

Research Paper

Evaluation the Effects of Subsidy Reforms on Sustainability of Rural Economic Indexes: A Case Study in Sardabeh Rurals

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Citation: Yari Hesar, A., Parishan, M., & Heidari Sareban, V. (2017). [Evaluation the Effects of Subsidy Reforms on Sustainability of Rural Economic Indexes : A Case Study in Sardabeh Rurals (Persian)]. *Journal of Rural Research*, 8(3), 536-553. <http://dx.doi.org/10.22059/JRUR.2017.63480>

doi: <http://dx.doi.org/10.22059/JRUR.2017.63480>

Received: 03 Jan. 2017

Accepted: 15 Jul. 2017

ABSTRACT

Implementation of subsidy reform policy in Iran is such a proceeding has been done to reduce poverty and reduce the gap between different groups of society, especially in rural areas. This research try to evaluate the effects of subsidy reform policy on economic sustainability of Sardabe rurals in Ardabil province.

This paper is fundamental and exploratory kinds of research and the information have been gathered by means of questioner technique. The population consisted of villages in Sardabe which includes 41 villages and 9650 people according to the census carried on in 1390. Using the Cochran formula for sampling, 369 people were selected randomly. The main criteria in this article According to the research topic include Increasing the purchasing power of the people, increase employment rate, increase Income and savings, Poverty Reduction, Reducing unemployment, Demand Side Management, Managing and reducing wasteful consumption and finally Reducing income inequality. The results of this research shows that After the implementation of Reconfiguring subsidies, income and savings have increased significantly, the greatest impact of subsidies re-configuration was on the index of willing to work and the minimal impact on increasing agricultural production enterprises and households. The results show that the implementation of the subsidy reform policies is not achieved to determined aims and contrary to what was thought economic indicators over nearly a decade past of implementation of this policy has not been a significant change.

Key words:

Reform subsidy plan, Economic indicator, Sustainability

Extended Abstract**1. Introduction**

Enormous confusion exists over description of subsidy economic reforms. Perhaps the most common definition is direct cash payment by government to producer or consumer to stimulate the production. Broader definitions try to cover other types of government interventions that affect prices or costs, either

directly or indirectly. The associations between subsidies and their negative effects on sustainable development, especially the economy, have been long recognized by the researchers. Economists have generally regarded subsidies as inefficient, expensive, socially inequitable and environmentally harmful that impose a burden on government budgets and tax payers. These are strong arguments in favor of reform. Subsidies distort prices and resource allocations, altering the amount of goods and services produced and consumed in an economy. This type of assistance is offered for several reasons, such as promoting

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regional and rural development, supporting employment and incomes and adjusting to changing economic, social, or environmental conditions. Implementation of subsidy reform policy in Iran has been done to reduce poverty and reduce the gap between different groups of society, especially in rural areas. This research tried to evaluate the effects of subsidy reform policy on economic sustainability of Sardabe rurals in Ardabil Province.

2. Methodology

This paper is fundamental and exploratory kinds of research and the information have been gathered by means of questioner technique. The population consisted of villages in Sardabe which includes 41 villages and 9650 people according to the census carried on in 1390. Using the Cochran formula for sampling, 369 people were selected randomly. The main criteria in this article According to the research topic include Increasing the purchasing power of the people, increase employment rate, increase Income and savings, Poverty Reduction, Reducing unemployment, Demand Side Management, Managing and reducing wasteful consumption and finally Reducing income inequality.

3. Results

Reconfiguring subsidies have failed to make much help create jobs and prosperity. The results of this research shows that After the implementation of Reconfiguring subsidies, income and savings have increased significantly. The greatest impact of subsidies reconfiguration was on the index of willing to work and the minimal impact on increasing agricultural production enterprises and households.

4. Discussion

The result of this study shows that Economic indicators over nearly a decade past of implementation of this policy has not been a significant change and the total Index of economic sustainability has been grows slightly and also there is no significant relations between subsidy reforms and economic sustainability indicators in sardabe rurals. The economic indicators for the sector have improved across the board since subsidies were eliminated

In order to establish social sustainability, reduction of income gaps between the poors and richs people, fair income distribution in the country, reducing social and economic inequality, reducing poverty and empowering the poor's, Government should implement poverty alleviation and social justice plan through efficient and

targeted allocation of resources. Hence, Implementation of subsidy reform policy in Iran is such a proceeding has been done to reduce poverty and reduce the gap between different stratum of society, especially in rural areas.

Test results also show that there is significant relationship between reduce consumption of water, gas and gasoline In other words, targeted subsidies have had a significant decrease in consumption in our casr studies. Highest and lowest impacts of operating this strategy was on expenditure management and reduce waste and consumption of gas. Also there is a significant relationship between meet the basic needs of households and operating of subsidies policy. In other world, Reconfiguring subsidies help to meet the basic needs of the household. Highest and lowest subsidy impacts was on of poverty reduction and meet the needs of households and also has been on increasing purchasing power.

Reconfiguring subsidies help to reduced the Income inequality and led to the balance in income among households. In addition and on the base of this result we can strongly say that ther is not significant relationship between Reconfiguring subsidies and economic sustainability in our rurals. In other word, subsidy reform cant do any positive impact on rural economic indexes.

5. Conclusion

The results show that the implementation of the subsidy reform policies is not achieved to determined aims and Contrary to what was thought economic indicators over nearly a decade past of implementation of this policy has not been a significant change.

Acknowledgments

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

Conflict of Interest

The authors declared no conflicts of interest.