

Factors in the Adoption Plan Oriented Subsidies Case Study City of Arsanjan – Iran

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ABSTRACT

The aim of this study Factors affecting the adoption of the plan is Arsanjan oriented subsidies in the city. This study to achieve the objectives of the study were interviewed and completed questionnaires, a total of 150 questionnaires were completed. To investigate the factors affecting the adoption of the EViews econometric software and Logit models were used. The results show that 71% of patients in this study, we are willing to accept the plan. Logit model estimation results show that education level, family size is significant at the level of a percent. The variables of income and fundamentalism (right wing conservatives) in the five percent level and significantly increase the acceptance is oriented subsidies. And the amount paid by the government (subsidies) and a significant negative effect on adoption of the plan.

KEYWORDS: oriented subsidies, logit model, Arsanjan-Iran

1. INTRODUCTION

Subsidy One of the important tools that are supportive of governments to protect consumers, producers and exporters are paid. In a general definition, subsidies that are considered as state aid, first, to allow consumers of goods and services at prices lower than market prices to purchase and secondly, the producers of revenue, compared with no intervention, increases. It should be noted that the subsidy is not guaranteed to achieve higher social welfare. Subsidies can be effective only when the economy was to ensure that this support tool, is used in a targeted manner. In fact, targeted subsidies, particularly subsidies to the energy of the path that must inevitably take the step and every move is delayed, complications and costs will be higher. The current system of subsidies, although a huge amount of direct and indirect consumers and producers is available through the fields and increase the economic welfare and economic competitiveness would be, in practice there are still problems that hinder the full realization of these goals the system. This has been the most important problems. The most important strategy for managing the consumption of goods and services, revising the current price and they are real. Cheap and free energy can not be used to manage and optimize. The first step is to optimize the use, must be deleted and the subsidies for the realization of social justice and fair prosperity for minimum consumption and low income groups should be subsidized. To solve these two equations with two unknowns should be solved in one device. Reply to this device stopped receiving subsidies from the government and people of high income and consumption taxes and subsidies to low-consumption and low-income strata of society. In economic literature, the task of allocating limited resources to price mechanism is responsible for the different economic activities. The allocation in full competition mode, the maximum possible efficiency. It is important for governments to achieve the maximum efficiency and justice, with its attendant lower (at least in the short term), and partial justice, but more or less efficient to select one. What is more injustice, poverty and social problems become more developed. Due to adverse economic, social, political and such abnormalities, especially in developing countries governments to prevent the spread of poverty and social crises, the loss of equity relative to efficiency preference. Price subsidies, especially in the mechanism of government subsidy means higher prices and the relative justice. But in some cases, access to justice for poor processing methods may be relatively more efficient to reduce the extent of the injustice to be followed. The disturbing increase in price subsidies and budget deficits are having negative effects on the economy. It also found that government subsidies to public and comprehensive manner appropriate way to fight poverty and protect the vulnerable is not. Moreover, in many cases, high-income groups benefit from public subsidies more than the poorest groups of society. Oriented subsidies, especially subsidies so that energy is inevitably the way it should move and the move is delayed, complications and costs will be higher. In order for this important government program subsidies Oriented in its economic development plan has been headed. Mohsen Rahimi(2010), in an article entitled, Factors influencing the desire for more consistency in Forest Park Arsanjan Logit models were used. Najafi and shoshtaryan(2003) in a study entitled remove subsidies and food security in the city concluded that Arsanjan oriented

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subsidies could reduce government costs. Mohsen Rahimi(2010), estimate the willingness to pay for the visitors Forest Park Arsanjan Logit econometric model used . Notably, the study of factors affecting adoption of removal is not subsidized by the author in this article And may be performed for the first time.The study aims to estimate acceptance factors in the design and the elimination of subsidies in the city Arsanjan variables affecting the adoption is in the city and provide appropriate solutions.

METHOD

In this study to determine the factors affecting adoption subsidies the city Arsanjan econometric model is used. Because the dependent variable is the willingness and unwillingness to investigate the logit model with binary dependent variable is used. Usually, logit and probit models for qualitative selection methods are used. Logit model because of the simplicity of calculation is used in this study. The regression model used in this study is to be faced:

$$y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \beta_6x_6 + \beta_7x_7 + \beta_8x_8 + \beta_9x_9 \tag{1}$$

Y is the dependent variable and If someone is willing to accept this plan will be y one and If the person is not willing to accept zero, y is considered.In the logit model the probability that person i want mine to be accepted is defined as follows:

$$P_i = F_{\eta}(\Delta U) = \frac{1}{1 + EXP(-\Delta U)} = \frac{1}{1 + EXP\{-(\alpha - \beta A + \gamma Y + \theta S)\}} \tag{2}$$

That $F_{\eta}(\Delta U)$ Cumulative distribution function with a different standard, and some variables Lajstyk socio - economic survey to be included. γ, β And θ Estimated coefficients are expected Are $\theta > 0, \gamma > 0, \beta \leq 0$.

Usually, logit and probit models for qualitative selection methods are used. Logit model because of the simplicity of calculation is used in this study. Number of variables in the regression model (1) that is used in this study are as follows:

Y is the dependent variable and the willingness to accept the plan shows Arsanjan oriented subsidies in the city if the person is willing to accept the plan would be if a person is unwilling to accept y is not considered to be zero.

x_1 = Level of education x_2 = Subsidies paid x_3 =income x_4 = Conservatives x_5 = Number of household

Determine a precise value of the method depends to a large size. The most practical and efficient tools are often face to face interviews , in this study, simple random sampling and extraction of samples required to complete a questionnaire has been attempted. Dual two-dimensional structure of the questionnaire and a dependent variable is a binary choice that requires a choice of quality. The Social Profile - Economic (age, education, gender, income level, etc.) in the questionnaire are reviewed and assessed.

RESULTS

Methods for doing research is important and the interview is one of efficient and applicable tools. In this study, simple random sampling and extraction of samples required based on the questionnaires were completed. Dual two-dimensional structure of the questionnaire and a dual variable is associated with a qualitative model of choice and social needs as well as personal details (age, education level, gender), economic (eg income, occupation, etc.) and other variables (party of interest, etc.) in the questionnaire review and assessment will be.

To determine the factors affecting the adoption of the 150 questionnaires completed and results oriented subsidies in the city Arsanjan the following is obtained: Table (1) estimate the logit model shows EViews software

Table(1) Results of logit model

Variables	coefficient	prob
C	-2.2881	0.0136
Income	0.1868	0.0044
Education	0.00007	0.0013
The amount paid	-0.160	0.0087
Number of households	1.105	0.0001
Advocates conservatives	0.1866	0.0047
Area home	0.3156	0.5631

Source: Research Findings

The information in Table 1 show that the variables of education level and variable-income advocates and conservatives in the party have a significant level of five percent. The amount varies by state subsidies and a significant negative effect on adoption of the recovery oriented subsidies. And other variables have a positive influence.

Estimated coefficient of income variable equal to 0.1868 of the mark with what was expected, is consistent. In other words, the relationship between income and likelihood of acceptance oriented subsidies to individuals, the positive coefficient of education is equal to 0.0007 is obtained. This suggests that education, along with an increase in willingness to accept is likely to answer yes. The variables family size and advocates the conservative, respectively, with values of 1.05, 0.186 positive effect on adoption of the plan oriented subsidies by those shows, and a variable amount paid by the state with the ratio 0.160 negative effect on adoption the plan shows.

Mc Fadden coefficient of determination, equivalent to 0.69 and show that the calculated changes in the dependent variable, as well as by the independent variables of the model are described. Percent correctly predicted the 76.9 is estimated. Accordingly, the high percentage of the values associated with the explanatory variables, will foreseen. Words, about 77 percent of respondents willing to accept it or not expected to provide a fit with the data were properly allocated.

Conclusion

1. Study subjects in the study of factors affecting the adoption of this plan, the increased emphasis on education and training and better recognition of the advantages and benefits of this project are also the tools be the authorities of to take his job.
2. In this study, high population more willing to accept these schemes have therefore recommended the adoption of the appropriate authority to adopt policies that they have to pay more attention to families of low population
3. Considering the amount paid by the government has significant negative effect and This should increase the amount subsidized by the government, the increasing amount of studies is needed.
4. Positive and significant effect on the income variable in this study, the officials should pay more attention to the low-income community.
5. The results showed that the government advocates in this city more willing to accept the subsidy oriented towards their opponents. It is recommended to attract and introduce the project, the tools and policies to better use. That can be pointed to the advertising in the media.

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