
The Impact of the Border Economy on the Progress of Border Cities

(Case Study: Border City of Baneh , Province of Kurdistan)

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ABSTRACT

The advent of new and numerous cities and the expansion of the existing cities are considered as important phenomena that have come into existence in today's world under the subject of the urban development in the economic and social lives of different countries . A system of different cities with differing sizes defines a function of cities' sizes distribution relating to itself where the urban economy deals with its characteristics. Urban development takes place in countries commonly in the form of existing cities growth, creation of new cities or both. Urban development is influenced by different factors like economic factors. In fact there is a bilateral affecting and being affected relation of the urban development and the economic growth that can be delineated interactively between the city and the economy. The growth of the cities' sizes has a spatial pattern, in the sense that the growth of any city is affected by the neighboring cities' sizes growth. The border economy without paying attention to the urban economy and planning has resulted in the midterm growth whose negative consequences have contributed to the stagnation of this type of the economy and disorder in the symmetrical expansion of the cities. The border city of Baneh has been experiencing a border economy trend in recent years, i.e. since 1996 where it has economic, political and social as well as cultural repercussions. In other words, in this 19 year old period, this city has been the center of the imported goods distribution to other countries of Iran and the maximum effect of it is embodied in the structural and demographic development of this city that has resulted in the asymmetrical development and changes in the city's structure due to the urban and rural migrations and out of province migrations.

Keywords: Urban development, Urban economy, Border economy, Baneh.

Introduction

There are three main groups of factors that contribute to the physical development and changes of the social and spatial

construct of the city. These factors that determine the way decisions are made and their application specifies the quality of

the city's growth as well as the social construct are : industries ,households and national policies , (local and worldwide), and the city's economic capacity that is divided into two groups of investing and deployment of economic activities in different sectors (agricultural , industry and services) .Growth and enhancement of the economic capacity of the city have led to the creation of job opportunities and the prosperity of the labor market. The creation of the value added and the income, flourishing of the commodity market, services, and the estate and housing market (Kasaei, 2007: 71).

In the past three decades, in Iran the accelerated growth of urbanism with the capacity of equipping the urban spaces and the expansion of the infrastructures has not been symmetrical, and has not created the producing professions required. In most cities with a population of under 100 households, the economy has been simple and farming has either been dependant on the environment or have expanded their economic development through exchanges in the area under their influence (Abedin, 2007: 93). Since the 70s onwards we have been observing an expansion of the border economy in Baneh which has been a new way of earning a living and profitability in the region. This has left desired and undesired consequences on the economic and social aspects of the urban area as well as the physical growth of the city.

Considering this issue requires a scientific pathology and it is recommended that suitable guidelines based on developmental and social perspectives for the development of these regions and the solution of the problem (being located in the border) be adopted. The solution of the problem (border economy) requires developmental, constriction, planning and culture building guidelines more that

judicial and security guidelines. Thus, such effects are evident in the urban structure in such a way that the main structure of the city has been stirred and disrupted due to the influx of migrants that have come into the city for finding jobs and a good life. Because of a considerable level of migrants that are in the city, the city has faced problems with regards to planning, thereby resulting in the creation of places with illegal construction sites, disorderly structural planning, and false economic structure as well as heterogeneous and stressful social spaces. Given these problems and other items like the ones found in this research, we are going to find a scientific response for these problems:

1. What have been the real impacts of the border economy on the structure and performance of the city?
2. What has been the extent of these effects and in what form?
3. Has the border economy led to the disruption of the urban structure and its performance?

Research methodology

Any geographic research should have a coherent methodological construct based on the using of proper methods and efficiency to have the potentiality of solving the issue under study, leading the researcher to the desired results. Thus, in this research, focus has been on the application of the correct and scientific methods to achieve the results.

Type of study and methodology

First, to identify the issue and recognize the status quo, field and library studies have been adopted. The research site where it is the working field has been referred to and the issue has been closely investigated and identified. Besides, the

field ways of interviewing people and officials have been adopted in order to better understand the border economy. To better recognize the status quo, the library sources such as the Baneh's comprehensive plan, and the monograph of the city of Baneh have been utilized.

For the literature and theoretical basics of the research, research background and recognition of the environment- human characteristics of the case study, the method of library research and using books, journals, theses and Persian papers have been investigated.

Research theoretical basics

Definitions and concepts

The performance of the economy is in such a way that in all countries , more or less some parts of the economy are carried out secretly to escape the limitations imposed in the laws and regulations , due to some specific activities(Masoud Nili, 2005: 45).

Theories and perspectives

Theoretical records

Studies carried out with respect to the role of borders on the expansion of the neighboring spaces:

Available sources with respect to the role of borders in the spatial development vary and are addressed in the Latin literature. In the Latin literature, this issue has been referred to with relation to the category of "cross-border" and its role on expansion.

Studies carried out with respect to relation of the border situation with the expansion of the border cities are limited and this same issue redoubled the importance investigation.

Research findings

The effects of the border economy on the city of Baneh include six components of trade complex construction, number of accommodation centers, housing, rise in the urban population, increased urban land use, and increased dependant professions.

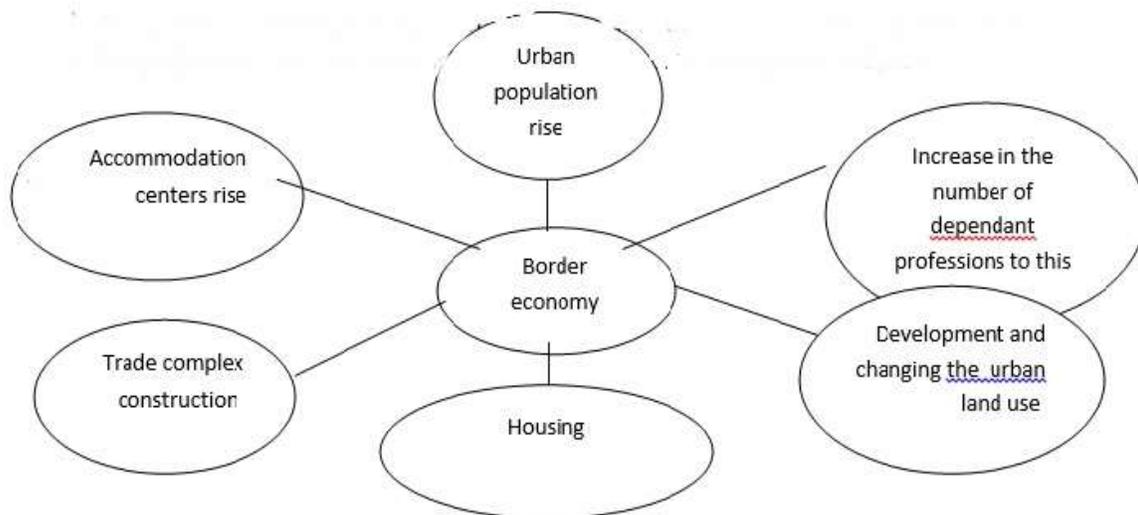


Figure 1. Impacts of the border economy on the city of Baneh

Introduction of the city of Baneh Statistical Population

The current research deals with the city of Baneh that is located in the 35° and 59' of the northern latitude and 45° and 53' of the eastern longitude of the meridian. The altitude from the sea level is 1550 meters. This city, from the north leads to the ridge heights between the cities of Baneh and Saqqez (Bukan in west Azerbaijan), from the north west it leads to Sardasht in the west Azerbaijan, from east it reaches to the rural district of Sarshiv and from south it leads to the ridge heights between Baneh and Shile in the Iraqi Kurdistan and lastly from west it leads to the rural district of Sivebel and Alan in the Iraqi Kurdistan. This city is situated in the 270 kilometers west of the city of Sanandaj, in a plain-foothill area.

That city is surrounded by Mt. Arbaba as high as 2220 in the 3 kilometers south of the city, by Mt. Babes in the 3 kilometers east of the city as high as 2381, and by Ghalarash as high as 2350 in 7 kilometers north of the city. According to the latest census of population and housing, the population of the city of Baneh has been 132565 in 2011 where from among this number 90304 were urban residents and 42261 were living in rural places.

Border economy of Baneh

The border economy of Baneh can be considered as a new phenomenon that is affected by its geographic location and its being situated on the border strip. In other words, the imported goods from the border have been very much effective in

the flourishing of the trade exchanges inside the city of Baneh. These goods are imported to the city through border – unofficial exchanges and are sold in markets inside the city. Thus, the city's economy is a trade economy and is regarded as the exchange –border – trade economy consequences. The reason why the unofficial trade has boomed is because of high unemployment rate, shortage of equipment and fundamental infrastructure, lower income as well as social inequalities and public poverty in the border regions, and adverse quality of the goods produced inside the country compared to the those produced in foreign countries as well as governance of culture. The border economy growth in Baneh and its influence on the structure of the city has been steadily growing since 1996. In fact until this year, the border trade exchanges have not flourished and the causes have been the wartime conditions over the region, hindering border activities and peoples' travel to this city. But, after the war and the new commencement of border activities and high volume of imports through smuggling, the number of travelers to this city has increased. Table (1). Thus, due to the market boom and an increase in the number of buyers, the number of trade complexes has increased.

Housing

Based on the obtained statistics from the Baneh's municipality, during the years 1996-2006 the issuance of construction permits have seen a rise.

Table 1. Number of travelers coming to the city in the first 20 days of the year

Year	2006	2007	2008	2009	2010
Travelers coming to the city in the first 20 days of the year	26400	56800	60200	65300	75600

Table 2. Number of issued permits

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Growth rate
Number	162	163	141	95	37	185	236	182	243	196	218	1996-2006
Accumulative frequency	162	325	466	561	698	883	1119	1301	1544	1740	1958	2514

Source: Baneh municipality

This statistics is the only registered statistics in the city of Baneh. Of course, illegal constructions either in the trade or residential forms have intensively existed that have directly been affected by the border economy. Most of these constructions have been in the suburban areas, leading to the creation of many alleys at the city level.

Number of accommodation centers

Because of an increase of the foreign made goods imports to the city of Baneh and the influx of high number of people to this city for buying goods, the need to the accommodation centers in this city has increased. Baneh has currently 4 hostels and 2 hotels that from this number 4 hostels were available before the year 2001, but from 2001 onwards due to an increase in the number of tourists and the need for the accommodation centers, 2 hotels were built in this city. The total accommodation capacity of these centers is 3243 square meters, 65 rooms and 82 beds. Currently a five star hotel is being built by the private and public sector that will be operational by three years' time. The trade center of the city is located in the north west of the city (Municipality boulevard, Shohada St, Jihad sq.) due to the dense construction and accessibility to the barren and empty lands around the main street.

More importantly this place has been constructed without considering the streets' capacity, parking and etc.

The change of the trade center to this place has resulted in the concentration and density of administrative centers (municipality, Housing foundation, fire department, and red crescent), banks, service, reception and accommodation centers and has resulted in the price hike of the estate and house.

Thus, changes made to the trade exchanges and economy at the city level have led to a change in the trade center. These centers were formed in places where there was a need for exchanges and purchase of imported goods. Statistical studies have shown that in 1996 there were only trade complexes which were not that prosperous. Trade tourism growth and increased trade exchanges inside the city have resulted in the structural growth of the city.

Also, since 2010, 6 more complexes have been underway that according to the municipality experts from among this number of trade complexes around 6 complexes have obtained official permit from the municipality and the rest have been constructed illegally.

Source: Information provided by the cultural and heritage department, tourism and handicrafts industries. Baneh

Urban population rise

The population of the city of Baneh was 132565 in 2011 and from among this number, 90304 people were residing in the city areas while 42261 were residents of rural places of the city of Baneh. Table, 4 shows the trend of the population

development of the city and its population increase during the past 50 years. This trend was descending with the commencement of the imposed war, but after the war the population saw a 12% rise . Of course, it should be mentioned that the rise in the population of the city with a 12% increase in the years 1986-1996 has been due to the return of the Baneh population after the war. With the end of this era, the population growth can be attributed to the urban -rural

migrations and to a lesser extent migration from the neighboring cities.

Thus, although the population rate in the period of 1996-2006 has been lesser compared to the past decade, comparison of the population of the city with the population rate of the Kurdistan province as a whole (2/3%) suggests a different situation between the two population rates. On the other hand, the rate of urbanism that was 51% in 1996 reached an all-time high of 65% in 2011.

Table 3. Features of the accommodation places of the city of Baneh

Hotel name/hostel	Year of establishment	Area(square meter)	Number of rooms	Number of beds	Personnel
Saman	2001	1468	17	48	3
Setare talaee	2002	600	19	50	4
Sadi	-	350	10	30	2
Jabari	1970	350	6	18	3
Morvati	1965	155	7	20	3
Mohamadpour	1966	320	6	16	3
Total		3243	65	82	18

Table 4. Baneh's population development trend during 1966-2006

1966	1976	1966-1976	1986	1976-1986	1996	1966-1996	2006	1996-2006	2011
Population (people)	Population (people)	Growth rate percentage	Population (people)						
8617	15521	6	1693	0/85	5543	12	74960	3	9030
			3		3				4

Source: Iranian Statistics Center-Writer's estimates

Urban land use

The highest growth rate developments have occurred in the trade, educational, passages, installations, security facilities and tourism and reception.

These developments indicate that the urban land use enjoys a qualitative trend at the city level that has been in the form of

smuggling due to the imported goods from Iraq as well as a high reception of the tourists that come to the city for purchase. In the sense that the growth rate of the land use with 16/5 % is related to the trade section.

Temporal- spatial transformations

The border economy has many consequences and aspects that include temporal-spatial effects. Here, by the spatial and temporal effects it is meant some effects that the border economy leaves on the structural texture of the city. In fact, by space in this research it is meant the same concrete concept of the space that embraces different sections of the city like streets networks, residential textures, and other sectors constituting the city. The border economy could through changes be influential in the factors like economic, demographic and cultural features in the spatial changes of the cities. In line with the land use growth relating to the border economy (trade complexes, storages) and an increased density in the city, there is a need to other land use including the network of passages and accessibility to installations and urban infrastructure facilities, thereby rendering in the expansion of the structural texture of the city.

In addition to economic impacts, this type of economy has social and cultural impacts that are very much effective and considerable in the lives of the hosting people due to the creation of the sale markets for the tourists. These changes take place because of the local peoples' contact with tourists (buyers). Cultural impacts are changes that happen in the life style, architectural and art as well as customs of the society.

Period of 1961-2006

The first center of the century before 1821 and early in the current century in 1921 is up for discussion. At that time the early center of the city continued in line with the main street of the city or in the eastern and western direction, until 1968 to its growth around this street. In 1968, with the construction of the four main lines of the city on the river, this major natural

obstacle was removed from the physical development way of the city and ten city was expanded in the northern part. The occurrence of various political events after the 1976 at the national level affected the physical and demographic expansion of the city. The decade 1976-1986 is the stagnation and static decade with regards to the demographic and physical development of this city which is in relation with the political, social and cultural conditions imposed on the city. The occurrence of the revolution and the authority change in the government system, the Democrats armed activities against the system, and the formation of the guerrilla wars in the city as well as the occurrence of the war between Iran and Iraq in the year 1980 are the most important reasons of the stagnation factors of the city. The 1986-1996 is regarded as a turning point in the history of the demographic and physical development of the city of Baneh. However, since 1994, the opening of the border mini bazar at the city level resulted in the change of the role and function of the city from agricultural to service and trade and on the other hand, this rendered in more construction activities. Thus, the 1986-1996 is considered a dynamic decade in the economic performance of the demographic movements as well as the physical development (Amin Nejad: 2003: 73). However, since the 1996 up to now, Baneh has taken effective steps in terms of the urban development by changing its activities trend from service o trade. Exchange of goods with the neighboring country of Iraq as well as high influx of contraband commodities through the border have resulted in the formation of new markets inside the city, in such a way that the northern part of the city is almost void of residential land use, becoming different trade land uses instead. This in

turn has resulted in the flourishing of the urban –rural migrations in this region. High volume of good exchanges and the influx of 14000 passengers to this city has added to the physical development of the city while this trend still goes strong (Amin Nejad: 2003: 73).

Construction of trade complexes

Field studies have shown that prior to the 1991, the city lacked any indoor place as market or passages and the only major trade center could be seen around the

main street in the form of both side of the street shops. These trade centers supplied the major subsistence of the people. However since 1991 onwards, the traded centers of the city were formed as two and three -story buildings. Later years, lack of attention to the urban construction rules and regulations resulted in the structural instability of the city. Trade centers in the city of Baneh, increase from 1 complex in 1996 to 75 in 2012. Also, in 2013, six more complexes are under way.

Table 5. Area and the growth rate of the urban land use during 1994-2005

Land use	Area(square meters) 1994	Area(square meters) 2005	Growth rate percentage
Residential	1386900	2300769	4/3
Trade	29000	182703	16/5
Cultural-religious	25915	52443	6
Tourism-reception	1500	5678	12
Treatment	31478	123097	12
Sports	35000	100599	9
Administrative	48067	170183	11
Public green spaces	24436	32482	2/4
Security and military	220950	915840	12/5
Installations and equipment	10835	45271	12/6
Transportations and storage	16050	38854	7/6
Passages	432258	3048048	17/6
Educational	37240	203414	15
Total area	2299629	7219381	10

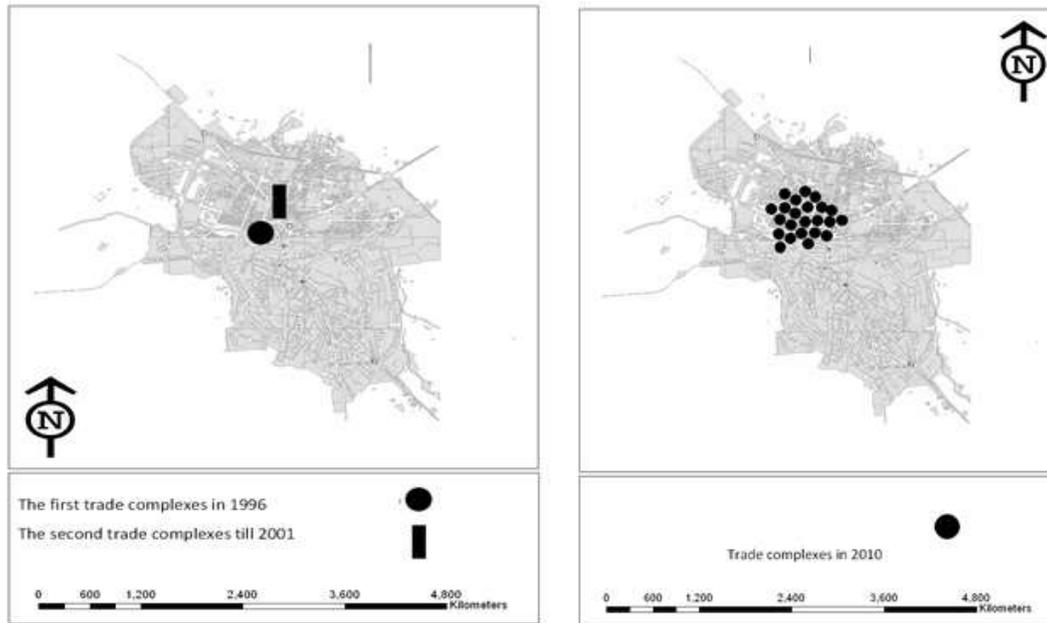
Source: Comparative plan of Baneh, Baneh comprehensive plan, 2004, and municipality of Baneh

Mechanism of development and expansion of the unofficial market (Baneh)

Formation of the existing markets

During past years, in Baneh, due to higher young population and high household population as well as lack of professional facilities and suitable per capita income, families had to during certain month of ten year migrate and desert their own

residence places, turning to near and far cities to look for professions like working at the farms, orchards, and factories(brick makers). Only few people had proper jobs in their first residential areas and hence, they did not have to migrate. Thus, in certain months of the year, Baneh was empty of residents, looking like a less populated city.



In particular, since 2004 onwards, a trade and economic revolution happened in Baneh that was followed with an influx of high investments and income for the people. Thus, new professions were made. From this year on, little migration happened rather on yearly and monthly basis the city received migrants from other cities in such a way one cannot correctly identify the indigenous people from mothers.

The trade revolution took place in Baneh made the city become famous in all over the country. Baneh, being transformed to a strategic place in terms of economic and trade benefits as well as high number of people from all over the country coming to this small city, have created potentiality in terms of natural and environmental capacity. Based on statistics, on daily basis 14000 passengers enter the city. This huge spate of people has resulted in the flow of money and investment and empowerment of the economy and on the other hand, it has rendered in the

removing some of the environmental and cultural factors.

Conclusion

Baneh as a city in Kurdistan is located on the Iraqi border. It has been for some years that due to official and unofficial transactions that the Seiran Band has found a quasi-trade role, drawing many passengers given the influx of cheap Chinese made commodities. This border area has desirably r undesirably faced a kind of situation where it has made officials think and posit with regards to eh reception of high number of passengers. Although it was imperative that a solution be found to deal with the uncontrolled flow of commodities and different items entering the county illegally, in practice there has been no serious will by the officials to organize this very important affair. The occurrence of the revolution and the authority change in the government system, the Democrats armed activities against the system, and the formation of the guerrilla wars in the city as well as the occurrence of the war between Iran and Iraq in the year 1980 are

the most important reasons of the stagnation factors of the city. The 1986-1996 is regarded as a turning point in the history of the demographic and physical development of the city of Baneh. However, since 1994, the opening of the border mini bazar at the city level resulted in the change of the role and function of the city from agricultural to service and trade and on the other hand, this rendered in more construction activities. In particular, since 2004 onwards, a trade and economic revolution happened in Baneh that was followed with an influx of high investments and income for the people. Higher number of travellers has resulted in some natural, cultural and social problems as well as imposing of heavy costs for the citizens. In this regards, the weak structure of organizations and public corporates have been unable to solve this problem.

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Baneh governorship

Baneh municipality

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