

## Survey Implementation Targeted Subsidies Law the Domestic Gas Consumers in Ilam

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### ABSTRACT

This paper the effects targeted subsidies plan behavior-Subscribers Ilam city gas deals in this paper with the implementation of targeted subsidies, variables such as changes in gas consumption by subscribers, evaluation of alternative fuels the implementation of targeted subsidies, and how people in association with low consumption of gas appliances paying bills as well as the time changes concurrent with rising gas prices evaluated by participants and examined. methods using descriptive survey method and sample size the study of 384 domestic gas joint is Ilam. In this study, for data collection questionnaire with closed questions and statistical data available in Ilam gas is used. results showed that gas prices rise due to targeted subsidies significant effect on the reduce fuel consumption domestic gas prices are on time payment. other results showed that gas prices implementation of targeted subsidies significant effect the use of alternative fuels and use not of equipment sparing.

**KEYWORDS:** economic development plan, targeted subsidies, residential subscribers, Ilam Gas Co., gas consumed.

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### INTRODUCTION

Targeted subsidies as one of the seven axis of economic development plan have a high economic position. As the previous method of paying subsidies by wasting resources, extravagance and injustice in receiving subsidies by vulnerable groups caused a serious damage to economic structure, targeted subsidies has become a necessity other than a an option.

The subsidy is a kind of government support giving to certain classes and of in some cases the whole of society, in particular times or emergency situations in order to provide social welfare by decreasing costs, in other words subsidies are considered as important supporting tools of governments. That is, firstly it allows consumers to buy goods and services in lower prices than actual market prices, secondly revenues of producers are increased in comparison with absence of government intervention.(Akbari and ferasattalab, 2010, p 1).

Most economists of the country agree with the Targeted Subsidies program as a part of economic adjustment policies. In fact, the implementation of this program had been delayed for two decades . The government claims to carry out this task as an independent law and the 2011 budget plan. The purpose of such a program is to create a more competitive environment in the country and greater reliance on market mechanisms. In short, his program is seeking the liberalization of prices of energy carriers, and wants to divide 50% of the incomes from the release among families; giving 30% of the revenue to the firms, and the remaining 20% of its income goes to the government. (AbdohTabrizi, 2009, p 3).

Many countries have performed reform programs in their economies. The main reason of these countries for doing reform programs was that subsidy programs were vast and costly. Due to population growth and increasing the price of goods and services in global markets, the government's financial costs had been increased significantly. In addition, inefficient public distribution system and the negative effects of price controls on the Producers were the other reasons of reform. (Rumi, 2009, pp. 2)

The necessity of price liberalization can be explained in terms of macroeconomic. Low prices of energy carriers leads to the increasing of energy consumption. Thus, the net exports of crude oil decreases, and endangers foreign exchange earnings. On the other hand, the decrease in profit of energy producing companies destroys the possibility of renewal and developing the capacity of industry, and eventually it forces the government to spend more from the general budget to obtain more energy production, and at the same time, it receives less taxes from these companies. Thus, it will increase the government’s expenditures and it reduces tax revenue. So it causes the budget imbalances inflation. (Indigo, 2009, p 3)

**2 - The hypothesis of the research**

2-1 - rising gas prices induced subsidies the decline in gas consumption residential customers in urban areas Ilam city effectively.

2-2 - rising gas prices induced subsidies timely payment gas prices for household consumers in urban areas, the city of Ilam.

2-3 - rising gas prices induced subsidies the tastes and buying patterns gas supplies gas to domestic customers in urban areas the city of Ilam.

2-4 - rising gas prices induced subsidies the use of alternative fuels domestic consumers of gas in Ilam city in urban influenced.

**3 – METHODOLOGY**

Materials and methods in this study, the goal applied and the method of data collection descriptive the purpose survey methods, to describe variables and explain the relationship between them used unit of analysis in this study, the individual.

4 - Data collection: in this study, for data collection questionnaire with closed questions and statistical data available in Ilam gas is used.

5 - Statistical population, sampling and sample size: survey domestic consumers of gas urban area is the city of Ilam. Which between them a sample will be selected the sample size using random sampling 384 is common.

6 - Methods and tools for data analysis: in this study, the library studies writing and literature, to test the research hypotheses statistical methods correlation coefficient test is used. moreover, to test the first hypothesis more detailed analysis, statistics and information changes in gas consumption after subsidies is used for statistical analysis SPSS software is used.

7 - Test the hypotheses: check the first hypothesis test in terms of perception (questionnaire) the first stage of the test, assumption of statistical and assumptions are zero and one. therefore, to determine the correlation we will have two variables:

**H0**: The gas price increases of targeting subsidies the decline in gas consumption residential customers Ilam city is not effective in urban areas.

**H1** :The gas price increases of targeting subsidies the decline in gas consumption residential customers in urban areas, the city of Ilam.

$$\begin{cases} H_0 : \rho = 0 \\ H_1 : \rho \neq 0 \end{cases}$$

To test this hypothesis, the Spearman correlation coefficient was used according to the statistical analysis with the increasing use of software the SPSS16 the following results were obtained:

Table (1). results in a significant test spearman tests the first hypothesis

tests	Significant	Error level	The dependent variable	Independent variable	significant test spearman	first hypothesis
Relationship <b>H<sub>0</sub>(Rejection)</b>	0/000	0/01	Reduce gas consumption	The gas prices	.534**	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

the significance level is achieved (sig = 0.00) which is less than 0.01 it is concluded that gas rise in the price the reduction of domestic gas consumers 99% confidence level is effective. Correlation coefficient equals (0.534), respectively. positivity the relationship between the "gas rise in the price" and "reduce consumption of domestic gas consumers." this means that these two variables have direct relationship and their correlation is 0.534. the calculated coefficient of determination whose value is equal it is clear that the gas prices up as much as 28.5% reduction in gas consumption in terms of cognitive has to subscribers.

8 - Analysis of the first hypothesis using data from Ilam Gas Company based on information obtained Ilam gas companies, the average amount spent per subscriber and percentage changes in consumption in the months of the year, between 27/09/88 to 27/09/89, one year before subsidies and 28/09/89 to 28/09/90 one year after subsidies was determined assuming normal gas distribution price paid for subscribers, average consumption changes during these two years, 29.53 percent reduction in gas consumption show.. (In this report, statistics how to obtain gas prices system (stepped) and other information the price of gas is not recorded therefore, the concept of price elasticity of demand location is not available) therefore, the gas prices due to subsidies, has caused average gas consumption Subscribers in the city of Ilam the average 29.53 percent decrease.

9 - test of the second hypothesis since the this hypothesis is also a causal theory is the following is how to influence independent variable on the dependent testing the Spearman correlation coefficient simple linear regression analysis is used. in this hypothesis, "gas prices" independent variable and "timely payment of gas prices." dependent variable. the first stage of the test, assumption of statistical and assumptions are zero and one. we will therefore:

**H0:** gas prices due to subsidies timely payment gas prices for domestic consumers in urban areas Ilam city is not effective.

**H1:** gas prices subsidies from the timely payment of gas prices for domestic consumers in urban areas Ilam city effectively.

$$\begin{cases} H_0 : \rho = 0 \\ H_1 : \rho \neq 0 \end{cases}$$

to test this hypothesis, spearman correlation coefficient was used to show the following are the statistical analysis of software SPSS16 the following results were obtained:

Table 2. Spearman correlation test results significant the second hypothesis

tests	Significant	Error level	The dependent variable	Independent variable	significant test spearman	second hypothesis
Relationship H <sub>0</sub> (Rejection)	0.0002	0.01	Resistance payment for gas	Gasprices	-0.157	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

According to the significance level (sig = 0.002) which is less than 0.01 it is concluded that "gas prices" the "pay early domestic gas price "99% confidence level is effective. the correlation coefficient obtained with (0.157-), respectively. negative correlation this means that " gas prices timely payment of gas prices. " have an inverse relationship and their correlation is 0.157. by calculating the coefficient of determination whose value is equal it is clear that gas prices up as much 2.4 percent; resistance payment for gas in terms of cognitive has had.

10 - tests of the third hypothesis since the hypothesis also causal hypothesis is the following is a the effects of the independent variable on the dependent measure the Spearman correlation coefficient simple linear regression analysis is used. in this hypothesis, "gas prices" independent variable and "tastes and buying patterns, gas supplies." dependent variable. the first stage of the test, assumption of statistical and assumptions are zero and one. we will therefore:

**H0:** Gas price rise of targeting subsidies the tastes and buying patterns gas supplies domestic consumers of gas in urban areas Ilam city is not effective.

**H1:** gas price rise of targeting subsidies the tastes and buying patterns gas supplies domestic consumers of gas in urban areas Ilam city effectively.

$$\begin{cases} H_0 : \rho = 0 \\ H_1 : \rho \neq 0 \end{cases}$$

To test this hypothesis, the Spearman correlation coefficient and simple linear regression is used are discussed below. To calculate the correlation coefficient according to the statistical analysis using the software SPSS16 the following results were obtained:

table (3). results in a significant test spearman the third hypothesis

tests	Significant	Error level	The dependent variable	Independent variable	significant test spearman	third hypothesis
Relationship H <sub>1</sub> (Rejection)	0.145	0.05	Tastes and buying patterns Gas supplies	Gas prices	-0.074	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

According to the significance level (sig = 0.145) that is more than 0.05 it is concluded that gas prices the tastes and buying patterns gas supplies 95% confidence level is not effective. therefore reject the hypothesis H1 and H0 hypothesis is confirmed.

11 - Fourth of hypothesis testing

Since this hypothesis is also a causal theory is the following is effects of the independent variable on the dependent testing pearson correlation simple linear regression analysis is used. in this hypothesis, "gas prices" is the independent variable and "use of alternative fuels "dependent variable. the first stage of the test, assumption of statistical and assumptions are zero and one. We will therefore:

**H0:** gas prices of targeting subsidies the use of alternative fuels domestic consumers of gas in in urban areas Ilam city no effect.

**H1:** gas prices of targeting subsidies the use of alternative fuels domestic consumers of gas in urban areas Ilam city impact.

$$\begin{cases} H_0 : \rho = 0 \\ H_1 : \rho \neq 0 \end{cases}$$

to test this hypothesis, the Spearman correlation coefficient and simple linear regression used are discussed below. To calculate the correlation coefficient according to the statistical analysis using software SPSS16 the following results were obtained:

Table (4). results in a significant test spearman the fourth hypothesis

tests	Significant	Error level	The dependent variable	Independent variable	significant test spearman	fourth hypothesis
Relationship H <sub>1</sub> (rejection)	0.55	0.05	the use alternative fuels	Gas prices	-0.098	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

According to the significance level (sig = 0.055) that is more than 0.05 it is concluded that "Gas prices" on "the use alternative fuels." 95% confidence level is not effective. therefore reject the hypothesis H1 and H0 hypothesis is confirmed.

12 - The conclusion

12-1 - The results of a hypothesis, domestic gas consumption Subscribers after making targeted subsidies decreased it is suggested in order to further reduce the use of domestic gas consumers Ilam, Ilam Gas Company to form a committee to identify and review how to use home subscribers taking fulland solutions the subscriber and the measures taken other subscribers have reduced their consumption their gas consumption and finally total gas consumption in the home subscribers reduced to a greater extent, finally, in order to subscribers to reduce domestic gas development in the cities, areas and villages do not have the luxury to and the amount of savings the decrease in the household the industrial and manufacturing sectors for greater productivity to assign.

12-2 - the same way that the second hypothesis test shows between rising gas prices and timely payment bills, gas prices domestic subscribers there is an inverse relationship, therefore, the researcher here offers Ilam Gas Company in the first stage of financial incentives as a percentage of forgiveness subscribers Bills home prices, if timely payment or even earlier, domestic consumers, they regarding timely payment bill encourages to the long-term this is becoming some cultures, participation in when paying bills rise. on the other hand encourage subscribers to timely action to pay their bills, this field can was effective and the behavior of other household subscribers affect this means that more services they and even using methods such as rewards and prize giving to draw those faster or maximum deadline they paid the price of gas,

12-3 - the same way that the third hypothesis of this study showed gas prices not much the tastes and buying patterns gas supplies domestic subscribers is in Ilam achieved by examining this conclusion suggests gas company officials Ilam using various tools including the use of the persuasive power of the media in this text more information can in other words, looks the subscriber the importance of and the standard equipment and low gas consumption the reduction and was unaware of its cost in this context knowledge and detailed information good or not on the other hand Ilam gas companies can the product of burning gas Ilam in stores are offered gas consumption such goods identified and appropriate information in this context or Contract the companies low gas consumption goods, the distribution of these goods through cooperative sat the provincial level.

12-4 - the fourth hypothesis of this study showed "rise of gas prices subsidies the use of alternative fuels by domestic consumers of gas in urban areas Ilam city is not affected. accordingly here, the researcher suggests and other practices especially energy renewable energy advertise in Ilam and encourage up through gas consumption of the participants lower frequency and other generations the beneficial interests.

12-5 - the introduction of institutions to monitor approved and guaranteed implementation of relevant legislation the economic development plan specialized form.

12-6 - the satisfaction of subsidies to maintain or adjust policies in this field.

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