

Project 1 - Investigating the effects of energy price shocks on social welfare

Development I (Industrial policy)

1. Project

One of the most important welfare policies implemented in Iran is reducing energy subsidies and paying them in cash to the people in 2010, whose amount has been adjusted according to inflation in recent years. In 2019, a policy was implemented to reduce the gasoline price subsidy. In this project, you are asked to evaluate the welfare effect of these two policies. You can make use of any method and software you like.

2. Essay question

Both of the mentioned policies have been carried out in order to increase energy prices, but they have brought different reactions in society. What are the prerequisites for the implementation of these policies? (500 words)