

Analyzing the Role of Social Capital in Entrepreneurship and Economic Development of Metropolitans under Conditions of State Sanctions (Case Study: Tabriz Metropolitan)

Isa Piri ¹

Assistant Professor in Geography and Urban Planning, Department of Geography, University of Zanjan, Zanjan, Iran

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Extended Abstract

1. Introduction

As providers of general goods and economic development infrastructures, governments may face periodical crises caused by surplus accumulation or they could be placed under sanctions, preventing them from playing their common role. Large cities and metropolitans can be considered as geographical fields that play the significant role of pioneers in national development as well as interacting with the world economy (Piri, 2012). Given the presence of social, economic, cultural, and political complexities in such fields, the entire national and transnational developments are reflected in socioeconomic relations among metropolitans. Similar to metropolitans, social macrostructures have always involved dialectical relations. Circulation of capital inside the regional geography of metropolitans (Harvey, 1987; Piri, 2012) has surpassed local and national borders to reproduce itself, occupying vast fields considered as consumer markets for the products of its factories and manufacturers. Consequently, the nature of the capital and various economic sections become subject to a set of extensive developments. Social capital is the result of relationship among actors in frequent games (Piri, 2011). The central theme here involves the fact that through participating in a collective life, people could become members to various groups that reflect their own identity, norms, beliefs, and priorities, while shaping such norms themselves (Macinko & Starfield, 2011).

2. Methodology

The present inquiry is a descriptive-analytical research using field studies. Questionnaires were used as the research instrument with a sample population that included entrepreneurs and industrial managers in Tabriz. Using the Cochran formula, approximately 200 people were selected for the sample population. One-sample t-test was used in order to demonstrate the relationship between the study's independent (social capital) and dependent (entrepreneurship and economic development) variables. Economic sanctions act as a change of context and the items corresponding to variables can be specified given how they act under sanctions.

3. Discussion

The nature of economic development in post-Keynesian metropolitans has been changed from the dominance of production atmospheres to consumer environments. Meanwhile, mass consumerism has been transformed into private consumerism. Through the perspective of post-modernist political economy, the evolution toward post-Fordism accumulation system is a turn from mass production and consumerism to flexible production and private consumerism. The platform for mass, collective entrepreneurship is preceded by the participation of major stakeholders and shareholders of the city including the state, private sector, market, civil society, and local communities.

1. Corresponding Author, E-mail: isapiri@znu.ac.ir

The following factors should be taken into account in providing the context for collective entrepreneurship:

- Legal requirements of sharing the benefits among members and shareholders
- Constant rehabilitation of skills and ongoing education (as creativity and entrepreneurship entails a creative destruction process, the continuous rehabilitation of the members' skills is essential)
- Private and public consumption marketing (in order to continue their activities, social entrepreneurs require marketing in private consumer markets within geographical and cultural boundaries. Private consumerism is mostly the product of transition from Fordism to post-Fordism systems.)

Corporate and spatial branding (given the cultural and socioeconomic developments occurred through transition to post-Fordism, the activity success and the continuous profitability of collective entrepreneurship is preceded by the quality of the goods as well as the ability to compete in the market. One of the main approaches of marketing is corporate branding.)

Collective entrepreneurship could begin using location-based goods. Brands such as Tabriz Carpet, Rafsanjan Pistachio, Liqwan Cheese, Sar-daroud Pictorial Carpet, etc. have become famous due to their geographical titles. As a result, they could be utilized by collective entrepreneurs at the same geographical location.

4. Conclusion

Under economic sanctions, governments would rely on domestic socioeconomic, political, institutional, cultural, and geographical resources so that the damages caused by sanctions could be avoided by producing and circulating capitals. Sanctions could bring about problems such as economic collapse, threats against social solidarity, political tyranny, etc. which would lead to a more complicated, challenging economic condition; nonetheless, reliance on pioneering metropolitans in leading the national economy and offering the context to reproduce regional capitals is another approach which could provide dynamic resources inside the region along with increasing governments' activism against sanctions and reducing the aforementioned damages. Metropolitans are highly capable of significant production, supply, and services to domestic and international consumer markets as well as offering a vast supply and demand market to manufacturers and entrepreneurs. Given the restrictions caused by sanctions, both the state and society would rely on their own local properties; here, social capital is one of the important elements of extracting and utilizing such properties in line with the economic development of metropolitans.

The results of the study show that connective, relevant social capital plays a role of utmost importance in entrepreneurship and economic development under sanction conditions; these capitals could act in flowing national capitals in metropolitan areas within a cultural framework of Iranian products and brands.

Key words: Social capital, Entrepreneurship, Sanctions, Economic development

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