IMPLEMENTATION OF TARGETED SUBSIDIES PLAN AND EVALUATION OF PUBLIC'S SATISFACTION IN ILAM PROVINCE

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Abstract. This study intends to investigate and evaluate the general public satisfaction level with the implementation of the "Targeted Subsidies Plan" in Ilam Province. Questionnaires used as the tool of information gathering and distributed amongst people who received subsidies payment and after a validity and reliability study; this information was used in this study. The results obtained from this investigation shows that this plan has been unsuccessful in practice, and the satisfaction level of public is low. Also this study shows that there is a meaningful relationship between the dependent parameter of this study, which is the public's satisfaction level, and independent parameters in the amount of cash subsidies paid with the associated cost of the program, weak management and lack of required long term vision and planning.

Keywords: Subsidy, Subsidies Reorientation, Targeted Subsidies, Satisfaction, Ilam Province

1 Introduction

One of the most common economic policies in the developing and even in the developed countries is the deployment of a number of appropriate supportive measures and payment of subsidies which today is regarded as an important tool in setting economic policies in order to protect and support vulnerable sections of the society as well as special production sectors.

The aim of implementation of such policies can either be to support those consumers who are unable to purchase particular goods or vital provisions, or to possibly support those producers who are unable to compete with other competitors due to increase in their total costs.

In Iran, during the last three decades, the government with an equalitarian attitude and without a predefined framework has subsidized sectors such as imports, production and distribution as well as subsidizing consumed goods such as energy carriers (petrol, gasoline, oil and gas), bread, water, electricity etc. and has tried to supply consumers with inexpensive goods at the lowest possible price to its people.

Most experts believe such payments have imposed a heavy financial burden on the government, and in practice it has failed to reach the targeted consumers which in effect have resulted in a type social injustice. This is due to the fact that the middle and upper classes of the society have received a bigger portion of these subsidies in comparison to the lower classes. Therefore, on the path to achieve social justice and supporting the lower classes of the society and vulnerable people, resolving problems associated with this untargeted subsidies payment system, reforming this system or targeted subsidies plan under the framework of economic development program was put on the agenda of the ninth government of the Islamic republic of Iran. In (2010) the parliament passed the legislation and in 1389 (2011) the 10th government implemented this legislation. Paying attention to the fact that implementation of this plan is considered to be one of the major plans in the public policy making sector after the Islamic revolution of Iran; the aim of this study is to evaluate the level of public satisfaction of its implementation in Ilam Province.

2 Theoretical Principles

2.1 Definition of Subsidy and Reasons for its Disbursement

The definition of subsidy by the view of European Accounting System (1) is defined as gratuitous payments by the government to producers with the aim of affecting production level, prices or to reward producers. (Farzin, 2010)
Subsidy in economic terms is defined as free of charge aids and financial contribution by the government in particular periods of time. (Farhang, 1982)
Subsidy is transfer of resources by the government to purchasers or sellers of goods and services in order to reduce prices for purchasers or to increase selling price or production cost and services for the producers. In this case, the net effect of subsidy is to support producer and consumers simultaneously. (Federal Financial Interventions and subsidies in Energy market, 1999, 17)
Subsidy is a term used for any type of transferring payment aiming to support low income classes and to improve distribution of income from government's treasury and can be paid into the treasury directly or supplied in form of cash or products to families and producers of goods and services. (Management Organization, 2002)
Different organizations pay subsidies for variety of reasons. Payment of subsidies by governments is no exception. Governments all across the globe pay subsidies in order to reach a set of special targets and in line with their general policies. For example, some governments pay subsidies to low income and deprived section of the society in order to establish social justice and a fairer society. In some states, subsidies are paid to people as a way to secure the future of the ruling political party and in other countries; subsidies are paid by powerful opposition of the government in order to overthrow the ruling system. In some other cases, subsidies are paid by foreign states in order to empower the opposition and to weaken the central government. (Sadegh Feizi, 2011)

Multiple problems of common and traditional subsidies payment systems including inefficient or non-optimal allocation of resources, high consumption rate, ineffective production, trafficking of subsidized goods abroad, destruction of environment etc. are the causes of ineffectiveness of this system and the decision by policy makers for reorientation of these subsidies.

2.2 Subsidies Reorientation or Targeted Subsidies

The practice of targeting the subsidies or subsidies reorientation requires determination of the eligible and ineligible people to receive supportive programs, economic aid and social support by the government (Tootoonchi, 2009) In other words, during subsidies reorientation, groups or sectors that should receive governmental supportive programs based on special predefined criteria and priorities are determined and will be the beneficiaries. Selection of eligible people and groups within consumer and production sectors is a necessary required condition in implementing this policy. The success or effectiveness of subsidies reorientation policy is subject to the fact that low income and vulnerable groups have the lowest responsibility in securing the financial capital required and at the same time are the highest beneficiary of released resources and in return, capable groups of the society give the most help in securing the financial capital needed and will enjoy the least or none of the supportive programs offered by the government. (Zarvar, 2006)

After examination of domestic economic structure , policy and decision makers in the ninth government categorized the problems associated with the structure of domestic economy in seven categories (efficiency, taxation, backing, valuation of national currency, distribution of goods and services and subsidies) and by focusing on these categories, drafted a plan known as "Economic Development Plan" and submitted it to the Parliament in 2008, and the parliament designated a special commission to review it. In 2010 this plan was approved by the parliament under the title of "Economic Development Plan for Organizing Domestic Economic Structure". Targeting and

reorientation of subsidies payment is the key subject in the economic development plan that was submitted by the ninth government to the parliament. The Islamic Parliament of Iran, due to the huge significance of this issue formed a special committee and after many discussions and many sessions reviewing it, this bill that included 16 articles and 16 remarks was approved in 2010. The "Targeted Subsidies" legislation was finally implemented by the government in 2011, after nearly a year of delay.

3 Literature Review

There has been no comprehensive research on the topic of subsidies reorientation and comparison between different models of public policy making and evaluation of the level of public's satisfaction. However, there has been some published studies and research on the topic of subsidies reorientation and other related issues and some of these are as follow:

3.1 Domestic Studies

1- In an article titled "Subsidies, Development and Poverty" published in 2006, Dini Turkamani studies two conflicting views of Neo-Classical and Institutional Development, and tries to assess their respective adequacy based on historical experiments of implementation of structural adjustment for economic stabilization policies within a predefined framework. He then tries to adjust these with special economic conditions of different economies, including Iranian economy. (Turkamani, 2006)

2- Mesbahi Moghadam and colleagues (2010), in an article titled "A study on Pathology of Targeting Payment of Subsidies", describes different levels of subsidies reorientation, reviews predicted problems and difficulties and concludes that reorientation of subsidies is a necessary measure to reform the economic structure of Iran (Mesbahi Moghadam and colleagues ,2010).

3- Shahmoradi, Mehr Ara and Fiazi (2009), in their study titled "Price Liberation of Energy Carriers and its Effect on the Welfare of Families and Government's Budget"; by using Input-Output Static Analysis method and data published by Iran's Centrals Bank in 1378, have investigated consequences of price liberation of energy carriers on the household income deciles and government's budget. They concluded that, 100% price liberation of all energy carriers' causes an increase of 0.08% in price index of consumers and complete price liberation of energy carriers' results in an increase of 0.108% of consumers' price index. This study also investigates the effects of implementation of such policy on government's budget, and shows that an increase in the prices of energy carriers or complete price liberation results in the reduction of budget deficit of the government. This is obtained when the government has completely compensated the resulted reduction in the welfare of the society by cash payments(Shahmoradi, Mehr Ara and Fiazi, 2009)

4- Heydari and Parmeh (2011) have evaluated the consequences of the reform on the prices of bread and energy carriers on families' expenditure. This study has concluded that by eliminating the subsidies of bread and energy carriers, the expenses of urban families will increase by a minimum of 33% compared to minimum increase of 40% for rural families. (Heydari and Parmeh, 2011)

5- Rezaiepoor and Aghayie Khondabi (2012), in an article under the title of "The Effect of Imposed Shocks by Government's Subsidies Expenditure on the Real Consumption of Iran's Private Sector", investigate the long and short term relationships between the real consumption and imposed shocks by subsidies. According to obtained results in this study, they claim that during current inflationary recessional conditions of Iranian economy, creation of negative subsidies shocks will certainly dramatically decrease the real consumption rate of private sector in the short term. This is due to the fact that the real income of people will decrease, which results in a reduction of overall consumption rate of the private sector. However, due to the fast adjustment rate obtained from the model used, it has predicted that the effects of these shocks shall be resolved in the mid-term, and the real consumption rate of the private sector shall reach the expected equilibrium in the long term. (Rezaiepoor and Aghayie Khondabi, 2012)

6- In an article called "Subsidies: Achievements, Costs and Challenges", Zamanzadeh (2012) states that one of the most important achievements of subsidies reorientation is the reform and improvements to the energy consumption pattern and income distribution. On the other hand, the main challenges ahead are the resulting budget deficit of the government, increase in financial liquidity and high inflation rate. (Zamanzadeh, 2012, 132-108)

7- Islami et al., (2013), investigate the welfare effects of subsidizing electrical energy on the Iranian economy. According to three possible scenarios of price increase, cash payment of subsidies and simulation results of the model, the obtained results indicate that by implementing this policy the GDP of the country will decrease significantly and the economy will fall into a recession. Also by securing financial resources for these cash payments from surplus income of the government, taxation of electricity and income tax and incorporating them with the price increase policy, the GDP of the country is further reduced. The rapid rate of this reduction in GDP has a direct relationship to the price of electrical energy. (Islami et al., 2013,39-60)

8- Pezhoian and Rashti (2005) in their article called "Subsidies and the First and Second Degree Errors", defends the policy of reorientation of subsides and believes that for a supportive system to operate successfully, it has to function objectively(Pezhoian and Rashti, 2005).

3.2 Oversea Studies

1- Jensen and Tarr (2002) in an article titled "Commercial Policies" have investigated the increase in foreign currencies exchange rates and energy policies of Iran in 2003, by using a general equilibrium model. They have reached the conclusion that the structural reforms in three stated areas have resulted in significant gains and these gains have resulted in an increase of 50% of consumers' income. 7% of these benefits were due to commercial reforms, 7% due to reforms of the exchange rates of foreign currencies and 36% due to price corrections of energy carriers. In addition, applying a right subsidies reorientation policy can reduce the negative effects of price corrections on low-income sections of the society. If the obtained income is provided to all households (not only the low income ones) in the form of direct cash payments, this will have a significant positive effect on the income of poor households relative to their current status. Even the poorest of urban and rural households will experience an increase of 140% and 290% to their overall income respectively (Jensen and Tarr, 2002, 2760).

2- Son and Kakwani (2008) in an article called "Measuring the Impact of Price Changes on Poverty" have evaluated the effects of price changes of food products on poverty indicators in Brazil from 1999 to 2006. The calculated strains of poverty and the effects of total changes to prices on poverty are divided into income and inequality effects. In addition, this study determines a single price indicator for poor people, which in Brazil, this indicator has been used for such indicators of poverty count, poverty gap and poverty intensity. The results indicate that price changes in Brazil between 1999 and 2006 have been implemented in a way that benefited the low income households in order to reduce poverty gap between this section and the richer sections of the Brazilian Society. This study also indicates that poor people in Brazil experience a higher inflation compared to the rest of the society, however this effect has been reduced in the recent two to three years (Son and Kakwani (2008).

3- In their study by designing a GCE model, Kuster, Ellersdorfer and Fahl, have investigated energy policies with an emphasis on employment in Germany. In this model, the labor

market by considering two mechanisms of combating skilled-specific unemployment and electricity production technologies is described. This model has been used specifically for the purpose of analyzing capital and operating subsidies applicable to renewable energy technologies. The obtained results show that designating subsidies to this sector will not automatically result in lower emission. In addition, even if the reduction in total emissions is reachable, it is possible that due to the negative effects of a growth of the associated costs with this technology, these technologies will become inefficient. This lack of efficiency will result in an increase in unemployment of skilled and unskilled workers alike (Kuster.R; Ellersdorfer, I and Fahl, U, 2006).

4- Abooulein et al., (2009), in an article titled "The Impact of Pashing of Subsidies of Petroleum Energy Products in Egypt", by using a GCE model investigated the impact of gradual elimination of fuel subsidies in Egypt over a period of five years. The writers show that gradual elimination of fuel subsidies, without implementation of supportive and compensatory policies, in the referred period of this study, will reduced the GDP growth of the country by 1.4% annually and results in the reduction of welfare of all income groups. Elimination of energy subsidies also reduces the inequality of income and the wealth of the richer section of the society will be further reduced (Aboulein, E-laithy and kheir-E—Din, 2009, 162).

5- In their article, "Estimates of Energy Subsidies in China and Impact of Energy Subsidy Reform", Lin and Jiang (2010), after evaluating the amount of designated subsidies to energy sector via price gap method, in format of a GCE model and based on data from 2007, investigated the effects of energy subsidies reform on macroeconomics variables of the Chinese economy. Their results shows that under the scenario of complete elimination of subsidies, without redistribution of income, the country's economic welfare, GDP and unemployment level will decrease by 2.03%, 1.56% and 1.41% respectively. Under the scenario of complete elimination of energy subsidies and redistribution of 35% of its resulting income to the economy, positive effects are observed in a way that, economy welfare, GDP and employment rate have all increased by 0.16%, 0.37 and 0.53% respectively. In the third scenario, in the case of redistribution of 50% of generated income from elimination of subsidies, economic welfare, GDP and employment rate all increase by 1.52%, 1.74% and 2.07 respectively (Lin, B. and Jiang, Z., 2010).

By reviewing the literature on subsidies reorientation in Iran and other countries, it appears that even though this issue has received limited attention by researchers, no work has been performed on the evaluation of public satisfaction level of implementing such policies and this topic remains neglected by academics and researchers, which in effects enhances the importance of this study.

4 Research Methods and Information Gathering Tools

Surveying method was applied for this research. The information gathering method adopted was the data from literature and field study via distribution of questionnaires amongst the public. Questionnaires used in this study included two types of information, the first being general questions on age, education and income level, location of residence and such questions, and the second parts was designed to obtain information on parameters of this research, hypotheses and evaluation of public satisfaction level.

5 The Validity and Reliability of Questionnaire

In this study, content validity method has been used. Hence by a detailed literature review, a completed understanding of the concepts of research parameters has been obtained and the set of questions have been designed in way that the questionnaires contain the required reliability and validity. For evaluation of validity of collected data, Cronbach formula has been used (table 1).

Table 1. Distribution of Questionnaires Alfa values of this Study

Parameter	Item Number	Alpha Value
Satisfaction of Subsidies Reorientation Plan	8	84%
Identification of Targeted Society	5	74%
Condition of people's welfare	7	76%
Inflation and Recession Levels Caused by the implementation of the Plan	4	70%
Consistency (or lack of it) of cash subsidies received with additional expenses caused by liberation of prices	3	76%
Condition of domestically produced goods	4	83%
Management of the Plan and long-term vision	5	75%
Questionnaire in General	36	93%

The level of calculated alpha for the questioner is 93%. This is due to the fact that all other calculated values have been above 70% for the calculation of this value, and hence can be concluded that it has the required validity and reliability level.

6 Statistical Methods used in this Study

Statistical methods used were of descriptive and inferential nature, and have been adopted for analysis of obtained data by using SPSS software as well as descriptive statistical methods such as satisfaction indices of Mainland Weekend for the purpose of evaluation of satisfaction level of respondents. Indices of descriptive statistics such as binominal T1 Samples and Spearman's linear regression methods was adopted for accepting or rejection of each hypothesis.

7 Targeted Group for Statistical Research

Targeted group for the purpose of Statistical Research of this study were people who received cash subsidies in Ilam Province. According to "Organization of Subsidies Reorientation", the population of this group is 547894 in this province. Based on Cochran's formula and Morgan's sampling table, 384 people were selected as the representatives of the specified group. Due to the high number of people associated with the specified group, a random approach was taken in selecting individuals. Also taking into account the high number of cities located in Ilam province, three cities were selected randomly. The cities selected were Ilam, Dehloran and Ivan. Questionnaires were distributed by taking into account the population ratio of these cities and inhabitants living in their suburbs (table 2 and 3).

8 Result of this Study

Table 2. Frequency Distribution of Respondent's Location of Residence

Location of residence	Distribution Level	Percentage
Urban	241	62.4
Rural	145	37.6
Total	386	100

Based on the findings of the study, 62.4% of the respondents lived in urban areas, and 37.6% were in rural areas.

Table 3. Frequency Distribution of the Satisfaction Level from Implementation of Subsidies Reorientation Plan across the Province

Satisfaction from Implementation of Subsidies Reorientation Plan across the Province		Very Low	Low	Medium	High	Very High
Satisfaction Level from Implementation of Subsidies Reorientation Plan across the Province	Frequency	146	74	97	50	19
	Percentage	37.8	19.2	25.1	13	4.9
Satisfaction Level from Specified Subsidies Payments to each person (455000 Rials)	Frequency	184	115	60	23	4
	Percentage	47.7	29.8	15.5	6	1
Satisfaction Level from the amount of Planning and Approval of Subsidies Reorientation Legislation in its Current Form	Frequency	153	91	101	48	27
	Percentage	39.6	25.9	21.8	9.8	2.8
Supporting Vulnerable people and Households	Frequency	119	91	101	48	27
	Percentage	30.8	23.6	26.2	12.4	7

Results obtained from Table 3 shows that the majority of respondents across the province had a very low level of satisfaction from the specified amount of subsidies payment designated to each individual as well as the planning and approval of subsidies reorientation legislation in its current form by the Islamic Republic's Parliament. Majority of respondents also believed that the legislation offers very low level of support to low income individual and households (table 4).

Table 4. Frequency Distribution of Government's Performance in the First Stage of Implementing the Plan

Performance of the Government in the First Stage Of Implementation of the Plan		Very Low	Low	Medium	High	Very High
Satisfaction Level of Government's Planning of the First Stage	Frequency	158	74	68	50	36
	Percentage	40.9	19.2	17.6	13	9.3
Satisfaction Level of Government's Performance in the First Stage of implementing the Plan	Frequency	149	94	68	37	38
	Percentage	38.6	24.4	17.6	9.6	9.8
Satisfaction Level of Government's Notifications Regarding the First Stage of implementing the Subsidies Reorientation Plan	Frequency	120	115	77	60	14
	Percentage	31.1	29.8	19.9	15.5	3.6
The Success of Policy Makers and Government's Planners in Managing the Difficulties associated with the first stage of the Plan	Frequency	175	106	74	22	9
	Percentage	38.3	30.8	22.5	6	2.3

From the information presented in Table 4, it can be observed that the majority of respondents across the province have a low level of satisfaction of planning and implementation of the legislation as well as the level of notification provided by the government. The majority of respondent also believed that the government has not been successful in controlling the recession in the market and management of problems associated with implementation of the first phase of its plan (table 5).

Table 5. Frequency Distribution of the 11th Government's Performance in the Second Phase of Implementing the Plan

11th Government's Performance in the Second Phase of Implementing the Plan		Very Low	Low	Medium	High	Very High
Satisfaction Level of Government's Planning of the Second Stage of Subsidies Reorientation Plan	Frequency	138	128	81	35	4
	Percentage	35.8	33.2	21	9.1	1
The Success of Policy Makers and Government's Planners in Managing the Difficulties associated with the Second Stage of the Plan	Frequency	117	117	105	35	12
	Percentage	30.3	30.3	27.2	9.1	3.1

From the information presented in Table 5, it can be observed that the majority of respondents across the province have a very low satisfaction level from the government's planners and policy makers and believe they have not performed successfully in dealing with problems and challenges of implementation of the second stage of subsidies reorientation plan (table 6).

9 Inferential Statistics

Table 6. Kolmogorov-Simirnov Test of Different Components of Study

Variable	k-s	Sig
Satisfaction of Subsidies Reorientation Plan	2.184	0.000
Identification of Targeted Group	2.184	0.000
Condition of People's Welfare	1.385	0.043
Resulting Inflation and Recession as the result of Implementing the Plan	2.696	0.000
Consistency (or lack of it) of cash subsidies received with additional expenses caused by liberation of prices	2.219	0.000
Condition of domestically produced goods	2.744	0.000
Management of the Plan and long-term vision	1.760	0.000

Paying attention to the data presented in the table above such as (Sig<0.05), it can be stated that hypothesis H0 is utterly rejected and hypothesis H1 which indicates that data input are not normal is accepted (table 7).

Hypothesis 1:

The level of public satisfaction from implementation of subsidies reorientation plan in the province is low

Table 7. Distribution of Respondents Opinions on Public Satisfaction Level of Implementation of Subsidies Reorientation Plan

Case	low	High	Average	Devation	Deviation in Calculation of Average Value	Significance Level of two line tests	t	df	Significance Level of the T test
Social Humanity aspects	0.88	0.12	15.05	7.35	0.323	0.000	-27.64	387	0.000

Results in Table 7 show that 88% of respondents believe that the satisfaction level of people in Ilam Province from subsidies reorientation plan is very low, low or average and 12% believed satisfaction level is high or very high. The average of this index is 15.5 and the t test for comparing these averages with a base of 24 shows that the obtained average in a meaningful way is lower than 24(sig=0.000 and t=27.64). Therefore the satisfaction level of public in Ilam is at a low level (table 7).

Hypothesis 2:

There is a meaningful relationship between the identification of the targeted group and satisfaction level of public in Ilam province.

Table 8. Obtained Results from the relationship between targeted group and satisfaction level of people in Ilam province

Type of Examination	Dependent Variable	Independent Variable	R	P
Spearman	Satisfaction Level	Identification of the Targeted Group	0.777	0.0000

Results obtained from Table 8 show that there is a relationship between identification of the targeted group and satisfaction level of people in Ilam province variables (Taking into account (r=0.777 and sig=0.000 with an error of 1%, this statement is 99% true). Therefore it can be concluded that there is a meaningful and positive relationship between the identification of targeted group and satisfaction level of people in Ilam in regards to implementation of subsidies reorientation plan (table 8).

Hypothesis 3:

There is a meaningful relationship between welfare of the people and their satisfaction level of implementing the subsidies reorientation plan.

Table 9. Results for the relationship between welfare of the people and their satisfaction level of implementing the subsidies reorientation plan

Type of Examination	Dependent Variable	Independent Variable	R	P
Spearman	Satisfaction Level	Welfare of the People	0.573	0.0000

Results obtained from Table 9 show that there is a relationship between welfare of the people and public satisfaction level in Ilam province variables (Taking into account (r=0.573 and sig=0.000 with an error of 1%, this statement is 99% true). Therefore it can be concluded that there is a meaningful and positive relationship between the welfare of the people and their satisfaction level of implementing the subsidies reorientation plan.

Hypothesis 4:

There is a relationship between the resulting inflation and public satisfaction level of implementing the subsidies reorientation plan (table 10)

Table 10. Results for the relationship between the resulting inflation and public satisfaction level of implementing the subsidies reorientation plan

Type of Examination	Dependent Variable	Independent Variable	R	P
Spearman	Satisfaction Level	Resulting Inflation	0.339	0.0000

Results obtained from Table 10 show that there is a relationship between the resulting inflation and public satisfaction level in Ilam province variables (Taking into account (r=0.339 and sig=0.000 with an error of 1%, this statement is 99% true). Therefore it can be concluded that there is a meaningful and positive relationship between the resulting inflation and public satisfaction level of implementing the subsidies reorientation plan (table 10).

Hypothesis 5:

There is a relationship between the consistency (or lack of it) of cash subsidies received with additional expenses caused by prices liberation

Table11. Results for the relationship between the consistency (or lack of it) of cash subsidies received with additional expenses caused by prices liberation and public satisfaction level of implementing the subsidies reorientation plan

Type of Examination	Dependent Variable	Independent Variable	R	P
Spearman	Satisfaction Level	consistency (or lack of it) of cash subsidies received	0.574	0.0000

Results obtained from Table 11 show that there is a relationship between the consistency (or lack of it) of cash subsidies received with additional expenses caused by prices liberation in Ilam province variables (Taking into account r=0.574 and sig=0.000 with an error of 1%, this statement is 99% true). Therefore it can be concluded that there is a meaningful and positive relationship between the consistency (or lack of it) of cash subsidies received with additional expenses caused by prices liberation and public satisfaction level of implementing the subsidies reorientation plan (table 12).

Hypothesis 6:

There is a meaningful relationship between the current quality of domestically made products and satisfaction level of people in Ilam from implementation of subsidies reorientation plan

Table12. Results for the relationship between the current quality of domestically made products and satisfaction level of people in Ilam from implementation of subsidies reorientation plan

Type of Examination	Dependent Variable	Independent Variable	R	P
Spearman	Satisfaction Level	current quality of domestically made products	0.550	0.0000

Results obtained from table 12 show that there is a relationship between the current quality of domestically made products and satisfaction level of people in Ilam province variables (Taking into account r=0.550 and sig=0.000 with an error of 1%, this statement is 99% true). Therefore it can be concluded that there is a meaningful and positive relationship between the current quality of domestically made products and satisfaction level of people in Ilam from implementation of subsidies reorientation plan (table 12).

Hypothesis 7:

There is a meaningful relationship between the Management of the Plan and long-term vision of planners and satisfaction level of people in Ilam from implementation of subsidies reorientation plan

Table13. Results for the relationship between the Management of the Plan and long-term vision of planners and satisfaction level of people in Ilam from implementation of subsidies reorientation plan

Type of Examination	Dependent Variable	Independent Variable	R	P
Spearman	Satisfaction Level	Management of the Plan and long-term vision of planners	0.550	0.0000

Results obtained from Table 13 show that there is a relationship between the Management of the Plan and long-term vision of planners and satisfaction level of people in Ilam province variables (Taking into account r=0.550 and sig=0.000 with an error of 1%, this statement is 99% true). Therefore it can be concluded that there is a meaningful and positive relationship between the Management of the Plan and long-term vision of planners and satisfaction level of people in Ilam from implementation of subsidies reorientation plan (table 13).

Table 14. Prediction of public's satisfaction level of implementation of subsidies reorientation plan based on the variables of this study

Prediction Variables	R	R^2	F	P		T	P
Constant Level					-0.071	-0.098	0.922
Identification of Targeted Group					0.841	12.15	0.000
Situation of People's Welfare					0.214	3.53	0.000

Resulting Recession and Inflation from Implementation of the Plan	0.81	0.66	128.027	0.000	-0.200	-2.52	0.012
The Consistency (or Lack Of it) of Cash Subsidies Received with Additional Expenses Caused by Liberation of Prices					0.373	3.662	0.000
Current Quality of Domestically Made Products					-0.081	-0.924	0.356
Management of the Plan and Long Vision Planning					0.258	3.20	0.001

As it can be observed from Table 14, based on the results obtained from linear regression, prediction of public's satisfaction level from implementation of subsidies reorientation plan based on the variables of this study and multiple correlation coefficient (MR=0.81) is possible and the value of F=128.027, which on the level of P<0.001 is logical. The results also show that 0.77% variance of public satisfaction level based on the variables of this study can be explained, and identification of the targeted group with (β=0.84), consistency or inconsistency of paid cash subsidies with prices liberation with (β= 0.377) , management of the plan and long-term planning with (β=0.258), current situation of people's welfare with (β=0.214) and the resulting recession and inflation from implementation of the plan with (β=0.200) are the best parameters in predicting the satisfaction level of people from implementation of subsidies reorientation plan respectively.

10 Conclusion

The Legislation of Subsidies Reorientation and its execution has been one of the most important and largest projects in the public policy making sector in Islamic Republic of Iran. This legislation has been implemented within the framework of the "Economic Development Plan" by the tenth government of Iran to tackle and reorganize structural problems associated with the economy and to support low income and vulnerable sections of the society. Multiple problems associated with the plan such as failure in identifying the targeted groups correctly, its inflationary effects, inconsistency between the amount of paid cash subsidies to the population with the costs resulted from liberation of prices, weak management and lack of long-term vision and planning have all been effective reasons for low level of satisfaction from implementation of the plan amongst the people. Finally, this study shows that satisfaction level of Ilam's population from implementation and its planning and management during the first and second stages are low, even though the government has had some success in the second phase of the plan in controlling inflation, foreign currencies exchange rates and the market, people still are unsatisfied of the implementation of the plan in its previous format.

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