

Abstract

From the early ages of the agriculture, water usage problem has been a very important issue. Today, massive and uncontrolled use of surface and underground water has led the problem of water shortage to a very critical level. Agricultural water market is a proper way of allocating water between agriculturists and also it is a useful way to reduce effects of water shortage. The purpose of this study is to determine effective parameters of development of the underground water market in Hamedan province. Since the most important underground water of Hamedan province is located in Hamedan – Bahar plains, These plains were selected as the study region and a random sample of 240 agriculturalists were selected as the society region. Gathered data were entered into Logit, Probit and Tobit as panel data and were estimated. Estimation results shows that between various different parameters land area, water amount of wells, well usage duration, irrigation method and legal licenses has significant effects on development of underground water market. And In the end, some suggestions were made in regard to that matter.

Key words: Water market, panel Data, Hamedan Province



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