

Impact of Removing Energy Subsidy on the Environment Improvement (Air Pollution)

Topic: Energy consumption and CO2 emissions

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Changes in government policy such as current reform of energy subsidies in Iran and other countries in which energy per capita consumption is very high, would have two positive impacts: to increase government's income and the other reduce pollution due to decrease energy consumption. This paper would investigate the latter. For this purpose a link will be provided between energy demand functions by using econometric models and the other environment input-output model to estimate environment improvement and reduction on pollutions due to removing subsidy. Two types of energy demand functions are considered for gasoline, and gas. Pollution impacts cover different types of air pollutions.