

Examining the economic expansion of creating free-trade zones across coastal areas for the sustainable development of Mokran Coasts: A case study: Jaask zone

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Abstract. The geographical location of a country can bring about numerous effects on its national power and political behavior. Perceiving the geographical location of different regions of a country can produce direct effects on its benefits. While having superb economic, security and geopolitical capacities as well as regional and international access and contacts, the southern coastal areas of Iran enjoy great power-producing functions which have been neglected so far. Furthermore, these areas are amongst the most underdeveloped in the country economically, socially and environmentally despite having the abovementioned potentials. The future development of the country is contingent upon planning efficient policies and use of potentials of this area by virtue of the geographical and coastal location of Oman Sea. Hence, one of the appropriate means for attracting foreign investment is creating free trade-industrial zones. According to the law pertaining to the first plan of economical, social and cultural expansion, the government is allowed to develop industries and transfer technology through creating free trade and industrial zones in order to expand the country's exports. The pivotal role of Iranian ports of Oman Sea, especially Jaask Port, as the entrance gates for the development of North-South Corridor in developing marine transportation and transit has been highlighted repeatedly by the authorities of Seafaring and Ports Organization. However, sufficient measures have not been taken yet for significant investment in the area and port of Jaask and the issue has remained unexamined. Nevertheless, the aim of this research is examining the economic potentiality of creating free trade zone for the sustainable development of Jaask area and more broadly the coastal areas of Mokran. Moreover, the present research is of a descriptive-analytic type which was carried out through using library sources, documents, gathered data and also the GIS software for drawing maps. The data was analyzed by qualitative-inferential method and the results of this research will be presented to authorities for decision making and adopting policies.

Keywords: Free trade zones, sustainable development, Mokran coasts, Jaask, foreign investment

1. INTRODUCTION

Geographical location and characteristics are among the most important indices for empowering any area. Mokran coasts in the south east of Iran have tremendous importance due to their strategic location and characteristics so much so that these coasts enjoy immense geopolitical, geostrategic and geoeconomic importance. However, these potentialities have been neglected in the past decades because of exclusively focusing on Persian Gulf's ports and coasts. Nevertheless, the future development of the country, especially in its eastern half is mainly contingent upon the geographical and coastal locations of Oman sea (Khalili, 2011). Such an achievement depends on planning and devising efficient policies and effectively using the potentialities within the area. Iran, as a country in the south west of Asia, has such a unique strategic status for providing energy to other countries that it has been considered as an index globally and has endowed it with a unique role in providing energy to different countries. As a matter of fact, due to having abundant resources of oil and gas, being geographically close to high seas and the strategic strait of Hormoz, having suitable coastal areas for establishing ports and oil terminals, Iran has an monopoly in providing oil and gas

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for Asian countries compared with other rivals like Turkmenistan, Qatar and Russia (Sheikh Attar, 2006). In addition, the features of most coastal areas of Mokran are so that they make it appropriate for establishing coastal military ports and bases. Therefore, free trade zones are nowadays among the economic foundations for increasing exports and attracting foreign investment and have a significant role in the economy of developed countries. However, the simple reasons that an area is named as a free-trade zone and certain objectives and activities are defined for it do not lead to economic development and positive change in it. Hence, it is necessary to attend to the mode of planning and adopting persistent and timely decisions which could contribute to assessing the function of this area within the country's planning system according to their capabilities and potentialities.

2. RESEARCH METHODOLOGY

The present research is of a descriptive-analytic type which was carried out through using library sources, documents, gathered data analyzed by qualitative-inferential method and the results of this research will be presented to authorities for decision making and adopting policies. Consequently, the aim of this research is examining the economic potentiality of creating free trade zones in line with the sustainable development of Jaask area and more broadly in Mokran coasts.

3. RESEARCH LITERATURE (THEORETICAL BASES)

Free trade zones were initially attended to by socialist countries which had a closed economy. In fact, the main aim behind the founders of these areas in the world was creating a theoretical experience of free economy in parts of a country which had great potentials for development. Free trade zones in Iran were created according to the governmental theoreticians of economy in an effort to keep distance from closed governmental economy. It is impossible to overlook the principles of competition and free market and talking about free trade zone and consider it as one of the economic bases of a country. In fact, free trade zones have been created on the basis of free trade concept in their broad definition (Ghasemi, 2004). In this line, it seems quite necessary to point to some of the theoretical foundations of this issue. Theoretically, free trade is contrary to all trade limitations. In the present century, no community is a hundred percent governed through free economy. Economists who adhere to market system have never talked about society without the presence of government. Even those classical economists, particularly Adam Smith, have not denied the intervention of government in specific cases while cautioning government against any direct intervention in economic and trade affairs (Oscr, 1970). Free trade zones in Iran have been created in an atmosphere in which more than 80 percent of economy used to be governmental. Consequently, Iranian free trade zones acted as strange phenomena about which there were no consensus about their nature and functions (Ghasemi, 2004). Nowadays, FTZs are the core of development for all peripheral zones and areas. The first viewpoint regarding core-periphery patterns was presented by Mirdal and Hirshman. However, it was Freedman who took it to spotlight. In Midral's analysis, an area starts to boom with a growth trigger such as discovering mineral materials or cultivating a certain food commodity for export. He takes the discussion over the factors related to this issue beyond economic field. In his core-periphery model, he describes underdeveloped areas as peripheries which are colonized by the core. However, the created spatial paradox is boosted as time passes. Freedman's model encompasses lack of proportion brought about by economic and political power and also the asymmetry among areas regarding the speed of transformation. In the meantime, the rift among these areas is influenced as a consequence of dissemination patterns of innovation, investment, allocation of resources by government and immigration and it gradually gets smaller and eventually fades away (Richardson, 1994). Still, the main issue is that such a continuity is possible only through the intervention of active policy making in line with area development. The logic behind area development can be described as this fact that the accumulation of investment, new resources, labor force growth

and technology progression are the main factors for economic growth in an area. In order to accumulate investment, some parts of the current incomes ought to be saved so that new labor force and use of modern technology with a higher efficiency would be facilitated through investment (either productive or infrastructural). By virtue of exponential growth of labor force in developing countries, the main limitation for planning sustainable development of an area is investment. Such an investment must enjoy the possibility of being exchanged into foreign currency for transferring foreign technology (Sarafi, 1998). Another issue that is confronted by developing countries for planning their sustainable development is political pressure that leads to the allocation of public resources to a special area or groups of areas (Richardson, 1994). As a result, sustainable development planning must strive for materializing new elements for an area's economic development by using extroverted policies and cater for an increase in efficiency and persistent growth of products and investment through injecting foreign resources. By repeating this cycle, the efficient use of an area's facilities is eventually made possible and economic development emerges (Sarafi, 1999). On the other hand, one of the main bases for creating free trade zones is attracting foreign investment by these zones. In what follows, the perspective adopted by Josef Stiglitz about the interaction of foreign investment and its importance is elaborated on. While emphasizing on foreign investment in his book, *Globalization and its issues*, Josef believes that macro economy must create a space for attracting investment, especially foreign investment. Such an investment can create new jobs through foreign transactions, technical knowledge and access to foreign markets. Foreign companies have access to financial resources which is of immense importance to developing countries which usually have weak financial institutions. Direct foreign investment has had an important role in most successful examples of development like Singapore, Malaysia and even China (Stiglitz, 2004).

A. Free Zone

A free zone is an area within the political borders of a country which is not subject to legal restrictions, especially customs regulations. Being located outside of customs district, the common laws in fields of trade, finance and economy as well as a country's official system are not enforced within these areas or at least they are enforced to some extent. Moreover, commercial and industrial activities are greatly encouraged within these zones and compared with other parts of a country, these zones are physically different and isolated (Kamran, 2002). In fact, different restrictions on custom and commerce, the conditions for investment, foreigners' ownership, etc are fewer within these areas than other parts of a country or generally they do not exist (Mohamadi Alamooti, 1995). Therefore, free zones are special political-geographical areas to which raw materials and commodities are transferred through air lines, sea or land without any custom tolls and they are manufactured and exported after going through special procedures and getting a new packaging and quality (Nikmohammadi, 1999).

B. Port and Harbor

A port is a place to which lots of merchants and caravans commute (Borhan Khalf Tabrizi, 206). According to Deh Khoda dictionary (1972, P.311), a port is a place to which a lot of caravans and merchants export or import and is mostly located near seas or river banks. Moeen Dictionary (2007, P. 460) defines port as a place on sea coast or river bank which is for decking, loading and unloading for marine transportation vehicles and includes storehouses, cranes and other technical tools; a coastal city, harbor,... the plural form being ports. Harbor: 1- port; 2- ship decking beside sea. As the time passed, this word was figuratively used as a city beside which a port is built due to commuting of ships. Bandar is a Persian term which is composed of Band and Dar. Instead of port platforms in past times, a damp consisting of stone and mud was made in a special part of sea which was formed like a small pool and ships could enter it only through one way which was opened and closed by a small gate attached to a chain. Ships needed permission for entering or exiting such a pool and they were safe from

risk of sea waves since waves were broken as they collided with the wall of the pool and returned to sea. The Persian equivalent of port has been mentioned in most encyclopedias, dictionaries and Persian or foreign books as Bon Dar (Noorbakhsh, 2003). Such gate-having pools were called Bandar which is composed of Band and Dar. Gradually, this terms figuratively referred to a city beside which a port was made due to commuting of ships; a port near sea is as a escapade to land areas (Imam Shooshtari, 1968). A port is a coastal section and a water area within a narrow stream of sea, lake, river or pond which is made by humans. Within a port, ships can come, go, sta for a little while and receive special services including of: 1- building and repairing ships, 2- managing different forms of transferring goods (loading, unloading, storing and other services), 3- giving services to travelers, 4- managing with different activities, 5- receiving custom services and official and formal facilities (Dvorak, 2008). A port might not have all of these services such as a port which exports only oil. An industrial port carries out export and import of goods in limited scale. A global port conducts import and export on a wider scale and has a large-scale management, a set of terminals, areas for storing and saving and also high-tech infrastructures. A travel port has small and huge boats and ships for transporting travelers which must be necessarily near urban centers. On the other hand, ports might be governmental or they might belong to private sector (Ghasemian, 2012).

C. Planning

Planning is broadly defined as organizing the future for achieving definite goals. Hence, a strong element of prediction exists in planning because it tries to define the future in a comprehensive manner in advance. This comprehensiveness, which is brought about by a lot of factors, is not exactly predictable (Zargham, 2010). Planning started once humans acted toward solving their problems and fulfilling their needs and also wanted to identify their surrounding environment and facilitate their life (Shia, 2000).

D. Sustainable Development

Sustainable development is fulfilling the current requirements of society without jeopardizing the capabilities of future generations in fulfilling their own needs (Naderi, et al, 2009). It entails the combination of economic, social and environmental objectives for maximizing the welfare of present humans without harming the capabilities of coming generations in meeting their needs. The environmental program of the United Nations defines sustainable development as enhancing humans' quality of life by virtue of maintaining the capacities of life-providing system of the earth planet in addressing the current needs of present generation without damaging the assets of the earth and blocking the fulfillment of subsequent generation's requirements (Aghili, 2009).

Lexically, sustainable development refers to a kind of development that can continue endlessly or in a definite period of time. It is a procedure that strives to improve the economical, social, cultural and technological conditions so that social justices is achieved and does not contaminate and devastate the ecosystem of natural environment (Maleki, 2003). Numerous definitions have been presented for sustainable development up to now, each of which having attended to one, some or all of its aspects. The term sustainable is rooted in Latin and refers to guarding and backing up. In this vein, sustainability can mean supporting and backing up a pleasant situation or alternatively keeping distance from an unpleasant one (Azani, 2002). Sustainable development is a developmental process which is economically dynamic and prolific, environmentally non-devastating, socially impartial and acceptable and technologically proportionate and pleasant (Khatoon Abadi, 2005). Robert Allen defines it as a type of development whose aim is to fulfill human needs and improve humans' quality of life in society (Soltani Arabshahi, 2004). It leads to guarding and preserving the planet Earth and

the life in it so that pleasant and impartial human development would be achieved (Yusefinejad, 2001).

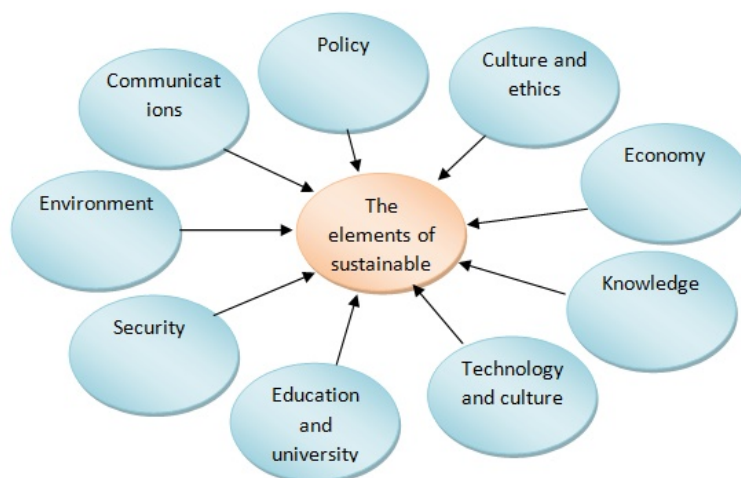


Figure 1. (Clockwise) Graph 1: the elements of sustainable development (Rastegarpanah, 2012).

E- Free Trade

The basis of free trade can be traced back in theories of international trade. In these theories, the necessities of free trade and its benefits are explored. In their viewpoints, the factors of production have been distributed unequally on the Earth and countries differ from each other regarding natural resources, Godly graces, mineral resources, weather, financial and human resources, technological capabilities, organizational skills, management and other defining factors. These differences can lead to the situation in which some countries could manufacture some products and services with a much higher efficiency, quality and quantity compared with other countries and their proportional costs for manufacturing a given product or service would be much lower than other countries (Piri, 1999). On the other hand, as there is division of labor among individuals, the same case can be envisaged to exist among different countries; no individual or country can produce everything on their/its own. As individuals have different occupations and specialties, countries also produce some special products that they think they have superiority in its manufacturing over others. Such a trade procedure leads to exporting product or services by countries in which they have complete or proportional mastery and alternatively opt for importing the ones in which they do not have any specialty (The Organization of Budgeting and Planning, 1990). Classical and neoclassical economists consider foreign trade as the factor for creating competition, innovation and maximizing the quality of products and the dynamism of economy. In their idea, foreign trade ought to be used as an incentive for economical development in different countries, especially in the developing ones (Pour Ali, 1985). The commonest trade theories which conventionally have been the basis for justifying trade among countries are as follows.

1) Trade on the basis of Adam Smith's theory of Absolute Advantage

According to this theory, trade between two countries is done based on absolute advantage. When a country produces a product with a higher efficiency than another country, it has absolute advantage and when another country produces another product with a lower efficiency, it has no absolute advantage. Consequently, both countries gain profits by producing and exchanging the product for which they have advantage. Accordingly, increase in producing both products indicates the benefits of having specialty in producing and sharing

them as a result of the trade between the two countries (Free Zones Higher Commissioner, 1993).

Smith believed that the specialty which is gained by manufacturers of products in the international arena leads to an increase in global production and is shared among the nations which engage in trade. As a result, Smith supported the policy of free market (Domenic Salvatore, 1997) and believed that free trade leads to efficient allocation of universal resources as optimally as possible and maximizes social welfare.

2) Trade according to proportional advantage

David Ricardo presented his theory of proportional advantage in 1817. This theory has been one of the most important inviolable laws of economy with broad scientific application (Biashad, 1990). According to this theory, even if a country has a lower efficiency in producing two products than another country (i.e. it does not have absolute advantage in producing any product), the chance for profitable bilateral trade still exists. Hence, that country must initially gain specialty in producing and exporting a product in which it has a smaller absolute advantage (the product that has proportional advantage) and instead opt for importing the product for which it has greater lack of absolute advantage (the product that has lack of proportional advantage) (Dominic Salvatore, 1997). In fact, through sticking to this procedure, a surplus would be gained in total production and it gets shared among all partners while the share of each would depend on the rate of exchange among them.

3) The new theory of international trade: Haksher-Olheen theory

This theory attends to the difference in the proportional aptitudes of production factors and the prices of production factors among countries as the most important reason for trade. It predicts that each country opts for exporting a product for manufacturing of which there are almost abundant and inexpensive production factors and alternatively imports a product for manufacturing of which there are rare and expensive production factors. This theory also predicts that trade leads to omission or reduction of difference in the price of production factors among countries (ibid, 51). This theory can be defined as follows:

Each country would export the products for production of which it has abundantly used its own profuse resources and instead imports the products for producing of which it has the fewest production factors (Hosseini, 1999). In other words, the difference in the availability of initial production factors would lead to differences in proportional expenditures which entails an increase in international transaction.

The theoretical perspectives on creating free zones

The governing theoretical perspectives on creating free zones are those challenges that are discussed when selecting development strategy for developing countries. In what follows, the theoretical background of creating free zones in developing countries is elaborated on.

1) Applying exports development strategy instead of imports substitutive strategy

Replacing domestic manufacturing instead of imported goods is called substitutive strategy. Such a development strategy was formulated between both world wars and the early years of the 1960s. The two devastating wars and the economical recession of the 1930s made problems for importing industrial goods for developing countries and in some cases made it impossible. This was initially due to the reduction of foreign income for developing countries which was mainly gained through exporting raw materials and secondly it pertained to the fact that the developed countries, which were engaged in war, were unable to export their industrial goods (Sarlak, 1995). The abovementioned reasons as well as the stirring of

nationalistic sentiments till the end of 1950s led to self-sufficiency strategy which was named import substitution strategy in academic settings. However, the partial failure of economic and industrial programs in developed countries on one hand and change of nature within the self-sufficiency strategy in revolutionary countries in Asia, Africa and Latin America on the other hand casted serious doubt on the veracity and dependability of developmental methods that supported economical isolation and alternatively sought for other models in 1970s and 1980s. such a seeking was inspiring for developing countries which was called export development strategy. In this vein, free zone is a means (in most economic intellectuals' viewpoints) which can minimize the damages of the interim era on the economy of these countries and expose them with less harms through gaining gradual coordination with global economy.

2) Applying the strategy of utilizing the principle of proportional superiorities

The proportional theory is based on this principle that each country must opt for producing a good for which it has superiority since it can deliver it with a much lower price than other countries. This theory which was developed by Ricardo, a well-known British economist, and has been the dominant theoretical perspective in international trade. In most economists' viewpoint, free zone is a means that enables developing countries to make use of inexpensive labor force and intermediary raw materials and goods as well as propagation of free trade in order to enjoy the principle of proportional superiority and precipitate their economic development.

3) Applying foreign trade strategy as an incentive for development

The economic transformations after the second World War, the experience of currently developed countries in the 19th century and in the first half of the 20th century as well as the experience of newly industrialized countries during the past 3 decades indicated that foreign trade can act as an incentive for development especially in the present economic world in which technological changes and transformations are so fast and noticeable that no country can produce everything on its own and development does not occur without getting aid and going through transactions with others. Furthermore, since one of the ways for expanding foreign trade is using the means of free zone, most economists consider its application as useful.

The objectives behind creating free zones

In order to create free zones, there almost common objectives while differences are observed only in details. Some of the main objectives for creating free zones are as follows:

1) Employment: One of the most important objectives that are set for creating free zones in the world pertains to facilities that exist in these zones for creating jobs. For instance, the first law of Uruguay's free zones stipulates that the creation and expansion of free zones are primarily pursued for increasing employment and expanding international cooperation. Also, with regard to the fact that the industries which are applied in free zones are usually of application-based industries, employment is increased as a consequence (Planning and Budgeting Organization, 1991).

2) Transferring technology: One of the other objectives for countries in creating free zones is using the high tech from conglomerate companies and developed industrial countries' industries (Kalbasi, 1992). It must be noted that transferring skills and technologies of free zones would eventually improve technical skills and create employment.

3) Investment attraction: Private sector's investment in free zones is one of the most important objectives behind creating free zones. The importance of this objective is so that some experts emphasize on this issue that countries ought to set aside transferring technology and some other ambitious goals and instead pursue the goal of attracting investment which is more

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optimistic and can fulfill other objectives such as employment and exporting (Zaghian, 1990). While emphasizing on foreign investment, Josef Stiglitz believes that major economy must create an atmosphere to attract investment and particularly foreign investment. Such investment can create jobs through foreign transaction, technical knowledge and access to foreign markets (Sham Abadi, 1994).

4) Gaining foreign currency income: The resources of free trade can be used for providing the currency required in pursuing economic development programs. To this aim, the mechanisms for free trade must be incorporated within trade and commerce policies and at the same time attend to this reality that the economic prosperity of the country can not be always achieved through exporting traditional goods or selling raw materials. Instead, it is necessary to use the benefits of free trade for establishing the economic infrastructure so that self-sufficiency would be achieved to an extent that economy could tackle its own affairs without exporting raw materials (Stiglitz, 2004).

5) Developing foreign trade: One of the important objectives behind creating free zones is developing and facilitating legitimized foreign trade. The availability of some perks such as tax exemption for receivers of economic activity license, the possibility for foreign nationals to enter the country without visa, lack of limitation on transferring foreign currency from all Iranian free zones to other countries, complete freedom for taking investment inside or outside of the country with the least amount of official formalities, easy patenting of industrial-cultural companies and institutes as well as respecting intellectual property, exemption from custom's charges for importing raw materials and industrial machinery for manufacturing companies, and easy regulations for lawful import of all goods according to custom toll table altogether facilitate foreign trade in free zones and can even act as a measure for counteracting western sanction (Fazal, 1995).

6) Bank and insurance: Bank and insurance are the two primary means for doing any kind of economic activity and can play a special role in international activities. Establishing free zones bank and shared investment for opening some foreign banks alongside giving financial facilities to investors and credible insurance are among the measures that are hoped to tackle the problems related to providing banking financial aides.

7) Developing and improving a special area: In some cases, developing and enhancing one part of a country's territory is considered through creating a free zone. For instance, the free zone of Kandella was established in India in 1965 which aimed at developing the Port of Kandella as a replacement for Bombay Port (Oscar, 1970). On the other hand, the first clause of the law related to how to manage industrial-commercial free zones in Iran which was ratified by the Islamic Parliamentary in 1993, specifies the aims for establishing industrial and commercial free zones as follows: "Investing and increasing public income, creating healthy and productive jobs, regulating the job and goods market, active participation in global and regional markets, manufacturing and exporting industrial goods and delivering public services".

8) Expansion of transit: Iran is among the countries which enjoy very good transit advantages due to being located in an appropriate geographical location. Through expansion of transportation system and reliable and efficient communication, it can use these advantages optimally for increasing its foreign currency incomes and promoting its strategic situation within the region. The Persian Gulf, in south of Iran, hosts the major oil-producing countries in the world. This region is the main provider of global energy. On the other hand, Iran is neighbor from east and west to Iraq, Turkey, Pakistan and Afghanistan. In other words, it can be said that Iran has contact with 15 countries via water and land borders and at the same time can function as a bridge among these countries (with each other and with all free zones of the world). This country has a large population and has huge amounts of incomes. Such benefits,

as well as having natural resources and riches, can contribute to the development of transit and trade in the region. The communication of Middle Asian countries with the Persian Gulf and commercial ties between East Asia and European countries through Iran are economically justified so that many countries are seeking to maintain such ties through Iran. The present performance of successful free zones, which are usually not located within internationally known corridors in the world, in terms of transit and transporting goods is a testimony to this fact that the two issues of transit and free zones can provide a proper environment for developing and improving economic activities. Having strategic locations along border lines of the country, the free zones of Iran can be considered as the main routes of national transit. On this basis, new hopes have been raised for activating the North-South after the initiation of the operation for building the Persian Gulf Bridge after 40 years (Fazel, 1995).

9) Attracting foreign investors: One of the most important goals for creating free zones and economic districts is attracting foreign investors which has been attended to by all managers of these zones and has had good result.

4. RESEARCH SETTING (MOKRAN COASTS AND JAASK REGION)

Coastal regions and strips are among the most dynamic and important parts of the planet so much so that more than 65 percent of world population live within these regions and the lives of many people depend on them (Taghizadeh, 2012). In the end of the year 2000, almost two third of world population, equal to 3.7 billion people, lived within 60 kilometers across seas (Kebriee, et al, 2009).

Mokran is a coastal region that is located in south west of Iran and south east of Pakistan which extends along the Oman Gulf from Raas Alkooh in east of Jaask to Las Bala in east south of Baloochestan province in Pakistan. Up to now, these coastal areas have been neglected due to more concentration on Persian Gulf coasts despite the fact that these coasts have a lot of value and importance in terms of geopolitical, geostrategic and geoeconomic potentials. In addition, this region has appropriate potentialities for establishing commercial ports, oil terminals, free trade zones, industrial and tourism areas, etc (Zarghani and Gholizadeh, 2012). Accordingly, the three ports of Chabahar, Jaask and Konarak, which are located like a line along Mokran coasts, are known as the ports with access to high seas and have special importance.

The county of Jaask, whose capital is the city of Jaask, is located in the eastern end of Hormozgan Province and 330 kilometers away from Bandar Abbas with the geographical coordination of 57 degrees and 10 minutes to 59 degrees and 16 minutes of eastern longitude, 25 degrees and 23 minutes to 26 degrees and 13 minutes of northern latitude. This county is in neighboring of Sistan Baloochestan Province from east and eastern north and of Bashagard county from north while from west north to Sirik county and from south to Oman sea. The county of Jaask extends 11141.42 square kilometers, has two districts, 1 city, 5 villages and 178 countrysides (158 with residents and 29 without residents). It contributes to 15.5 percent of all land areas of Hormozgan Province which is the vastest county of the province. Its weather is hot and dry and has a hot summer and a cool winter. The temperature rarely reaches to zero while it decreases from south to north. Generally speaking, this county has a dry-very dry-cool-very hot climate and the degree of dryness increases from south to north. Among the most important permanent rivers of the county with drinkable water are Jegin and Gabrik. The population of this county was 52882 individuals according to 2011 census among which 27415 are male and 25467 are female (Hormozgan Statistical Almanac, 2011). The port of Jaask is the last important port of Hormozgan Province and is the capital of Jaask county. Jaask comprises of 3 parts: coast, plain and mountain. Jaask had numerous names in the past. Once it was known as Jaask Albarkanan, ALbarkaman or Laaft due to being a part of Gheshm Island and the rulers governing in it. In some writings from past, the port of Jaask was named Jaashk or Jaasem. There is a lot of fish in waters near Jaask port, Gheshm Island, Hengam,

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Laarak and Hormoz and also the main occupation of people in Jaask is fishing. There is also the possibility that the name of Jaask comes from a kind of local fish called Jashk or Jash (Nourbakhsh, 2003).

4-1- Local and natural specifications

The port of Jaask is located in the east south of Hormoz Strait in Oman Sea within the Gulf of Jaask within 325 kilometers east of Bandar Abbas. The main job of its people is fishing and a few of them also engage in agriculture. The people were deprived of port facilities before building wave breaker and the new waterfront and were able to use the already damaged waterfront which had been built about 20 years ago (The Organization of Ports and Shipping).

Jaask had noticeable facilities once the city of Hormoz (Old Hormoz) was booming. In past documents, it has been called the Port of Jaask or Jaashk. The port-coastal city of Jaask has had the same strategic location as other coasts of Hormozgan so that it was taken into attention by military experts and authorities in domestic and foreign policy. Throughout the past century, the geographical location of Jaask compelled the Englanders to use it as a base for protecting the East Indies interests. During the years 1969 to 1973, building roads, waterfront, custom's office and fishing facilities in this county led to its prosperity and booming. The port of Jaask is like a peninsula at the very south point of Jaask. Currently, Jaask has a unique status militarily and commercially.

The new port of Jaask had limited facilities and was unable to fulfill most of the requirements of local people and fishermen; however, after the revolution in Iran, this port went through a lot of changes and finally in February, 1983, the new port of Jaask was launched (Noorbakhsh, 2003).

4-2- Port facilities

The facilities of the new port, which came to nearly 1.7 billion rials, have been designed to be used both for fishing and marine transportation of goods and passengers. The waterfront of this port which has replaced the old waterfront is of steel shield type with a length of 130 meters and a water capacity of 5.5 meters. In order to facilitate the decking of ships, a 500-meter wave breaker has been raised to protect it. In addition, an enclosed 2700-square-meter warehouse, a 1800-square-meter passenger terminal and official as well as back-up facilities have been planned to be built.

With regard to the fact that the port of Jaask is in 80-mile distance from port of Fojaireh in the southern coast of Oman, experts believe that this port can potentially be one of the most important ports in the region for international marine transportation once its shortcomings are eliminated.

5. DISCUSSION AND RESEARCH FINDINGS

The potentials, advantages and capabilities of Mokran Coasts and Jaask Zone

The south and the east south of Iran have important geopolitical advantages for this country which highlight Iran as an influential country in the international and global systems in the 21st century. Some of the advantages of this region have inter-country effects while some pertain to the international status of Iran within the global system. The geopolitical capacities of the southeast of Iran and Oman coasts include:

5-1- Huge communication potentials

5-1-1- Marine transportation

The largest amount of goods within the current global system of transportation is carried out through seas. The transportations that are done within the water routes of developed regions are at the first level of importance (Nazari, 2000). The vast amount of global transactions and the diversity of human's need to investing, intermediary and consuming products have highlighted the need for exchanging raw materials and ready-made goods. Since one of the main components of the price of a product is its costs of transportation, such costs is considered as one of the basic factors in choosing the kind of transportation. This factor has led to welcoming marine transportation as one of the cheapest ways with the highest capacity. The cost of transporting one tone of goods or materials through air is 22 cents, by truck 6-8 cents and by train .50-1.50 cents while the transportation of gas and oil through pipelines is .20 to .50 cents while it is 0.03-0.06 cents by huge ships. In fact, the cost of air transportation is 480 times more than sea transportation while this difference for trucks is about 150 times, by train 22 times, by pipelines is about 7 times and by small ships about 5.5 times more than transportation by huge ships like tankers and super tankers (Hafeznia, 1992). Iran enjoys a significant potential due to having access to high seas from south and having a special condition in its south eastern part by being at the entrance and exits of high seas. Because of having proper coasts, the Oman Sea is a rather good location for ships to deck and has a great capacity for joining its peripheral diverse geopolitical basins to world trade system.

5-1-2- Road transportation

Road communications have a prominent role in developing geographical locations due to being complementary to marine routes and also functioning as the junctions for human communities. Road transportation is the commonest type of land transportation which has a vast field of functioning and can act as a complement to other kinds of transportation systems for delivering goods and services to final consumers (Parsian, et al, 1988). Unfortunately, the road network of south and south east of Iran has not been sufficiently developed.

5-1-3- Railroad transportation

Among different systems of transportation, railroad transportation enjoys advantages like being aptly safe, having proper facilities during travel and being economically justified. Building railroad corridors and joining them to neighboring countries and Iranian ports is part of economically strategic programs whose achievement and optimal use would have a substantial share in national development since developing the communication network in south and south east can bring about an annual income of 10 billion rials (Etellaat Periodical, August, 12th, 2003).

5-1-4- Air communications

One of the factors for the development of a country is having airlines for transporting goods and passengers. Transporting heavy cargos through air is not justified due to being very expensive; therefore, this mode of transportation is mainly used for passengers and light expensive cargos. Nonetheless, decorative and consumer products are transported through airlines (Nazari, 2000). Due to being fast and convenient, air transportation is expanding day by day. Air commutes occur profusely on a daily basis in the world which necessitates using air corridors of other countries and brings about foreign currency income for those countries (Hafeznia, 2005). Because of being located in a special natural location on the earth and existence of different countries in east and west of Iran, the Iran's air corridor is being used by airplanes a lot which makes huge amounts of income for the country annually. The main part

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of this income for hosting countries is made through providing fuel and giving services to passing planes. The south and southeast of Iran have been deprived an equipped airport for providing such services despite having a suitable location for airplanes from different countries to land and use such services and the incomes for such services goes to neighboring countries like United Arab Emirate and Pakistan which have international airports with appropriate facilities. Building an equipped airport with vast navigation services can transform the south and southeast of Iran into one of the main intercontinental and international communication bridges.

5-1-5- Network communications for transferring oil and gas

The United Nations Industrial Development Organization's enormous project for transferring energy in the next century which joins West Europe, Middle East, Central Asia, Persian Gulf and East Asia with each other, has turned Iran as the joining point for such a colossal energy transfer (Hafeznia and Rumina, 2006). In UNIDO's project, the Oman coasts have been recognized as the closest way and route for intercontinental transferring of energy (UNIDO, 1994).

5-1-6- Electronic communications

The south and the southeast of Iran can have an important status in establishing the great project of fiber optic for exchanging telephone messages and telecommunication, etc which is part of the grand communication project for joining east and west Eurasia. Such a regional plan provides 11000 kilometers of coverage from east of Asia to west of Europe and is known as "The Asian-European territorial plan (Shamshirpanah, 2003).

5-2- The proportional alternative for Iran's exit from the complication related to Hormoz Strait

Persian Gulf currently acts as the sole communication route between Iran and the world. The communication structure extends from inside of Iran toward the Persian Gulf and from there to the outside world. In other word, Iran is attached to the universal system through Persian Gulf and Hormoz Strait. The Hormoz Strait is not currently considered as a power leverage for Iran but it is supposed as the Achilles' heel for Iran's national power because Iran is the most dependent country to Hormoz Strait in the region and 100 percent of its fossil fuel and more than 80 percent of its export and import are done through the abovementioned route. As a result, once Iran is besieged from the sea or a security threat is imposed on the strait, it becomes severely susceptible. Consequently, the southern and southeastern coasts of Iran are considered to have great potential for getting Iran rid of Hormoz Strait's communication problems. On the other hand, Iran is exposed to different threats from different directions. As a result, the coasts of Oman Sea can be envisaged as a safe haven for Iran's escapade from present and future threats which necessitates a transformation within the spatial structure of the country's transportation according to the proposed plan (Hafeznia and Rumina, 2005).

5-3- Transit of goods and joining to high seas and other areas in the world

The potentials of the southern and southeastern areas of Iran and the fact of being located in the North-south access corridor has turned Iran into an important place for other countries' access to high seas with high capacities for transporting goods. The transit of goods and joining the political units in north and east of Iran to coasts of Oman entails the following outcomes (Hafeznia and Rumina, 2005).

Generating incomes and employment, developing the corridor for undeveloped areas of south and southeast of the country, providing a means for geopolitical balance through inducing flexibility in neighboring countries' behavior.

5-4- Accessing Indian Ocean and high seas with varying potentials

5-4-1- Political and international potential

The Oman sea turns Iran into being a member of two regional structures: Oman Sea Structure and the Intercontinental structure of Indian Ocean. The structure of the Indian Ocean is an intercontinental route among countries in Africa, Asia and Oceania. In other word, Iran would have shared benefits with the countries of these three continents which can develop the geopolitical capacity of Iran through its membership in the Oman Sea and Indian Ocean structures and enhancing its ties with other members within those three continents.

5-4-2- Economic potential

Through increasing the borders of Iran continental plateau to 350 marine miles from land-born marine starting line and also 200 miles of exclusive economic area according to International Treaty of Seas' Rights (Clause 3, article 121, 1982), important economic potentials would be gained by Iran in terms of fishing and the resources on the bottom of the sea and under the surface of this sea. The southern and southeastern coasts of the country bear influence on generating economic potentials such as providing employment, increasing exports, gaining income, transferring technology, training professional labor force and attracting foreign and domestic investments.

5-4-3- Commercial and mercantile potentials

While superpowers are looking for ways to access world water routes and control the transaction of goods and energy, it is essential that Iran pay attention to the privilege for accessing world water resources and high seas as well as accessing land routes in order to use its unique status since part of the national economy is conducted through Oman Sea and Persian Gulf.

5-4-4- Establishing and developing a free zone and changing coastal space into commercial parks and international transaction center

The requirements of regional structures of Central Asia, Persian Gulf, South Asia, etc can lead to the creation of a free trade zone within southern and southeastern coasts of the country with regional and international penetration field. The location of south and southeast of Iran and their access to water routes and main transit routes for transiting goods to Europe, Mediterranean countries and India have created commercial potentials for activating economic sector in this region. Meanwhile, due to the existence of regional organizations, like ECO, and ASEAN, a bright future is envisaged for future commerce in this region. Establishing free trade and industrial zones can bring about the following results:

- Creating foreign currency income through developing exports
- Creating new employment opportunities and income for citizens
- Attracting foreign investments and transferring technology
- Gaining and promoting the skills of labor force and commercial and technical management
- Creating communicative chains among export processing regions and national economy (The Strategic Plan for Chabahar Industrial and Free Trade Zones, 1992).

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5-5- The possibility for turning Iran into a marine power

5-5-1- Commercial (shipping): the intercontinental penetration field of southeast of Iran and the location of this region on giant commercial ships route can enhance the shipping power of Iran.

5-5-2- Scientific (oceanography): scientific researches and the discovery of present potentials within oceans, entails economic growth and development in different arenas. Regarding the proximity of this region to the Indian Ocean, Iran's promotion in oceanography can be accounted for.

5-5-3- Energy production: Oman coasts and waters are appropriate assets for producing energy from sea waves, solar power and potential fossil fuel resources (Hafeznia and Rumina, 2005).

The consequences of creating free trade zones for the economy of Mokran coasts and Jaask zone

Creating a free trade and industrial zone can have positive effects on the economy of Mokran coasts, national economy and Jaask Port through several ways which include:

- Developing investment
- Developing exports
- Attracting tourists
- Decreasing underground and smuggling affairs
- Reducing joblessness rate and increasing employability in the region

6. CONCLUSION

Based on the findings, the outcome of communicative capacities of Mokran coasts can bring about the alternative partial exiting of Iran from the complication of Hormoz Strait, joining the countries in north of Iran as well as transiting goods and transferring oil and gas to high seas and other parts of the world. Due to the communicative role of Iran in all fields, esp. the role of Mokran coasts in projects related to transferring energy and goods and developing railroads, Iran can organize regional and international institutions so that the interests of other countries would be related Oman coast and at the same time Iran's geopolitical status would be promoted both regionally and internationally and new opportunities would be created for ensuring its own national security through gaining regional and global consensus. In addition, creating a free trade and industrial zone, which has no limiting laws and could provide foreign investment, can be very effective in developing and enhancing the economy of this region and its neighboring provinces and also resolving most future problems due to the following reasons: the partial potentials, advantages and capabilities that exist for developing commerce within Jaask region; the fact that this region is among the underdeveloped parts of the country which has been behind national development and has been deprived of 3-decades of Iran's economic and social achievements; its special geographic and political conditions due to being located in proximity of high seas and Oman Sea; and finally, the necessity for paying comprehensive attention to its different issues, especially the importance of attending to the growth and development of this important region. According to the results of population and housing census in 2011, the rate of joblessness in this region is much higher than other parts of

the country. Therefore, creating a free trade zone within this region can have a lot of positive effects on creating jobs in this region. In other words, besides creating direct employment for lots of people in the province, the indirect employment of lots of others in neighboring provinces and regions within the fields of transportation and services would be provided.

7. SOLUTIONS AND SUGGESTIONS

In this section, some suggestions and solutions related to creating a free trade zone are pointed out:

- 1- Since climatic conditions and historical considerations have a defining role in prosperity of a free trade and industrial zone, it is recommended that governmental authorities provide complete security within the region by getting help from all individuals who are working there in case a free trade and industrial zone is created in Jaask region.
- 2- Transportation and telecommunication systems as well as banking and insurance systems should be investigated.
- 3- The government should cooperate in and encourage launching companies that could provide the spare parts for factories, machineries, transportation vehicles and maintenance and renewal services.
- 4- Precise and comprehensive studies ought to be done for identifying all social, economic and resources aspects alongside detecting communal talents and their shortcomings based on which comprehensive long-term, mid-term or annual programs could be developed.
- 5- After introducing Kish, Qheshm, and Chabahar as free trade and industrial zones, the price of land in these regions rose dramatically and the incentive for foreign investment in these regions has been decreased. Hence, it is recommended that this problem would be taken into account once a free trade and industrial zone is created in this region.
- 6- The issue of training as a means of empowering entrepreneurs and industrialists should be attended to and everything must be provided for its fulfillment in all jobs and professions. It should be mentioned that the emphasis must be on trainings for enhancing skills irrespective of any mere academic and theoretical trainings.
- 7- The access roads in this region with other neighboring provinces should be developed according to a precise plan by attending to the potentials of neighboring provinces in terms of the idea of being affected and being effective so that the current complications would be avoided and the way would be paved for further investment and increased productivity and employability.

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