

IDENTIFYING AND RANKING THE FACTORS AFFECTING COMMODITY SMUGGLING IN COASTAL AREAS OF BUSHEHR PROVINCE

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Abstract: *Commodity smuggling exists in different extents in all the countries worldwide, yet it has been considered as one of the important economic challenges which Iran faced it. This phenomenon is a barrier to better development of free trade. Any economic system strives to examine the reasons for the formation of commodity smuggling and adopt proper policies via an informed approach. The present research has been conducted aiming at identifying and ranking the factors affecting commodity smuggling in Bushehr province. This research is an applied research type in sake of aim and a descriptive survey in sake of data collection. The statistical population consists of managers and experts at the concerned organizations engaged at the area of combating with commodity smuggling, that 150 questionnaires were distributed among the statistical population via simple random sampling method. The questionnaire has been used as the instrument for data collection. Validity of the data collection instrument was confirmed via face-content validity, and its reliability was confirmed via Cronbach's alpha. The results of this study indicated that trade restrictions and geographical indices are mentioned as the most and the least important factors affecting commodity smuggling in the border areas of Bushehr.*

Keywords: *Commodity smuggling, Factors affecting commodity smuggling, Bushehr province, Suggestions for coping with commodity smuggling.*

INTRODUCTION

From long lost past, the man has been in need of trade and transactions, because a person cannot meet his needs just on his own for which everyone has a special role. Since the past that the man has felt the need for trade, transactions were made via exchange (Sadeghi, 2013). Receiving taxes on commodities has existed at Achaemenian, Parthian and Islamic period of Iran, assumed as a basis for government financing. At those ages, it can assume that some individuals shirked their responsibilities to pay taxes to earn more profit. This collusion and ignorance of

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traditions and customs in the past and ignorance of rules and regulations in contemporary age have been conveyed as “commodity smuggling”. In this way, commodity smuggling dates back to many centuries ago (Firoozjaei, 2015). In Iran, smuggling foreign commodities has existed since many years ago, yet it has been prevailed more seriously in three recent decades. The concept of “commodity smuggling” encompasses underground or informal economy of total economic activities in Iran, assumed as an activity with illegitimate nature (Bahrami & Ghasemi, 2014). long border of Bushehr province in 707 km area with the Persian Gulf and Arab countries has provided a proper infrastructure through which the people living in Bushehr who have cultural and ethnical commonalities with the people in Persian Gulf sought to trade and exchange.

Yet, important factors such as sanctions and severe inflation together with economic recession have faced the industries existing in the country with the challenges such as reducing productive investment, reducing productivity, erosion of machineries, state monopoly, increasing production costs and so forth, that ultimately the production with high quality was withdrawn from the Iranian commodities, whereby the way was paved for smuggling similar foreign commodities. These factors besides legal, social and cultural components have obliged the people living in borders of Bushehr province to pursue illegal trade to earn more profit, via use of advantage from coastal settlement. This is in a way that commodity smuggling has expanded besides legal importing, and transformed to a cultural and economic concern in the Bushehr province (Biabani, 2012). However large body of studies have been conducted about the causes and agents for smuggling foreign commodities to Iran, few studies have been conducted about the commodity smuggling nearby coastal areas of Bushehr province. Hence, the questions of this study include:

1. What factors have caused emergence of commodity smuggling nearby coastal areas of Bushehr province?
2. What are the most and the least important factors for smuggling foreign commodities nearby coastal areas of Bushehr province?

Identification of various aspects of commodity smuggling helps for better understanding of this phenomenon. The importance of full understanding of the commodity smuggling lies on a fact that policy-making to deal with commodity smuggling comes to realize based on recognition from this phenomenon. Hence, to acquire a proper policy-making, a better understanding of the phenomenon “commodity smuggling” is required. Hence, the present research aims to identify and rank the factors affecting commodity smuggling in Bushehr province.

LITERATURE REVIEW AND RESEARCH BACKGROUND

Definitions and concepts for commodity smuggling

A variety of definitions have been represented for commodity smuggling; in Moein Persian dictionary (1987), smuggling has been assumed as the purchase and sale of

commodities in an illegal way. To define commodity smuggling, it can assume commodity smuggling as importing commodity to the country or exporting commodity from the country in an illegal way without submission of tax returns and payment of customs duties and commercial benefit. According to the definition by World Customs Organization, commodity smuggling is called to customs fraud which includes displacement of commodities along the customs border in a secret way so as to escape from the customs monitoring (Nori, 2013). A country sometimes has some rules concerning the prohibition of entry and exit of special goods and products, which this results in commodity smuggling in case of disobedience from these rules (Uddin Khan, 2013). What can be witnessed in the aforementioned definitions lies on a fact that commodity smuggling implies an illegal phenomenon.

Factors affecting commodity smuggling

To classify the factors affecting commodity smuggling in Iran, the effective factors are classified into four groups including economic factors, socioeconomic factors, political factors, legal and judicial factors, and geographical factors (Bahrami & Ghasemi, 2014; Moghadasi, 2003, Madah, 2008). In following, a concise explanation for each of the factors aforementioned in the emergence of commodity smuggling in Iran is represented.

Economic factors

Commodity smuggling dates back to many decades ago as an economic activity. A variety of empirical studies have been conducted to identify and measure the economic outcomes from commodity smuggling in developed and developing countries worldwide (Fausti, 2006). The most common economic factors are as follows:

1. Employment and unemployment: unemployment, in addition to be followed by stopping the unemployed person's salary, is also followed by social outcomes, that it can be assumed as the leading origin for the social corruption. In the most optimistic state, commodity smuggling leads to trafficking and brokering. Livelihoods status and high rate of unemployment in some regions of country pave the way for illegal activities and smuggling (Banaei, 2004).
2. Tendency for aversion from paying taxes: as the results of studies by Yurekli & Sayginsoy(2010) indicate, if no improvement comes out of implementation of rules by increasing taxes, smuggling will increase worldwide. Escape from paying taxes and customs duties and taxes are considered as the most common factors involved in commodity smuggling, because unfortunately priority of individual benefits to social benefits has been transformed to a culture in most of the social classes.
3. Support by the government from some of the industries: in recent three decades, some of the industries have been granted support by the

government. Managers of these industries by putting the government under pressure to forbid the legal importing have sought to involve in internal market, whereby the motivation for commodity smuggling increases (Bahrami & Ghasemi, 2014). In the light of the aforementioned conditions by government's tendency to support from internal production and the production regardless of the quality considered by the internal manufacturer, the consumer tends to purchase from foreign goods due to lack of high quality in the goods available to internal market, whereby this paves the way for commodity smuggling with foreign quality (Banaei, 2004).

4. Lack of balance between supply and demand inside the country: investigations indicate that generally those goods are smuggled that are never supplied or their supply cannot meet the internal demand. This group of goods is called to those goods with high elasticity, categorized as luxury goods. Consumers of these goods are particular social class who are ready to pay for surplus amounts (Bahrami & Ghasemi, 2014).
5. Price difference in similar goods: lack of production of some goods than the foreign productions or the production with higher cost price to the similar foreign goods has been mentioned as one of the factors which raise a price difference inside and outside the country. This price difference is felt in frontiersmen than other social classes, because the distance dimension reduces for these individuals. Hence, by earning more profit by means of adjacency to foreign countries, commodity smuggling occurs (Bahrami & Ghasemi, 2014).
6. Low quality of internal products: the products which are smuggled are no longer considered as luxury goods. Unfortunately there are several goods that their internal samples have been produced with lower quality, whereby the customer has the right to select the same foreign product which is more interesting and economically effective, such that this right comes to realize by proper importing policies.
7. Status of commercial interest rates and high customs tariffs for the importing goods: according to the investigations, those goods are smuggled on which high commercial interest rates have set, whereby may businessmen prefer to import these goods in an illegal way so as to escape from paying these rates.

With regard to the findings of research by Buehn (2012), a motivation for involving in commodity smuggling activities has been regarded as saving costs through avoidance from paying tariffs or avoidance from controls ruled out by the government about some products.

Social and cultural factors

International trade researchers believe that having the goods with proper quality is not solely sufficient for sale, but the manufacturers must be familiar with the culture

of the opposite person in transaction for the purpose of demand and sale. At this area, it can refer to the China's experiences. This country seeks to manufacture goods by identification of religious, ethnical and cultural interests and characteristics of other nations. The most common socio-cultural factors which raise commodity smuggling include:

1. Consumption culture of foreign goods: increasing people's incomes has intensified their tendency to consume luxury goods, such that currently influence of consumption-orientation and tendency to consume luxury goods and increase of luxury-orientation feeling among households have been attributed as values, whereby the consumption of foreign goods and demand for smuggling have increased (Shadnia, 2006).
2. Advertisement: advertisement is a clear process to provide suitable information on goods and services for the customers and persuade the consumers to purchase goods and services. Advertisement has been assumed as a factor which increases the demand for commodity smuggling inside the country.

Commercial advertisements play a major role in the need for goods in the internal market; concerning the existing conditions for advertisements, if acquisition of the required goods faces bans or restrictions, not just the demand for goods does not reduce, but also a suitable area paves for smuggling those goods (Vand Nouroz, 2003).

3. People's attitude: in recent decades, people's attitude towards smuggling foreign commodities not just has been a negative attitude, but also has been positive, and some people have looked into commodity smuggling as a means to earn income, and some believed in commodity smuggling as a means to save their costs.

Political and legal factors

The results of study by Buehn & Eichler (2012) indicated that statesmen's preferences and political cycle have affected smuggling illegal goods along US-Mexico border during 1980-2004. A variety of political factors involve in this process which include:

1. Organizational structural of governmental agencies and smuggling: the public sector including governmental agencies and entities and free customs regions directly and indirectly engage in smuggling goods in different forms. On one hand, the free regions have encouraged the demand inside and outside the region and obliged the unemployed persons to involve in smuggling, and on the other hand these regions have appeared as one of big poles for illegal import of the goods inside the country. Much of the goods which are sold in cities and stores are imported and supplied from cooperative frontier and border markets and goods for passengers on international flights. In some customs, the way is paved for

- emergence of smuggling by inattention to manifests, no proper entry of goods in the tax returns and tax return fraud.
2. Inefficiency of governmental rules and regulations: increasing expansion of goods indicates that decades of activities by agencies and governmental rules and regulations have had no effect. In this regard, some factors include:
 - insufficient control over land and water borders which have raised increasing smuggling in the country
 - low risks and outcomes from the crime of smuggling in a way that low rate of risk for the criminal is effective in expansion of this crime.
 - insufficient equipment in the organizations against the smuggling has facilitated the procedure for expansion of commodity smuggling in the country.
 - improper disharmony between the organizations which are against smuggling in Iran is the reason for expansion of this crime.
 - the rules and regulations, restrictions, deficiencies and ambiguities are elaborated as the most important legal causes for expansion of smuggling in Iran.
 - state monopolies as well as public entities and insufficient supervision on them are the causes for expansion of smuggling in Iran.
 - different impressions about the concept of smuggling in Iran have been effective in expansion of crime.
 3. Political aspect: concerning political factors, it can refer to the hostility and economic sanctions and lack of competent states in adjacency of Iran as well as numerous benefits for the neighborhood states (Bahrami & Ghasemi, 2014). Adjacency with the states which do not enjoy political stability and economic equilibrium on one hand, and contradictory of dealing with commodity smuggling and benefits of most of neighbor countries on the other hand have caused the smuggling activities keep increasing (Ghafarian, 1999). To confirm this, it can refer to the status of economic earnings in Emirate, so that the highest earning of this country has been restricted through importing Chinese and Japanese goods and exporting them to neighbor countries (Iran, Afghanistan and Iraq).
 4. Administrative corruption: commodity smuggling directly associates to the crimes such as lack of paying taxes on importing goods, bribery and corruption in official staffs. Healthy entities cause the commodity smuggling enjoys the least profit, because the smugglers constantly strive to maximize their net profit out of smuggling (Karimipoor & Mohammadi, 2010).
 5. Low risk at commodity smuggling: the extent of risk-taking by companies and level of implementation of rules by the government in form of a framework have

been mentioned as the determinants for taking action or lack of taking action by the companies for smuggling activities. This model indicates that commodity smuggling activities will continue only in case of increasing welfare. Implementation of rules and policies results in reducing the welfare arisen from smuggling and increasing the rate of risk-taking.

Geographical factors

Investigations by Johnson *et al.* (1998) indicate that environmental factors and conditions affect formation of opportunistic opportunities such as illegal trade and commodity smuggling. Here, several important variables at the area of geographical factors are mentioned.

1. Extensiveness of geographical borders including land and marine borders and lack of possibility to control over them
2. The possibility for smuggling from all the border areas: smuggling is not sufficed to one border area, but it comes to realize from all border areas. Lack of cohesive national governance during recent years in Iraq and Afghanistan has led to smuggling import and export from these areas. Smuggling of exports almost come to realize in smuggling oil products in Pakistan and Turkey borders, and a variety of goods including fabrics, cosmetics and so forth are smuggled via importing.
3. Lack of possibility for effective monitoring of fleets at areas of the Persian Gulf and Oman Sea: the southern areas are considered as the substantial areas for import of the goods which are smuggled.

Since the shipping and port organization has just monitored the Cargo ships and passenger ships and has not monitored the fishing boats, the possibility for huge extent of commodities smuggling by the aforementioned fleets exists (Shariat & Eivazkhani, 1999).

The way for import of commodity smuggling to Bushehr province

Commodity smuggling occurs in Iran through land, marine and air borders. Iran, by having 6000 thousands km land border in adjacency with seven neighboring countries and 2700 km marine border in south and north, is subjected to import of goods through land, marine and air borders. The coastal provinces in south with over 2200 km and Bushehr province with over 707 km marine border along the coastal side and enjoying various islands and adjacency with the countries around the Persian gulf have faced the phenomenon of commodity smuggling from the past, Water inlet port of Bushehr include: Bushehr ports, Deyr, Kangan, Assaloyeh, Deilam, Ganaveh, and Rig. Anyhow, due to adjacency of Bushehr with sea, the commodity smuggling comes to realize via marine vessels including yachts, boats, barges, and by commercial vessels. In this regard, transfer of commodity smuggling through marine borders via boats has had

the most roles, because the boats have been the smallest vehicle which moves with higher speed, which are not also required for representing special documents (Rahman najad, 2012).

Bhagwati and Hansen (1973) represented the first theoretical view on smuggling. In their view, simultaneity of commodity smuggling and legal trade results in reducing welfare. Yet, they believed that the possibility for increasing welfare will exist under the special conditions, yet in most of the cases commodity smuggling will reduce the welfare at the society and raise negative effects. In another study, Bhagwati and Srinivasan (1974) by representing a mathematical model indicated that welfare at the community increases under simultaneity of commodity smuggling and legal trade. Indeed, their model confirmed the results from the previous studies by accepting the hypotheses represented in Bhagwati and Hansen's model. Pitt (1979) implemented Bhagwati and Hansen's model in Indonesia and criticized this model. He has deduced that Bhagwati and Hansen's model (1973) can be implemented under special conditions regardless of some restrictions. Hence, Pitt proposed a more comprehensive mathematical model for commodity smuggling in the community. Sheikh (1974), by building balance in the hypotheses of Bhagwati and Hansen's model, examined welfare effects of smuggling in a separate analysis. He has criticized the results from Bhagwati and Hansen's model and believed that welfare increases or reduces within the society under simultaneity of commodity smuggling and legal trade. To determine the effects of commodity smuggling, Norton (1988) in a study entitled "agriculture commodities across the countries in Europe" represented a theoretical model, and indicated that the rate of smuggling increases by increasing the rate of tariff in entry of commodity to the internal marketing by the assumption of lack of discovery of commodity smuggling (Norton, 1988).

Pajooan & Madah (2006) in a study determined extent of commodity smuggling during 1967-2003 in Iran. The results from this study indicated that the rate of tariff, risk of commodity smuggling, difference on currency rate in free market and official currency rate are the factors affecting extent of commodity smuggling. In a study, using an economic model, Farzanegan & Buehn (2008) examined the result from import of commodity smuggling during 1970-2002 in economy of Iran. Sadeghi (2013) in a study examined economic impacts of commodity smuggling in national economy. In this study, it has been mentioned that various incentives to fulfill economic and commercial activities out of the framework for the rules and regulations intensify the commodity smuggling activities.

Kamran *et al.* (2011) in a study considered spatial organizing of the border areas in adjacency to the Iran-Pakistan border. Schnider & Enste (2000) in a study found reduction of illegal activities effective in increasing the tax incomes. They have also introduced the difference between formal currency rate and currency rate at free market as the factor affecting difference on commercial data that is, smuggling. Investigations by Johnson *et al.* (1998) indicate that environmental conditions and factors affect emergence of opportunistic opportunities including illegal trade. They believed that

commodity smuggling which is fulfilled for the purpose of escape from the taxes and customs duties deprive the government from legal incomes, consequently affecting resources at public sector. In another study, Merriman (2009) examined the supply and demand curve at the legal trade of cigarette and tobacco. Merriman stated that, by increasing cigarette price, the share of smuggled cigarette increases and legal sale of cigarette decreases. The difference on the profit obtained from the cigarette smuggling to the time for which the tax should have been paid, goes beyond, and this persuades the smugglers.

RESEARCH HYPOTHESES

In this study, after conducting the theoretical background at the area of research subject, the hypotheses below were proposed:

1. Special geographical features at Bushehr province are the factors affecting commodity smuggling.
2. Economic conditions and problems at Bushehr province are the factors affecting commodity smuggling.
3. Commercial restrictions (commercial tariffs and rules) at Bushehr province are the factors affecting commodity smuggling.
4. Political and legal conditions and problems at Bushehr province are the factors affecting commodity smuggling.
5. Administrative corruption at Bushehr province is the factors affecting commodity smuggling.

RESEARCH METHODOLOGY

The present research is an applied research type in sake of aim, and a descriptive survey in sake of data collection. The statistical population consists of all the managers and experts at the customs department of Bushehr province, Bushehr police headquarters, industry organization, Mine and Trade of Bushehr province, Bushehr department of anti-smuggling. Since the possibility to access all the members of statistical population was not convenient, the simple random sampling method was used in this study. To determine the sample size, finite and infinite Cochran formula was used. The considered accuracy or error level in the study was considered 7.5%, the same as what used in the similar studies. Concerning the confidence level (95%) and probability level (50%) concerning the infinite Cochran formula, the sample size was considered by attendance of 151 individuals.

To formulate the theoretical and empirical literature review of research, the library method including studying the books associated to commodity smuggling, the research articles in the context of research subject and theses were used. In the section represented with the field study, the questionnaire and interviewing with managers and experts were used to formulate and design measurement and data collection

instruments, and finally the questionnaire concerning the Likert **five-point scale** was designed. The questionnaire consists of 46 items, that the questionnaires were distributed among the individuals in sample group for data collection.

To examine validity of questionnaire, face-content validity method was used. After designing the initial questionnaire, the questionnaires were distributed among the professors, managers and experts, and they were asked to represent their view about the questions and form of questionnaire. After asking the professors', experts' and managers' views at the governmental organizations, their views were considered in formulation of questionnaire. After various editions, the initial validity of the questionnaire was confirmed. To measure reliability of questionnaire, internal consistency or Cronbach's alpha was used. Cronbach's alpha is used to calculate internal consistency of the questions in the questionnaire. Table 1 represents the results from Cronbach's alpha test. Since the obtained coefficients for all the variables are greater than 70%, thus it can deduce that the measurement instruments used in this study have enjoyed a high reliability.

Table 1
Results of reliability of Variables of research

<i>Variables</i>	<i>Geographical factors</i>	<i>Economic factors</i>	<i>Political factors</i>	<i>Commercial restrictions</i>	<i>Administrative corruption</i>	<i>Total questionnaire</i>
Number of question	6	18	7	8	7	46
Cronbach's alpha	0/78	0/83	0/76	0/81	0/86	0/91

After collecting data, the data were transferred to software SPSS, and then one-sample T-test was used to accept or reject the research hypotheses, and Friedman test was used to rank the factors affecting smuggling the foreign commodities in Bushehr province for data analysis, followed by the normality of research data.

THE RESULTS

Data analysis, as a part of the research method process, is one of the leading components in the study. in this section, firstly the characteristics of sample group considering the demographic variables are examined, and then a decision is made about confirming or rejecting the research hypotheses. Table 2 represents the results from the demographic variables of research.

Before implementation of one-sample T- test to reject of accepts the hypotheses, the normality of research data must be confirmed. To observe the normality of research data, Kolmogorov - Smirnov test (KS) was used. Table 3 represents the results of Kolmogorov - Smirnov test for the research data.

With regard to table 3, since the significance level for the collected data has been equal to 0.494 which is greater than 0.05, thus it can conclude at confidence level(95%)

Table 2
Demographic characteristics of respondents

<i>Demographic variable</i>	<i>Levels</i>	<i>Frequency percent</i>
Gender	Male	81
	Female	19
Education status	Diploma	8
	Associate degree	12
	Bachelor degree	52
	Master degree and higher	28
Age	20-30 years old	19
	31-40 years old	51
	41-50 years old	27
	Elder than 50 years old	3
Work experience	Less than 10 years	0.28
	10 to 20 years	0.56
	More than 21 years	0.16

Source: Authors' findings.

Table 3
Result of One-Sample Kolmogorov - Smirnov Test

N		151
Normal Parameters ^{a,b}	Mean	3.8219
	Std. Deviation	.43290
Most Extreme Differences	Absolute	.068
	Positive	.057
	Negative	-.068
Kolmogorov -Smirnov Z		.831
Asymp. Sig. (2-tailed)		.494

Source: Authors' findings.

that the research data enjoy a normal distribution, mentioned that the one-sample T-test can be used for data analysis.

To test the research hypotheses, T-test was used. The criterion for decision making lies on considering t-value calculated via software SPSS. The significance level is considered at confidence level (95%); if t-value be greater than 1.96, the research hypothesis will be confirmed, and if it be smaller, the research hypothesis will be rejected. In this research, five research hypotheses addressed examining the factors affecting commodity smuggling in Bushehr province. Table 4 represents the results from T-test for all the hypotheses.

With regard to table 4, the absolute value for t-value calculated via software SPSS for all the research hypotheses is greater than 1.96 which has been greater than that value in critical table for distribution of t. thereby, it can deduce that all the research hypotheses have been confirmed. In other words, it can say that the economic conditions and problems of the country, commercial restrictions, special geographical features within Bushehr province, political and legal conditions and problems in the

Table 4
Result of One-Sample Statistics and One-Sample Test
One-Sample Statistics

<i>Variable</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>Std. Error Mean</i>
Geographical factors	151	3.6049	.60235	.04902
Economic factors	151	3.8182	.52532	.04275
Political factors	151	3.7569	.57352	.04667
Ccommercial restrictions	151	4.0505	.57612	.04688
Aadministrative corruption	151	3.8789	.76483	.06224

Source: Authors' findings.

One-Sample Test

<i>Variable</i>	<i>Test Value = 3</i>					
	<i>t</i>	<i>df</i>	<i>Sig. (2-tailed)</i>	<i>Mean Difference</i>	<i>95% Confidence Interval of the Difference</i>	
					<i>Lower</i>	<i>Upper</i>
Geographical factors	12.339	150	.000	.60486	.5080	.7017
Economic factors	19.140	150	.000	.81825	.7338	.9027
Political factors	16.216	150	.000	.75686	.6646	.8491
Ccommercial restrictions	22.406	150	.000	1.0505	.9579	1.1431
Aadministrative corruption	14.121	150	.000	.87890	.7559	1.0019

Source: Authors' findings.

country as well as the administrative corruption are mentioned as the factors affecting commodity smuggling in Bushehr province. Further, the findings from this study indicate that, in point of view of experts informed about the research problems, the extent to which factors affecting commodity smuggling is not the same in Bushehr province. If we look into the value of mean and standard deviation for the factors affecting commodity smuggling in Bushehr province(table 4), we will witness that mean of the commercial restrictions goes beyond the mean for other factors. Thereby, the assumption on equality of the extent to which factors affecting commodity smuggling in Bushehr province is rejected. Implementation of the Friedman test confirms this fact. Table 5 represents the results from Friedman test.

Table 5
Result of Friedman Test

<i>Variable</i>	<i>Mean Rank</i>		<i>Test Statistics^a</i>	
	<i>Mean Rank</i>	<i>rating</i>	<i>N</i>	<i>151</i>
Geographical factors	2.48	5	Chi-Square	48.273
Economic factors	3	3	df	4
Political factors	2.75	4	Asymp. Sig.	.000
Ccommercial restrictions	3.67	1	a. Friedman Test	
Aadministrative corruption	3.1	2		

Source: Authors' findings.

With regard to table 5, significance level in Friedman test has been equal to 0.000 which is smaller than 5%. Since the confidence level used in this study has been equal to 95%, it can deduce at the probability level(95%) that the extent to which factors affect commodity smuggling in Bushehr province is not the same in point of view of experts. Commercial restrictions have been deemed as the most important factor affecting smuggling foreign commodities at the coastal areas in Bushehr province, and the geographical factors have been deemed as the least important factors affecting smuggling foreign commodities at the coastal areas in Bushehr province.

CONCLUSIONS

All the research activities are almost conducted in order to acquire the certain results and elaborate executive and applied approaches. The present study has been conducted aiming at identifying and ranking factors affecting smuggling foreign commodities at the coastal areas in Bushehr province. Using the literature review and interviewing with the experts at the area of research subject, five important variables were recognized as the factors affecting smuggling foreign commodities at the coastal areas in Bushehr province, including geographical factors, economic factors, political factors, commercial restrictions and administrative corruption. After collecting research data via filling the questionnaire by 151 individuals among the experts and scholars informed of the research subject, the research hypotheses were examined via one-sample t-test, and the results of research indicated a significant difference on all the research hypotheses at an average level(3). Hence, all the research hypotheses were confirmed. Further, findings of this study concerning the experts' and scholars' views indicate that the extent to which various factors affect smuggling foreign commodities at the coastal areas in Bushehr province is not the same. The commercial restrictions were recognized as the most important factor affecting smuggling foreign commodities at the coastal areas in Bushehr province, and the geographical factors have been deemed as the least important factors affecting smuggling foreign commodities at the coastal areas in Bushehr province.

The first research hypothesis implies that the special geographical features in Bushehr province are deemed as the factors affecting commodity smuggling at this region. Findings of this study confirm the first hypothesis. Findings of this study are consistent with the findings of research by other researchers including Shadnia(1998).

The second research hypothesis implies that the economic conditions and problems of country in Bushehr province are deemed as the factors affecting commodity smuggling at this region. Findings of this study are consistent with the findings of research by other researchers including Bhagwati and Hansen (1973), Pitt (1979), Norton (1998) and Schnider & Enste (2000).

The third research hypothesis implies that the political and legal conditions and problems of country in Bushehr province are deemed as the factors affecting commodity smuggling at this region. Findings of this study confirm the third

hypothesis. Findings of this study are consistent with the findings of research by other researchers including Karimpour & Mohammadi (2010), Bahrami & Ghasemi (2014), and Ghafarian (2003).

The fourth research hypothesis implies that the commercial restrictions (customs tariffs and rules) in Bushehr province are deemed as the factors affecting commodity smuggling at this region. Findings of this study confirm the fourth hypothesis. Findings of this study are consistent with the findings of research by other researchers including Bhagwati and Hansen (1973), Moghadasi (2003) and Sheikh (1974).

The fifth research hypothesis implies that the administrative corruption in Bushehr province is deemed as the factor affecting commodity smuggling at this region. Findings of this study confirm the fourth hypothesis. Findings of this study are consistent with the findings of research by other researchers including Cave & Reuter (1998) and Madah (2008).

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