



Urban-rural reciprocal interaction potential to develop weekly markets and regional development in Iran



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ABSTRACT

Rural-urban interaction in sustainable socio-economic conditions leads to reciprocal and positive performance in the area of economic linkages. Positive effects of this reciprocal interaction include the improvement of employment, income and wealth of generations. However, the importance of some cities has not been considered for various reasons and hence the macroeconomic and commercial policies at national and regional levels have been underestimated. The present study reveals the infrastructural problems, imperatives and constraints that hinder the formation of weekly markets, which in turn prevent the empowerment of villages and their economic development. This descriptive-analytical study was conducted on 199 exhibitors and 384 buyers in 49 periodic markets around Tehran. The results showed that population size and the convergent role of urban and rural vendors in connection with the development of transportation networks within an area affect the establishment and sustainability of rural and urban periodic markets and their regional development. Paying attention to the promotion of direct supply of rural agricultural and non-agricultural products in these markets is important in order to balance urban and rural development.

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1. Introduction

Some of the main objectives of many countries (including developing countries) are development, planning and, more importantly, sustainable development (Brandful Cobbinah, Odei Erdiaw-Kwasie, & Amoateng, 2015). Therefore, if we recognize the inductive perspective in development, it can be concluded that the development of weekly markets, which affects the development of the labor market, is known as one of the effective factors in sustainable development of local regions. According to the literature, amongst the factors affecting the formation and development of weekly markets, the regulation of relationships between the three elements of human, space and human activities in the space are the most influential and, even by assuming the other sustainable conditions, they can be considered as the difference between the levels of regional development. Likewise, as the relevant development literature indicates, different theories about the convergence of rural-urban regions are described to result from

urban-rural reciprocal interactions. (Douglass, 1998). Moreover, the formation and development of weekly markets can be extended. Thus, the existence of rural-urban reciprocal interactions and development of weekly markets along with regional development is a question that can be examined in various areas and regions of different countries. In areas around Tehran, rural - urban reciprocal interactions affect the formation and development of weekly markets, the development of labor markets and employment in these areas. Likewise, studies conducted in many countries including Iran and the areas around Tehran show that the rural - urban reciprocal interactions can have both positive and negative consequences for population centers. Accordingly, studying the repercussions of different effects of rural - urban reciprocal interactions, development of weekly markets, development of employment and also the marketing of agricultural and non-agricultural products in these markets are of great importance regarding regional sustainable development. Therefore, this study attempts to use the main indicators and variables of rural - urban interaction and the development of weekly markets to provide a scientific solution to reduce the negative effects on Tehran and its surrounding areas.

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2. Backgrounds and literature

2.1. The development of weekly markets and spatial linkages

Evaluating the formation and development of weekly markets with an emphasis on location-based and spatial links is one of the approaches that can be found in the development literature of different countries. The “Regional Network Strategy and Rural-Urban linkages” and “Socio-economic linkages” is one of the perspectives that has been discussed in this regard. The concept of rural-urban linkages can be explained in general means by spatial chain linkage and interaction (such as the flow of people, goods, money and information) and chain linkage between economic sectors (agriculture, industry and services) in each region or area (Douglass, 1998). Therefore, regarding the concept of rural-urban linkages discussed after the studies of Douglass, Tacoli, Rabinovitch, Veenhuizen, Kammeier, Lynch, Braun, and many others, the reciprocal interaction between urban and rural markets, in general and weekly markets in particular, requires the functions of demand and supply on either side of physical and socio-economic linkages (Akkoyunlu, 2013). These are classic linkages between urban centers and rural areas that are classified as various indicators. These include such things as access, social class organization, economic production systems, economic linkages (backward and forward linkages of products), physical linkages, population linkages, service linkages, political and social linkages, information-based linkages and flow of ideas (Kammeier, 2003). Therefore, to better understand the formation and development of weekly markets, it is important to explain social and economic linkages.

2.2. Social and economic linkages

Nowadays, increasing economic inequality on a regional scale has caused boundaries of economically poor populations to live on and expand (Martin, Pike, Tyler, & Gardiner, 2015). The unbalance between financial flows and investments at the national level has considerably changed the growth pattern of urban and rural areas. On this basis, Martin et al. believe that regional divergence, which may be discussed in relation to rural development, is an issue that can be observed when investigating economic problems. According to this view, the urban-rural economy is increasingly defined in relation to one another and they are considered to be a complementary part of a larger economic entity (Cabus & Vanhaverbeke, 2003; Lichter & Brown, 2011). Hence, perceiving urban and rural dynamicity and their interdependency via such factors as work, housing, and market within the framework of inter-regional interactions, as well as interest rates and productivity allow us to more deeply identify the economic features of urban and rural regions (Bosworth & Venhorst, 2015). Partridge et al. found out that the suburbs play a major role in urban economic growth leading to the wide-scale growth and expansion of regional borders. Thus, urban-rural interactions are increasingly balanced and dependent on interactions between people, goods, services, and information (Partridge, Bollman, Olfert, & Alasia, 2007). On the other hand, Gruber and Soci noted that the suburbs have been ignored in the new economic geographical model where rural and suburban areas are considered subordinate to central regions. On this basis, the domination of agriculture has caused the peripheral regions to be employed as fixed, still centers, whereas the movement of resources toward producibility is easier for central regions (Gruber & Soci, 2010). Nonetheless, the contribution of the people employed in agriculture has decreased and the villages have tended to small businesses (Woods, 2005). According to viewpoints in rural development that places emphasis on local resources and the more limited movement of different types of capital, endogenous

development, and domestic potentials, which are less frequently dictated by urban regions, should be taken into consideration whereas in general goods, services, information, skilled workers, and capital flows are mainly fluid and are assumed to be motionless and intrinsically dependent on spatial interactions compared with human, cultural, and environmental capital (Terluin, 2013). These features are increasingly dynamic and varied in peripheral centers; however, understanding rural markets requires a deep perception of displacement patterns and housing costs in the core-periphery model (Bosworth & Venhorst, 2015). Overman, Rice, and Venables (2010) argued that three relationships, namely the relationship between local employment and income, living cost, and immigration can play a significant role in economic linkages between urban areas owing to different real wages between different regions. In fact, he sought to put forward a framework to create an equilibrium among regions, so that poor regions would be able to transformed into prosper economic regions. Moreover, he concluded that the positive relationship between employment and income leads to the competitiveness of regions according to the economy of agglomerations that result in a network effect. Finally, this regulatory process causes a region to enjoy a reliable level of development, growth, and wealth (Overman et al., 2010). It should also be taken into account that rural development depends on complex social, political, and economic processes in which numerous actors will play a role in its emergence and consolidation. As a result, the output is different in any region and sometimes depends on the power of stockholders. In this regard, the outer atmosphere of rural areas does not fall outside of globalization processes and relies on economic and political issues, environmental changes, and increased working capital. In this case, a disruption or reduction in production can lead to consequences for companies and organizations because the high density of the regions, developments in the field of technology, and regional geopolitical communications and changes can be observed within the framework of the concept of liberalism and free trade (Lowe, Murdoch, Marsden, Munton & Flynn, 1993; Terluin, 2013). Based on this foundation, rural socioeconomic development viewpoints investigate industry, services, and the size of rural regions as a result of the effect of workforce, the economy of agriculture, gross domestic product, etc. Each of these viewpoints differ in economic and social outlooks. Some viewpoints highlight the role of politics and political decisions, and consider regional policies to be important (Armstrong & Taylor, 2000). This is while a great number of experts of economic-spatial models such as (Molle & Cappellin, 1996; Healey & Ilbery, 1990; Camagni, 1992; Porter, 1998) hold that the outputs of a region are defined in direct relationships with industrial competitiveness. Therefore, four models, namely traditional models, pure agglomeration models, local milieu models, and territorial innovation models are precisely those that should be taken into consideration when studying urban-rural economic interactions (Terluin, 2013). According to experts of the traditional economy model, economic functions may be identified around capital and workers. Based on the views of the advocates of neo-classical growth theory, the deformation of regional inequalities depends on inter-regional accessibility and mobility as a result of the capital generation and worker flow. Since capital is in motion by nature, it will move toward using cheap and abundant workforce. Consequently, the workers will always stand at the opposite point. However, in a pure agglomeration model, the accumulation of capital and workforce at a specific point will result in external effects on the scale of economy. Hence, the variety of services, skills, and infrastructures increases and, finally, leads to the generation of wealth on a regional level. In a local milieu model, several factors including workers' skill, technical and organizational issues, and institutional and social structures affect workers' income and the

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