

## **Analysis of Targeted Subsidies Project Consequences on the Natural Resources in Iran**

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Natural resources, as the basis of life and sustainable development, play vital role in creating job and securing beneficiaries livelihood. Hence natural resources preservation, development and rehabilitation should be prioritized. In this paper, probable consequences of targeted subsidies on the natural resources using analysis of statistics and data from the Ministries of Agricultural Jihad and Energy were analyzed for their positive and negative effects. Some of the positive consequences of the elimination of subsidies are reduced air, soil and water pollution due to reduced use of fossil fuels, chemical fertilizers and pesticides. Also higher prices of water can affect patterns of urban and agricultural consumption of water and help to feed the groundwater and aquifers. Targeted subsidies can modify energy consumption patterns and strengthen trends toward producing renewable energy that play a major role in the sustainability of natural resources. Negative consequences of targeting subsidies are increased prices of fuel, energy and animal forage which result in the plant and forest clearing. Also elimination of subsidy of agricultural production units results in negative consequences. Increased input prices of livestock and livestock production costs have increased reliance on natural resources and occupation these areas. It is recommended that before implementation of any law and policy to be is considered its consequences on all parts of the country and especially natural resources areas, particularly environmental sustainability, should be analyzed and foreseen.

**Keywords:** Elimination of subsidy, Energy supply, Input prices, Reducing the use of fossil fuels, Reform consumption pattern.

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