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ANALYSIS OF THE ROLE OF FRONTIERSMAN ECONOMIC ACTIVITY IN ECONOMIC DEVELOPMENT (CASE STUDY: PROVINCE OF SISTAN AND BALUCHESTAN)

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ABSTRACT

The purpose of this research is analysis of the role of frontiersman cooperatives, and frontier markets in economic development. The research methodology in this study is based, cross-sectional, and the statistical population as well as are included all activists of cooperatives in Sistan and Baluchistan province which were examined by using Cochran formula and sample are equal to 384. The method of data collection was questionnaire, which was approved its validity by content validity, and Cronbach's alpha (0.96). Data analysis was performed with the help of software AMOS, a structural equation modeling and confirmatory factor analysis. The results showed that cooperatives activities frontiersman, and frontier markets, which have a significant impact on economic development, and improve the economy frontiersman.

Keywords: *Cooperative Frontiersman, Frontier Markets, Economic Development, Sistan and Baluchestan*

INTRODUCTION

Statement of Problem

At the frontiers of the majority of developing countries a significant level of need frontier folk funded by cross-frontier transactions. Such exchanges, despite informal local and it were to have an important role in trade between the neighboring countries to improve the lives of residents of frontier areas. Overall, the economy of the frontier regions it can have a major role in development, promote economic development in the frontier areas and improvement of people's living standards, reduce poverty, income distribution, creating relationships, friendships learn more about accelerate further cooperation between frontier areas (Chendovit, 2004).

The situation is not so favorable for agriculture and livestock, as the two most important economic branches in frontier areas, and the presence of unemployment, and turning to false jobs includes smuggling, on the one hand, and evacuated the area, and the haunted frontiers of the country, on the other hand, has been triggered, causing problems for the region and the country. Immigration, frontier residents, often relieves the field for security, and peace, so it is important to maintain a combined population of frontier regions, in terms of maintaining the security and territorial integrity. However, if it is not satisfied, the field creation of good jobs in these areas for the working population cannot be prevented to reducing smuggling (Business Review, 1997). On the other hand, frontiersman, more than other classes of people in other parts of the country are vulnerable economically. If due to economic problems are encouraging people in the area, guided by the damaging effects of political, and security and decreases dramatically (Review of Business, 1997). Therefore, the purpose of frontier settlement, consolidation, security issues, political, social, and economic frontier provinces to consider the role of frontiersman and according to economic activity and prosperity frontiersman is imperative (Ministry of Economy and Finance, 1996).

In frontier areas, due to certain geographic locations consider underserving areas, commercial activities, and cross-frontier transactions can be made the economic boom in this region and subsequently creating jobs and improving the lives of its people. Thus, it should be noted that in this context residing in frontier cooperatives play an important role as economic enterprises though smaller in terms of income generation

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and poverty reduction in peripheral regions and in peripheral areas and continuity of employment, investment and development (Mirakhori, 2007). On the other hand, frontier markets which have the capability in order to give a cross-frontier transactions and even better stop in security vulnerabilities and smuggling in the region.

Given the above purpose of this study was to analyze the role of cooperatives frontiersman and frontier markets in economic development and improve the lives of frontiersman.

MATERIALS AND METHODS

Research Methodology

This research in terms of target is an applied research, and the type and nature of the research is descriptive and analytical. The population in this study is all cooperatives activists, province of Sistan and Baluchestan. The number of samples used in this study was calculated by the Cronbach's formula sample with infinite population size, the sample size in this study was estimated to amount 384. The main methods of data collection in this study are the literature survey, and questionnaires. In this study to collect information about the variables is used, the method of survey methods. In this study, the most common technique for data collection was a questionnaire in this study was the use of a questionnaire of 13 questions. The content validity of the questionnaire was approved by the faculty, and reading books and articles related to the research and preparation of the necessary information, a questionnaire survey articles and research is possessed of sufficient funds. And to determine the reliability of the test is used the Cronbach's alpha. The reliability is calculated equal to 0.96; the figure is showing the reliability of the questionnaire. To analyze the data confirmatory factor analysis and structural equation used is used, to check assumptions in this context statistical software AMOS is used.

Research Findings

A) *Structural Equation*

It initially paid to the model parameters. In the next step, the observed variables, factor loadings, and is reported to be concealed.

Table 1: Indicators model fitting

Type Indicator	Persian equivalent	Amount of standard	The model was developed	Results
NFI	Fit the norm, Bentler- Bounet	0.9<	0.930	Optimal
RFI	Comparative fit index	0.9<	0.902	Optimal
IFI	Incremental fit index	0.9<	0.937	Optimal
TLI	The fit indices Tucker - Lewis	0.9<	0.911	Optimal
CFI	Comparative fit index	0.9<	0.936	Optimal
GFI	Goodness of fit index	0.9<	0.837	Relatively Optimal

- The NFI, or fit the norm, Bentler-Bounet is 0.930, the model is confirmed, according to the index, and enjoys the fit is right and good. RFI value is obtained, or the relative fit index, is equal to 0.902 which according to the standard value of 0.90 refers to the fitness of the optimal model. IFI values obtained the incremental fit index, is equal to 0.937 which according to the standard value of 0.90 refers to the fitness of the optimal model according to the index.

TLI values obtained or Tucker -Lewis fit index, is equal to 0.911 which according to the standard value of 0.90 refers to the fitness of the optimal model according to the index. CFI values obtained, the comparative fit index, is equal to 0.936 which according to the standard value of 0.90 refers to the fitness of the optimal model according to the index. GFI value is obtained or the goodness of fit index, the value of 0.837 which according to the standard value of 0.90 refers to the relatively good fit of the model, according to the index.

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B) Confirmatory Factor Analysis

Designed model, to the software is as shown in Figure 1, in non-standard mode, and Figure 2, in standard mode.

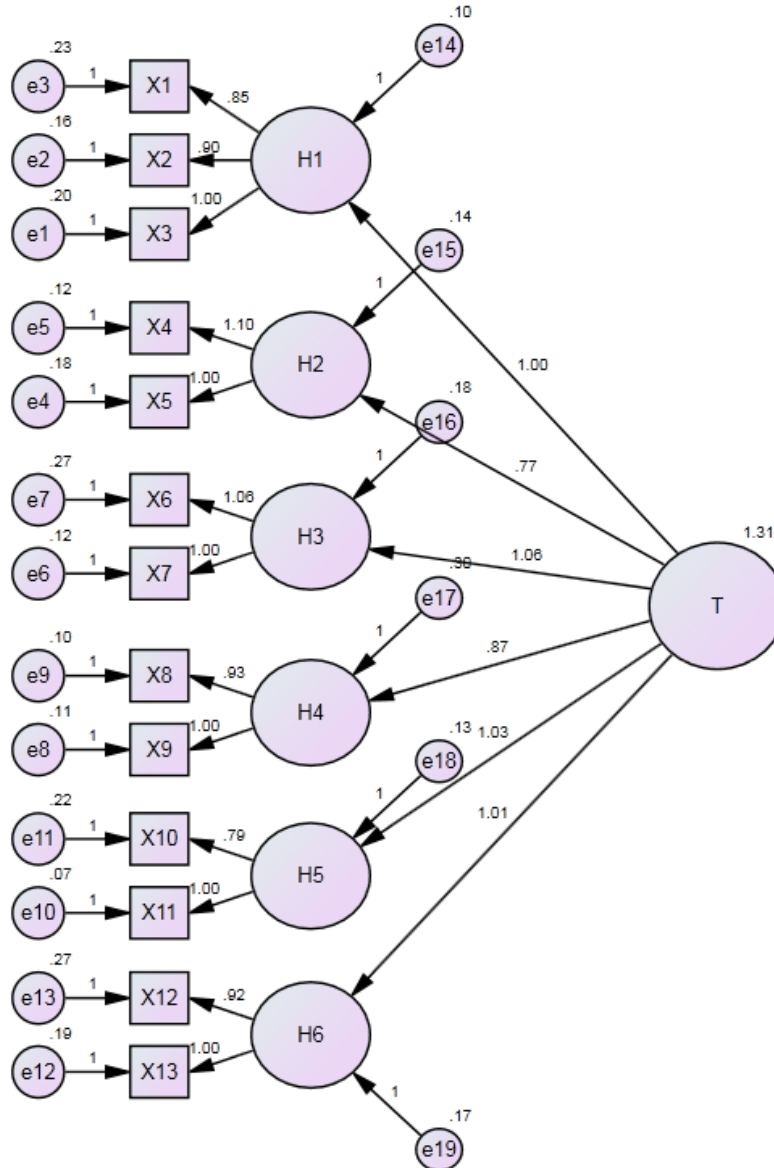


Figure 1: Model in non-standard mode

Table 2: Definition of the model code

The variable name	code	The variable name	code
Established, and cooperatives activities frontier and frontier markets	T	Open to attract foreign investment	H4
Developing economic cooperation and trade with neighboring countries	H1	Increase the purchasing power of households frontier	H5
Savings in time, transportation of goods, at the frontier	H2	Contribute to the growth of non-oil exports	H6
Absorb liquidity, and help contain inflation.	H3		

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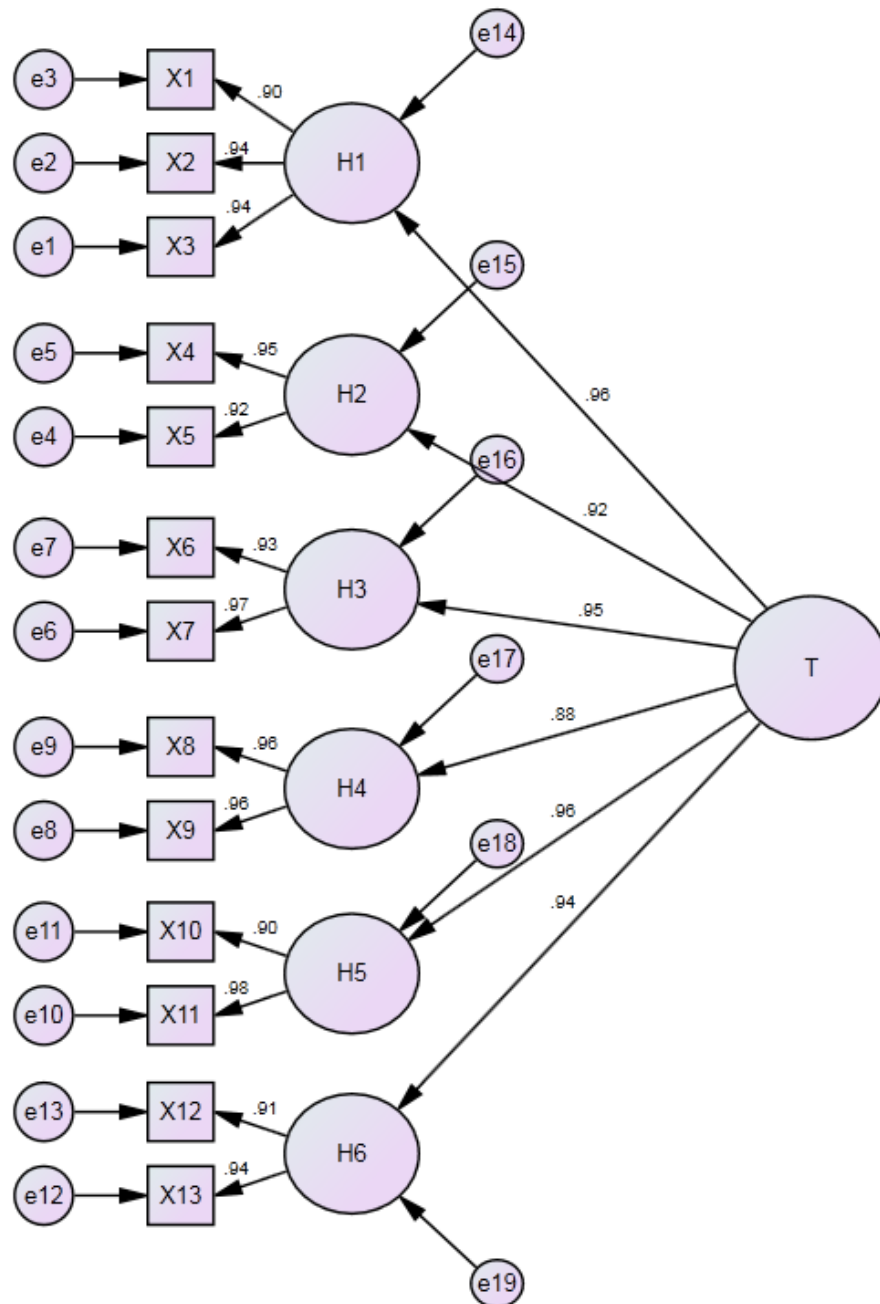


Figure 2: Model in standard mode

According to the figures above, it is evident that explain the 6 latent variables Explanation, the variables are established and cooperatives activities frontier and frontier markets which have been observed by 13 variables which are items of the questionnaire. The reported numbers on arrows are factor loadings or the report.

Table 3 reports the factor loadings (estimated), three items changing economic cooperation and trade with neighboring countries. According to the table above it becomes clear that the two statements because being smaller than the significance level of 0.05, and positive numbers reported in Column standard estimates (factor loadings), explaining the significantly and the hidden variables of economic development Cooperation and commercial barter with neighboring countries.

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Table 3: Variable loads, the development of economic cooperation and commercial barter with neighboring countries

			Estimate	S.E.	The standard estimated	Significant level	Results
X3	<---	H1	1.000		0.935		Confirmed
X2	<---	H1	0.901	0.025	0.937	0.000	Confirmed
X1	<---	H1	0.852	0.027	0.904	0.000	Confirmed

Table 4 reports the factor loadings (estimated), two variable items, save time transporting goods at the frontier. According to the table above it is evident that both statements due to being smaller the significance level of 0.05, and positive numbers reported in Column standard estimates (factor loadings) namely there is significant savings hidden variable during the transportation of goods at the frontier.

Table 4: Variable loads, saving you the time of shipping goods across frontiers

			Estimate	S.E.	The standard estimated	Significant level	Results
X5	<---	H2	1.000		0.916		Confirmed
X4	<---	H2	4.096	0.034	0.949	0.000	Confirmed

Table 5 reports the factor loadings (estimated), the answers vary, attracting liquidity and help curb inflation. According to the table above it is evident that both statements due to being smaller than significance level of 0.05 and positive numbers reported in Column standard estimates (factor loadings) namely to be meaningful, hidden variable absorption of liquidity and help curb inflation.

Table 5: Variable loads, absorb liquidity, and help contain inflation.

			Estimate	S.E.	The standard estimated	Significant level	Results
X7	<---	H3	1.000		0.967		Confirmed
X6	<---	H3	1.062	0.027	0.934	0.000	Confirmed

Table 6 reports the factor loadings (estimated), two variable items, and spread of absorption of foreign investment. According to the table above it is evident that both statements due to being smaller than significance level of 0.05 and positive numbers reported in Column standard estimates (factor loadings) namely there is a significant, hidden variable, spread of absorption of foreign investment.

Table 6: Variable loads, spread of absorption of foreign investment

			Estimate	S.E.	The standard estimated	Significant level	Results
X9	<---	H4	1.000		0.961		Confirmed
X8	<---	H4	0.925	0.023	0.966	0.000	Confirmed

Table 7: Variable loads, increasing purchasing power, household's frontier

			Estimate	S.E.	The standard estimated	Significant level	Results
X11	<---	H5	1.000		0.977		Confirmed
X10	<---	H5	0.791	0.023	0.902	0.000	Confirmed

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Table 8: Variable load factor, contributing to the growth of non-oil exports

			Estimate	S.E.	The estimated standard	Significant level	Results
X13	<---	H6	1.000		0.941		Confirmed
X12	<---	H6	0.918	0.029	0.909	0.000	Confirmed

Table 9: Final factor loadings

			Estimate	S.E.	The estimated standard	Significant level	Results
Developing economic cooperation and commercial barter with neighboring countries	←	Establishment and operation of cooperatives frontier and frontier markets	1.000		0.964		Confirmed
Savings in time, transportation of goods, at the frontier	←	Establishment and operation of cooperatives frontier and frontier markets	0.774	0.032	0.923	0.000	Confirmed
Absorb liquidity and help curb inflation	←	Establishment and operation of cooperatives frontier and frontier markets	1.061	0.036	0.945	0.000	Confirmed
Open to attract foreign investment	←	Establishment and operation of cooperatives frontier and frontier markets	0.865	0.036	0.875	0.000	Confirmed
Increase the purchasing power of households frontier	←	Establishment and operation of cooperatives frontier and frontier markets	1.025	0.033	0.975	0.000	Confirmed
Contribute to the growth of non-oil exports	←	Establishment and operation of cooperatives frontier and frontier markets	1.012	0.037	0.944	0.000	Confirmed

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Table 7 reports, factor loadings (estimated), two variable items, increased purchasing power, households in the frontier. According to the table above it is evident that both statements due to being smaller than significance level of 0.05, and positive numbers reported in Column standard estimates (factor loadings), explain the significantly hidden variable that increasing purchasing power, households in the frontier.

Table 8 reports, the factor loadings (estimated), the answers varied, contributing to the growth of non-oil exports. According to the table above it is evident that both statements due to being smaller than significance level of 0.05 and positive numbers reported in Column standard estimates (factor loadings) explain the significantly latent variables contribute to the growth of non-oil exports.

Table 9 reports the factor loadings (estimated), 5 hidden variables the latent variables, establishment, and operation of cooperatives frontier and frontier markets. According to the table above are paid to evaluate hypotheses:

* Establish and cooperatives activities frontier and frontier markets will lead to the development of economic cooperation and commercial barter with neighboring countries.

According to Table 9, it is evident that due to being smaller than significance level of 0.05, the development of economic cooperation and commercial barter with neighboring countries, namely it significantly establishing a hidden variable, and cooperative activities of the frontier, and the frontier markets. Factor loadings (standardized estimate) are the rate of 0.964. Given, the above hypothesis is confirmed.

* Establish and cooperatives activities frontier and frontier markets it saves on time, shipping goods across frontiers.

According to Table 9 it is evident that due to being smaller than significance level of 0.05, saving time shipping goods across frontiers explained significantly establishing hidden variable and cooperative activities of the frontier and the frontier markets. Factor loadings (standardized estimate), is the rate of 0.923. Given, the above hypothesis is confirmed.

* Establish and cooperatives activities frontier and frontier markets will lead to absorption of liquidity and help curb inflation.

According to Table 9, it is evident that due to being smaller than significance level of 0.05, to attract liquidity and help curb inflation could explain the significant establishing a hidden variable, the cooperative activities the frontier, and the frontier markets. Factor loadings (standardized estimate) are the rate of 0.945. Given, the above hypothesis is confirmed.

* Establish and cooperatives activities frontier and frontier markets will expand, attract foreign investment.

According to Table 9, it is evident that due to being smaller than significance level of 0.05, the expansion of foreign investment could explain the significant establishing a hidden variable the cooperatives activities frontier, and the frontier markets. Factor loadings (standardized estimate), is the rate of 0.875. Given, the above hypothesis is confirmed.

* Establish and cooperatives activities frontier and frontier markets will lead to increased purchasing power households frontier.

According to Table 9, it is evident that due to being smaller the significance level of 0.05, the purchasing power of household's frontier explained significantly establishing a hidden variable, the cooperative activities of the frontier and frontier markets. Factor loadings (standardized estimate) are the 0.957 level. Given, the above hypothesis is confirmed.

* Establish and cooperatives activities frontier and frontier markets, it would aid the growth of non-oil exports.

According to Table 3, it is evident that due to being smaller the significance level of 0.05, the growth of non-oil exports could explain the significant establishing a hidden variable, the cooperative activities of the frontier and markets frontier. Factor loadings (standardized estimate), is the rate of 0.944. Given, the above hypothesis is confirmed.

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RESULTS

Frontier markets as one of the most important tool in creating jobs and expanding trade relations with neighboring countries in recent years consistently have a significant impact on economic activity. In this study we tested the role of boom, the frontier markets to improve and development of certain economic variables. With the approval of all the hypotheses of the study more than before are the important frontier markets and their vital role in of economic development of the country's frontiers.

Frontier cooperatives must strive, with planning, and policy right, and structural change, in the sense of a purely distributive in turn, productive activities. The move makes the more highlighted role played in promoting economic variables and somehow avoids working alone the broker. In this context, government support the cooperatives could increase willingness to invest the factors of production in cooperatives frontiersman and contribute to the greater their value in the national economy. Also, the Government may establishment the chambers of trade investment properties and in particular, the transport facilities for cross-frontier travelers contribute to the development of transport and exchange critical information among traders. Establish an electronic database and information websites can be another important step in facilitating the communication between merchants the country's frontiers.

However, since that country's political positions, on the other has a direct impact on the quality of economic relations between them, therefore, ambassadors and political officers can his diplomatic travels the issue of frontier markets to be included in the list the outline of topics to be discussed and by the way on the one hand, the conditions provided a more confident business people across frontiers and on the other hand provide grounds to reducing the scourge of trafficking and its harmful consequences.

Level of knowledge and awareness local exporters is another important issue that is requires special attention. In today's knowledge-based economy, any economic activity, that is, without the information, skills, and would be doomed to failure. Since, there are so many variables the success of a business deal, and profitability, and its value, therefore, is essential to the conduct of courses, workshops, an increased level of cross-frontier traders, and As a result, improve the quality of transactions. Learn the basics of the business, new ways of marketing, and export of goods, costs, and profits of trading, the target language to communicate more effectively, and investment strategies in the destination country it can be one of the topics taught in this course.

In addition to the above, the removal or reduction of customs duties and commercial benefit tax on goods produced within one of the two countries could help to focus more in both countries, with the advantage economy which is a direct result of that the cost of reducing waste and energy on inefficient activities and closer to the capital and labor on the strength of the economy in both countries.

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