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Smuggling of Goods and its Relationship with Socioeconomic Characteristics of Border Areas (Case Study: Minab City of Iran)

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ABSTRACT: The present study examines the relationship between socioeconomic factors and smuggling offenses in Minab City. This is a descriptive-analytical study. Desk study and field survey were used to collect data. In the field survey, the required data was collected through questionnaires and personal interviews and observations. The population consisted of all people over 18 years in Minab. A sample size of 383 subjects was calculated using Cochran's formula. The collected data was analyzed quantitatively using t-test with the help of SPSS. The findings indicated a significant relationship between employment, unemployment, poverty, regional deprivation and education level and smuggling offenses. Higher deprivation and unemployment rate as well as worsened poverty lead to higher smuggling offenses in the region. Many smugglers of goods were forced to smuggle and accept suffer and danger due to economic pressures and unemployment. One of the major consequences of smuggling is decline of social and occupational status of smugglers in the community. The most basic strategy for eradicating smuggling, especially smuggling of goods in Minab, is eliminating deprivation by creating job opportunities and fighting poverty.

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INTRODUCTION

Smuggling is covert and illegal import or export of goods and people through formal and informal borders without payment of customs duties. The main reason for smuggling is tax evasion [1] which deprives the government of its legitimate revenues. Therefore, a decline in smuggling will increase the tax revenues of the government [2]. From the perspective of criminal law, smuggling of goods as an illegal economic phenomenon is opposite to the social order. Smuggling can be prosecuted and punished according to the relevant laws. Since the smuggling, as a social risk, negatively affects economy, it will certainly reduce the social security [3]. Smuggling of goods has social, political, cultural and, more importantly, economic consequences [4]. From economic point of view, smuggling deviates economics from the safe path and causes formation of the underground economy and decline in GDP and investment. In the short term, smuggling is considered as a way to escape poverty and unemployment through false job creation. However, these activities will not lead to production, so smuggling of goods will exacerbate poverty in the long terms through weakening production fundamentals [5].

Today, in addition to adverse effects on the Iranian economy, smuggling is considered as an important economic and social challenge at regional, national and international levels [6]. Smuggling relationships and their adverse effects, as a development-deterrent factor, disrupt implementation of economic, social and cultural plans by the government and ultimately result in economic recession and growth reduction [7]. Of the main factors forcing petty smugglers to involve smuggling offenses are unemployment and the lack of stable employment [8]. Although the main motivation for the big smugglers and smuggling gangs is big economic profits, petty smugglers are involved in smuggling due to unemployment, poverty and coercion. Great bands and major smugglers cannot do anything without the cooperation of petty smugglers. Petty smugglers can be avoided from smuggling through creating sustainable employment and thereby reducing poverty and economic pressure [9]. In general, the smuggling costs for smugglers should be increased to reduce smuggling.

Smuggling activities exist on almost all borders of Iran due to special geographical conditions [10]. The geographical conditions of border regions play an important role in the spread of smuggling [11]. Therefore, residents of the border towns and settlements are at the forefront of importation and exportation of smuggled goods and are affected by this phenomenon [12]. Hormozgan province with a 900-kilometer border with the Persian Gulf and Oman Sea is one of the most important centers for smuggled goods in Iran. The prevalence of

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smuggling in Hormozgan province is such that many efforts are done by the police to fight and ban smugglers. Thus, the judiciary and customs systems will spent much energy for this issue. In general, smuggling spread the hidden and unhealthy economy, slows the development of Hormozgan province and increases false and unstable employment among active forces. Minab City, with a maritime border with Oman Sea, is one of the major smuggling centers in Hormozgan province.

Hypotheses

1- There is a significant relationship between the unemployment and employment with smuggling offenses in Minab.

2- There is a significant relationship between the poverty and smuggling offenses in Minab.

3- There is a significant relationship between the education level and smuggling offenses in Minab.

4- There is a significant relationship between the ownership of an agricultural land and smuggling offenses in Minab.

5- There is a significant relationship between the regional deprivation and smuggling offenses in Minab.

6- There is a significant relationship between the age, gender and smuggling offenses in Minab.

7- There is a significant relationship between the smuggling offenses and social and occupational status in Minab.

MATERIALS AND METHODS

Methodology: This is an applied study. A combination of descriptive, experimental and analytical studies was used to identify the problem. Desk study and field survey were used to collect data. In the field survey, the required data was collected through questionnaires and personal interviews and observations. The population consisted of all people over 18 years in Minab. The sample size was calculated by the Cochran's formula.

$$N = \frac{\frac{(1.96)^2(0.52)(0.48)}{(0.05)^2}}{1+\frac{1}{148924}\left(\frac{(1.96)^2(0.52)(0.48)}{(0.05)^2}-1\right)} = 382.56$$

A sample size of 383 was calculated using the Cochran's formula. The criteria for the accuracy of measured concepts include validity and reliability. The validity measures the accuracy of the selected criteria for assessing concepts [13]. The reliability and content validity of the questionnaire were approved by experts. After identifying influential components and indicators, the initial questionnaire was designed. The questionnaire was modified on several occasions according to comments of related professionals and then the final questionnaire was established. The Cronbach's alpha coefficient is commonly used reliability. This coefficient is known as one of the high-performance reliability coefficients. The confidence level ranges from zero to one. Coefficients higher than 0.7 represent inter-correlations between items [14, 15]. The alpha levels closer to (+1) represent higher reliability of the questionnaire. To calculate the reliability coefficient, 30 questionnaires were completed at pre-test stage and then the Cronbach's alpha coefficient was calculated with the help of SPSS. A Cronbach's alpha of 0.809 was calculated for the questionnaire. Since the alpha level is higher than 0.7, the questionnaire is of adequate reliability. The data was analyzed both quantitatively and qualitatively. Questionnaires were coded with the help of SPSS and then analyzed using one-sample t-test.

The Study Area: Minab City is one the 13 cities in Hormozgan province located on the coastal margin of Oman Sea with an area of approximately 7494.7 km^2 (10.53% of the Hormozgan area) and includes a large eastern part of the province. The geographical location of Minab is shown on Map 1. The city includes two urban centers, 4 districts, 11 sub districts and 349 villages. According to the general population and housing census in 2011, Minab population was 235,705 people.

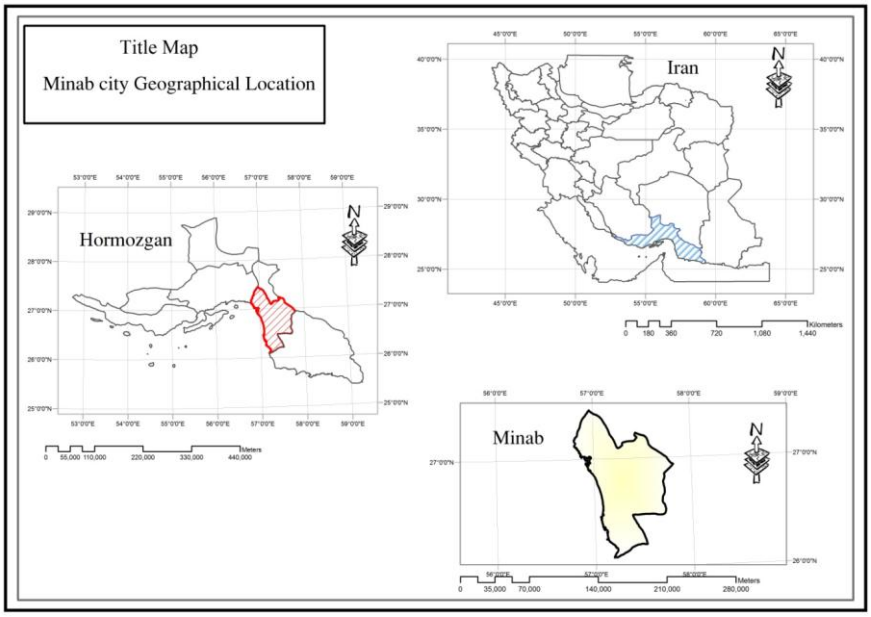

Fig 1. The geographical location of Minab City

RESULTS

The descriptive analysis of the questionnaire indicated that 61% of respondents were male and 39% were female. In terms of education level, 8 percent were illiterate, 12% had an elementary school degree, 40% were diploma, 11% had an Associate degree, 22% were bachelors and 7% were masters. In terms of employment, 79% were employed and 21% were unemployed. Self-employed workers had the highest frequency (43%), 23% were public sector employees, 19% were smugglers and the rest (15%) involved in other occupations. One-sample t-test was used to test hypothesis and analyze the relationship between socioeconomic characteristics and smuggling offenses.

The first hypothesis suggests a significant relationship between unemployment and employment and smuggling offenses in Minab. On-sample t-test was used to test the above hypothesis. The mean, standard deviation and mean deviation are 4.73, 0.572 and 0.030, respectively. The t-weight is equal to 155.632 with a degree of freedom (DOF) and significance level of 353 and 0.000, respectively. Since the significance level is less than 0.05, the null hypothesis is rejected and the opposite hypothesis is accepted. Thus, there is a significant relationship between unemployment and employment and smuggling offenses in Minab. The unemployment is a major factor for involvement in smuggling, because there is a significant relationship between unemployment, income and many other indicators.

Table 1. Descriptive information on the relationship between unemployment, employment and smuggling offenses in Minab

One-Sample Statistics			
N	Mean	Std. Deviation	Std. Error Mean
354	4.73	0.572	0.030

Table 2. The significance of correlation between unemployment, employment and smuggling offenses in Minab

One-Sample Test					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
155.632	353	0.000	4.732	4.67	4.79

The second hypothesis concerns a significant relationship between poverty and smuggling offenses in Minab. The results are shown in Tables 3 and 4. As can be seen in Table 4, the t-weight is equal to 90.185 with a DOF and significance level (or error Type I) of 363 and 0.000, respectively. Consequently, the hypothesis is confirmed. Thus, there is a significant correlation between poverty and smuggling offenses. Although big smugglers are seeking for big economic benefits, the majority of petty smugglers in Minab City smuggle because of poverty and economic pressure, otherwise they did not accept its high risks.

The third hypothesis suggests a significant relationship between education level and smuggling offenses in Minab. The mean standard deviation, mean deviation, t-weight and significance level are 0.911, 0.5, 69.458 and 0.000, respectively. As a result, the model is significant and the hypothesis is confirmed. The higher education level, much less smuggling offenses. This means that a highly educated unemployed person is less forced to involve in smuggling because of expectations and knowledge level.

Table 3. Descriptive information on the relationship between poverty and smuggling offenses in Minab

One-Sample Statistics			
N	Mean	Std. Deviation	Std. Error Mean
364	4.18	0.885	0.046

Table 4. The significant of correlation between poverty and smuggling offenses in Minab

One-Sample Test					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
90.185	363	0.000	4.181	4.09	4.27

Table 5. Descriptive information on the relationship between education level and smuggling offenses in Minab

One-Sample Statistics			
N	Mean	Std. Deviation	Std. Error Mean
385	3.46	0.911	0.050

Table 6. The significance of correlation between education level and smuggling offenses in Minab

One-Sample Test					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
69.458	334	.000	3.457	3.36	3.55

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The fourth hypothesis represents a significant relationship between ownership of an agricultural land and smuggling offenses in Minab. The results are shown in Tables 7 and 8. The t-weight is equal to 142.847 at a significance level of 0.000. As a result, the model is significant. Since the significance level is less than 0.05, the null hypothesis is rejected and the opposite hypothesis is accepted. Consequently, the hypothesis is confirmed. Thus, there is a significant correlation between the ownership of an agricultural land and smuggling offenses. This means there are more grounds to involve in smuggling activities for those without private land who cannot do agricultural work or any other work.

Table 7. Descriptive information on the relationship between the ownership of an agricultural land and smuggling offenses in Minab

One-Sample Statistics			
N	Mean	Std. Deviation	Std. Error Mean
372	4.59	0.619	0.032

Table 8. The significance of correlation between the ownership of an agricultural land and smuggling offenses in Minab

One-Sample Test					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
142.847	371	0.000	4.586	4.52	4.65

The fifth hypothesis concerns a significant relationship between the regional deprivation and smuggling offenses in Minab. The mean, standard deviation, mean deviation, t-weight and DOF are 4.59, 0.712, 0.037, 124.304 and 371, respectively. The significance level is less than 0.05. As a result, the research hypothesis is confirmed. Thus, there is a significant correlation between the regional deprivation and smuggling offenses. The most deprived regions in Hormozgan province are eastern regions including Minab, Jask, Ciric, Bashagard and Roudan. The overall deprivation, unemployment and economic coercion resulted in tendency toward smuggling of goods in this region.

Table 9. Descriptive information on the relationship between the regional deprivation and smuggling offenses in Minab

One-Sample Statistics			
N	Mean	Std. Deviation	Std. Error Mean
372	4.59	0.712	0.037

Table 10. The significance of correlation between the regional deprivation and smuggling offenses in Minab

One-Sample Test					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
124.304	371	.000	4.589	4.52	4.66

The t-test was used to assess the significance of correlation between gender, age and smuggling offenses in Minab. Table 11 shows the results for the relationship between gender and smuggling offenses. There is a significant relationship between gender and smuggling of goods, because smuggling is generally a male task and women do not take it because of its difficulty. This fully applies to Minab City.

Table 11. The significance of correlation between gender and smuggling offenses in Minab

One-Sample Test					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
40.333	184	.000	3.744	3.56	3.93

There is a significant relationship between the age and smuggling of goods. Table 12 shows the results of this test. The majority of people employed in this work are between 30 and 40 years of age.

Table 12. The significance of correlation between the age and smuggling offenses in Minab

One-Sample Test					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
42.429	38[4]	0.000	3.204	3.06	3.35

The seventh hypothesis suggests a significant relationship between smuggling of goods and social and occupational status in Minab. A high mean value of 4.65 with a standard deviation of 0.567, t-weight of 155.985

and a significance level of 0.000 less than the standard error (0.05) in the social sciences indicate the significance of the model. Thus, people who are involved in smuggling of goods have a low social and occupational status.

Table 13. Descriptive information of the relationship between the smuggling of goods and social and occupational status in Minab

One-Sample Statistics			
N	Mean	Std. Deviation	Std. Error Mean
3[85]	4.65	0.567	0.030

Table 14. The significance of correlation between the social and occupational status and smuggling of goods in Minab

One-Sample Test					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
155.958	3[84]	0.000	4.654	4.60	4.71

DISCUSSION

The first hypothesis concerning a significant relationship between unemployment and the tendency to commit smuggling was confirmed. This suggests that if the unemployment rate falls and good job opportunities are provided for local people, we will see a reduction in the number of good smugglers. The second hypothesis examined the relationship between the poverty and smuggling. A direct correlation was observed between poverty and tendency toward smuggling. Poverty is one of the main causes of tendency toward smuggling and a lot of people have turned to smuggling because of poverty and unemployment. A significant correlation was found between the overall deprivation and smuggling. According to various indicators, Hormozgan is one of the most disadvantaged provinces and Minab City and East Hormozgan are among the most deprived areas of the province. Deprivation and unemployment and consequently poverty are of the main causes of the spread of smuggling in this region. As long as there are unemployment and poverty in the region, it cannot be expected to eradicate smuggling. The relationship between the ownership of an agricultural land and smuggling offenses indicated that those who have no land are drawn more towards smuggling. Due to consequences and risks of smuggling, those who have the opportunity to work with dignity and adequate income less likely to be involved in smuggling. A significant relationship was found between education level and smuggling offenses. This means that higher education level leads to reduced incentive to commit smuggling.

A significant relationship was found between the gender and age, because smuggling of goods is basically a male task and fewer women are involved in smuggling. The majority of smugglers aged 30 to 40 years old. One of the most important consequences of smuggling is the low social status of smugglers in the community. The results showed that smugglers have a low social status. A significant relationship was observed between smuggling offenses and occupational and social status. According to the results of the present study, the most important operational strategy to reduce smuggling in the region is providing job opportunities to eliminate deprivation. As long as the region is not on the path of development, it is futile to expect the eradication of smuggling in Minab City. The region has a very high potential for development that has been neglected so far. The main potential of the region is its proximity to international open waters through Oman Sea. A commercial port can be constructed to develop commercial activities in this region.

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