Survey of Local Revenues in Annual Funding Dehyaries and Factors Affecting it (Case Study: North Khorasan Province)

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Extended Abstract

1. INTRODUCTION
Dehyary is a non-state public institution with independent legal nature that provides public services in rural areas within the legal and service authority of villages. In Iran, the heavy reliance of Dehyary on state revenues has complicated their service provision. Although there has been a significant hike in the revenues of Dehyary through collection of taxes and other resources, it has not been sufficient to live up to the expectations of rural residents and increased expenses of Dehyary. Thus, today access to new methods to obtain permanent income sources and reduce the expenses of Dehyary has been the main concern of managers and planners, including governors, Islamic Council of villages and Dehyary. This article is an attempt to analyze the local sources of income in Dehyarys of North Khorasan province and the factors affecting local income and its percentage in total annual income of Dehyaryes. The results of such analysis can serve as the basis for further research, planning and policy making in rural areas, especially the study area (North Khorasan province).

2. THEORETICAL FRAMEWORK
One of the main challenges common to all local institutions is the lack sufficient resources and sustainable service delivery. Although some financial sources have been specified in Article 13 of Establishment and Organization of Dehyaryes, we need to identify and define other source of sustainable revenues such as tourism or other activities based on local capacity. Another point that requires further attention is productivity and optimal use of resources that should be explored in details in specialized studies and managers, local communities and individuals should receive necessary training in this regard. One of the main challenges of Dehyaryes is how to obtain financial resources to provide public goods and services to the rural population. The main sources of revenues include taxes, revenues derived from the sale of services, debt and government aids.

3. METHODOLOGY
This is an applied research which draws on a descriptive-analytical method. The data were collected through document analysis and field surveys with a questionnaire and interviews serving as the main research instruments. The study population consisted of whole villages controlled by Dehyary until June 2013 (i.e. 678 villages in the province of North Khorasan). Using Cochran’s formula and a mixture of stratified and random sampling (based on factors such as the level to total population, etc.), a sample size of 58 villages (at the level of 8 townships) was selected from the population. After collecting the data, using descriptive statistics (mean and standard deviation) and inferential statistics (Spearman and Pearson correlation) the hypotheses were examined. The research questions are:
- What is the role of local revenue sources of Dehyaryes in providing their annual budget?
- What factors affect the amount of local revenue of Dehyaryes and the percentage of their local income in the total annual revenue in the study area?

4. DISCUSSION
According to the results, the local per capita income showed 203% increase in a five-year period (since 2007 to 2011). The average per capita income in this period was about 19,077 Rials for each local resident. Accordingly, in the same period, Dehyaryes managed to finance only 15.8% of their annual revenue from local sources. In addition, 57.8% of local revenues of Dehyary in the sample population were derived from the issuance of construction permits. The revenues from machinery and various services respectively constituted 15 and 11.5% of local revenues of Dehyaryes. According to the findings, among the individual characteristics of Dehyary manager such as age and gender, level of education and work experience are the main factor underlying the
ability of the person in building the foundation for acquiring local revenues. The Spearman's rank correlation test and Pearson did not show any direct or inverse relationship between these characteristics and the amount of per capita income derived from local resources and local income percentage in the total annual income of each Dehyary. However, an analysis of the relationship between spatial-local features of villages and the annual income derived from local resources as well as the percentage of local income in total annual revenue of Dehyary indicated that there was a direct and significant relationship between the population and the population growth rate in 2006-2011 period.

5. CONCLUSION
To answer the question regarding the role of revenues derived from local sources in providing annual budget of Dehyaryes, the results of field in the study villages showed that the share of local incomes was less than 8.15% of the total revenue of Dehyaryes. However, this share of local revenue shows a sharp upturn, increasing from 11,820 Rials per person to 24,059 Rials in 2011 with 15.3% annual growth rate. Thus, the share of local revenues in the total annual budget of Dehyaryes is insignificant, which confirms the first research hypothesis. Further, as to the second research question about the factors affecting the amount of local revenue in Dehyaryes and the ratio of local income percentage to the total annual revenue in the study area, the results show that there is a significant relationship between personal characteristics of Dehyary managers (age, education and work experience) and indices of local revenue in the total annual income of Dehyaryes. Nonetheless, among the local-spatial characteristics of the study villages (geographic location, population, distance from the city center and the growth of the rural population), there was only a significant relationship between the total population and the population growth rate in 2006-2011 period and the indices of local revenues percentage in the total annual income (0.481 to 0.622) as well as the total local revenue of each Dehyary (0.422 to 0.759). Thus, the spatial-local factors partially influence the local revenues of Dehyary and its volume.

Keywords: Local revenue sources, individual factors, local-spatial factors, rural management, Northern Khorasan.

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