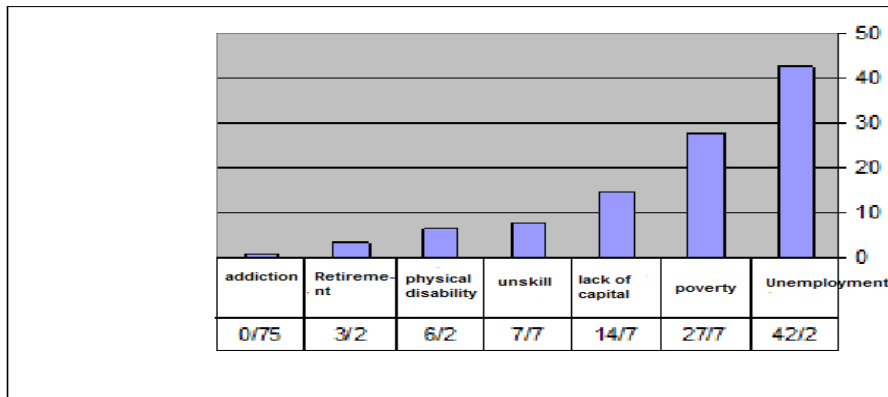


Figure-3. The most important reasons of tending to informal jobs in Zabol City Municipality (2011)

- 7- The results demonstrate that 85.8 percent of peddlers consider the colportage as their main job and just 14.2 percent considers it as a seasonal job.
- 8- The municipality's encounter has been reported as the main reason of peddlers' movement.
- 9- Nearly 54 percent of the peddlers take permission from the owners of the places on which they want to act. 3-2-5 the main reasons of the increase of the informal part in Zabol

The following reasons are the foundations of false jobs and informal part in Zabol:

- The existence of a great amount of city and village unemployed people and increasing process of unemployment.
- A high difference of price between smuggled goods and the goods of formal part which makes the smuggled goods to be sold more. Quantitative and qualitative weakness of internal products and the low level of technology in production is a main factor in increasing the internal users' demand for smuggled goods. In this condition, smuggled goods would have a high quality and is sold more in internal market.
- The villagers' emigration to the city and also, illegal entrance of Afghan nationals from the frontiers and their lack of specialty which increases informal jobs like colportage. These emigrants, entering informal jobs, gradually find the benefits of smuggled goods
- A lot of city people have a low income which makes them buy cheap goods, even regardless of their qualities and standard levels
- The possibility of selling smuggled goods and formal part's goods, simultaneously

- Lack of any continued, organized and legal supervision over distribution and selling the smuggled goods
- lack of control and supervision over the distributors and sellers of the goods
- Weakness of the encountering laws with traffic
- Unemployment and poverty cycle in frontiers
- Destruction of the agriculture because of the recent droughts and the farmers rushing to the informal trades

7. CONCLUSION

Informal jobs part is increasing as a fact in Iran and especially in poor regions. This fact represents the structural weakness of formal jobs and is going to prevail in different parts of the society as a public problem, because formal job is an available chance, and serious laws and different institutes provide the field for informal jobs more and more. Zabol at the end of east south of Iran, considering that it is in the neighborhood of Afghanistan and is far from the Capital, is influenced by the condition of the foreign countries. The presence of Afghan emigrants, who may not act formally in the economic structure of the city, and also, the goods traffic phenomenon including fuel traffic and other new and used goods are the effective external factors in spreading informal jobs in Zabol. Unemployment and various droughts and emigration of villagers to city are some of internal reasons of spreading informal jobs in Zabol.

8. SUGGESTIONS

The following solutions are suggested for organizing and avoiding the spread of informal jobs:

- Forming small cooperative societies for distributing goods among the peddlers
- Providing simple and suitable ways for exporting the goods
- Clearing the prices in internal market
- Creating producing jobs in frontiers considering the potential possibilities in those regions
- Organizing employee people in informal jobs in special places and more legal control over them
- Creating economic dynamic in the region through necessary capitalization, spreading formal economic acts, controlling the frontiers and returning Afghan people.

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