

CHAPTER NINE

SOCIAL AFFAIRS

Iran's population, with a growth of 1.7 percent compared with the previous year reached 65.7⁽¹⁾ million in 1381. The population under the age of 20 made up 44.8 percent of the total population. This figure for the population under 25 years of age was 56.1 percent. Active population went up by 3.1 percent to 20.4 million.

Population and Labor Force

In the review year, 65.2 percent of the population dwelled in urban and 34.8 percent in rural areas. Urban population increased by 0.6 percentage point and rural population decreased by the same figure, owing to the continued migration from rural to urban areas.

Data drawn by Statistical Center of Iran (SCI) indicates that unemployment rate in Bahman, 1381 with 2.5 percentage point reduction against the previous year reached 12.2 percent (the respective figure for the previous year was 14.7 percent). This figure for Ordibehesht, 1381 was 12.6 percent. The noticeable rise in investment, especially private sector investment, and banking facilities extended out of Gharz-al-hasaneh deposits and administered funds for employment creation were among factors which helped reduce the unemployment rate. On the basis of the mentioned data, unemployment among the male population declined from 11.7 percent in Ordibehesht, 1381 to 10.9 percent in Bahman while this rate increased by 1.9 percentage points from 17.6 percent to 19.5 percent among the female population. This increase in unemployment rate among female population was due to the incongruity between the high rate of their social and economic contribution and appropriate job opportunities. Unemployment rate in Ordibehesht and Bahman, 1380 was 13.3 and 13.9 percent for male and 16.9 and 18.9 percent for female, respectively.

Unemployment rate in urban areas declined by 1.6 percentage point from 14.7 percent in Ordibehesht, 1381 to 13.1 percent in Bahman, while in rural areas it went up by 1.1 percentage point from 10.0 to 11.1 percent. These figures for Ordibehesht and Bahman, 1380 were 15.4 and 15.0 percent in urban and 12.0 and 14.3 percent in rural areas, respectively.

With regard to the nature of unemployment, to overcome this issue, adoption of appropriate structural policies and measures are deemed essential. Rise in investment and production, stability of macroeconomic policies and revision of certain rules and regulations pertaining to labor market such as labor law and unemployment insurance along with policies aiming at labor force supply play an important role in making a balance between supply and demand of labor force.

(1) Estimated by the Management and Planning Organization

Major Job Creation Policies

1. Allocation of directed credits

Data related to the approved and actual figures of directed facilities extended in 1381 indicate that out of the total Rls. 4,200 billion directed credits, Rls. 2,235 billion was earmarked to be extended as job creation facilities, Rls. 932 billion (41.7 percent) of which was approved. Agent banks extended Rls. 877 billion to approved projects.

2. Allocation of administered funds

To reduce unemployment and in accordance with the 3rd Plan policies, efficient strategies were adopted to allocate job creation credits. To this end, government was authorized to extend facilities to job creating projects and small scale industries in the framework of annual budget and through administered funds, and provide part of their profit and commission.

3. Article 56 of the 3rd Plan Law

According to this Article, the banking system is obliged to take measures during the course of the 3rd Plan, to extend at least 70 percent of Gharz-al-hasaneh savings to real individuals to create new job opportunities, after deducting legal and contingency reserves which doesn't exceed its 20 percent.

The total facilities paid out of these deposits amounted to Rls. 11,067 billion at the end of 1381. The ratio of the performance of facilities extended by banks to their determined quota was 115 percent.

4. Utilization from Oil Stabilization Fund (OSF)

In 1381, the Cabinet approved \$ 2 billion foreign exchange facilities out of the OSF to be extended to the private sector through the banking system aiming at job creation projects. The performance of these facilities shows that the concluded contracts include 397 projects valuing at \$ 1,825.6 million.

5. Support Fund for Job Opportunities

According to 1381 Budget Law, Rls. 500.5 billion was allocated to the "Support Fund for Creation of Job Opportunities" as the government contribution to the Fund's capital. These funds are used for extending facilities for self-employment projects with quick return.

The minimum monthly nominal wage increased by 22.8 percent in 1381. Considering 15.8 percent inflation rate, the minimum monthly real wage edged up by 6.1 percent, which is higher than labor force productivity growth.

Unemployment Insurance Fund

Data reveal that the number of pensioners benefiting from Unemployment Insurance Fund rose by 27 percent compared to the previous year to reach 116,268 persons at the end of 1381. Considering 91,248 pensioners at the end of 1380, number of pensioners benefiting from Unemployment Insurance Fund reached 190,168 persons, up by 31 percent compared to the previous year.

Income Distribution

Income distribution inequality index in urban areas in 1381 shows that 10 percent of the richest enjoyed 32.4 percent of the country's total income, while the share of 10 percent poorest was solely 1.9 percent. The share of the poorest declined by 9.5 percent, while the share of the

richest increased by 5.2 percent as compared with the previous year. Accordingly, the ratio of 10 percent richest to the poorest with 17.4 percent rise became 16.9 times in 1381 against 14.4 times in 1380, indicating further inequality in income distribution in urban areas.

In the review year, the share of 40 percent of low-income households was 14.98 percent of the total revenue (expense), that of 40 percent of medium income was 36.06 percent and that of 20 percent of high income was 48.95 percent.

Gini coefficient in urban areas with 5.17 percent increase reached 0.4191, indicating further inequality in income distribution in urban areas.

INCOME DISTRIBUTION INEQUALITY INDEX IN URBAN AREAS

	1379	1380	1381
Gini coefficient	0.3991	0.3985	0.4191
Share of 40% of low-income households (percent)	15.89	15.94	14.98
Share of 40% of medium-income households (percent)	37.11	37.14	36.06
Share of 20% of high-income households (percent)	47.00	46.92	48.95
Ratio of richest 10% of households to poorest 10%	15.0	14.4	16.9

Household Budget in Urban Areas

In 1381, average annual gross expenditures of an urban household equaled Rls. 43,876 thousand (Rls. 3,656 thousand per month), up by 25.2 percent compared to the previous year, 27.3 percent of which was related to “food, beverages and tobacco” group, 27 percent to “housing, water, fuel and power” group, and 15.5 percent to “transport and communication” group which grew by 18.9, 26.4 and 41.3 percent, respectively compared to the previous year.

In the review year, the total gross annual income of an urban household amounted to Rls. 40,253 thousand (Rls. 3,354 thousand per month). Of this figure, 74.2 percent was related to gross cash income and 25.8 percent to income in kind. The total income (in cash and in kind) increased by 27.1 percent in 1381 as compared with the previous year. 26.6 percent was attributable to cash income and 28.6 percent to income in kind.

Education

In 1381, the literacy rate among the age group of 6 years and over with 0.9 percentage point growth reached 84.9 percent. Enrollment in the age group of 6-14 years in various areas edged up and reached 95.8 percent. Literacy rate among the age group of 6-29 years rose to 95.6 percent.

In 1381/82 academic year, 17.1 million students were studying at various educational levels, showing a 3.9 percent reduction as compared with the previous year figure⁽¹⁾. Of the total 17.1 million students, number of students studying at primary schools fell by 6.5 percent which was due to decline in birth rate. Moreover, number of students in junior high school, high school and pre-university levels decreased by 1.8, 4.0 and 4.7 percent, respectively.

LITERACY RATE IN THE POPULATION AGED SIX YEARS AND OVER

	(percent)		
	Whole country	Urban areas	Rural areas (1)
1380	84.0	90.5	73.5
1381	84.9	91.5	74.3

Source: Management and Planning Organization

(1) Includes unsettled population.

ENROLLMENT AND LITERACY RATES

	(percent)	
	1380	1381
Enrollment rate (6-14 years)		
Urban areas	79.6	98.0
Rural areas	88.9	89.3
Whole country	95.0	95.8
Literacy rate (6-29 years)		
Urban areas	97.5	97.7
Rural areas	90.2	90.6
Whole country	95.1	95.6

Source: Management and Planning Organization

(1) About 0.5 million of these students were adult students with 1.5 percent decline over the respective previous figure.

The number of classes in all schools totaled 666 thousand, showing 0.2 percent reduction as compared with the previous year. Of this figure, 62.5 percent was related to urban and 37.5 percent to rural areas.

Educational indices of “student to school”, “student to class” and “student to teacher” in 1381/82 academic year improved mainly owing to reduction in total number of students.

INDICES OF EDUCATIONAL QUALITY

	Academic year				
	1377/78	1378/79	1379/80	1380/81	1381/82
Student to school	167.8	159.3	145.7	137.3	123.1
Student to class	28.9	28.4	27.3	25.8	24.9
Student to teacher	20.7	19.5	19.4	18.9	18.4

Source: Ministry of Education

In 1381/82 academic year, number of university students rose from 1.6 million to 1.7 million. The number of students in public universities and higher education institutes and Payem-e-Noor University increased by 6.5 percent to 809.6 thousand and that of Islamic Azad University with 12.2 percent rise reached 904.9 thousand students. Number of male and female students grew by 5.8 and 13.2 percent to 844.5 and 870 thousand students, respectively.

NUMBER OF UNIVERSITY STUDENTS

(person)

	Academic year		Percentage change		Share (percent)	
	1380/81	1381/82	1380/81	1381/82	1380/81	1381/82
	Public universities and higher education institutes	759,870	809,546	3.6	6.5	48.5
Female	378,365	412,848	9.2	9.1	24.1	24.1
Male	381,505	396,719	-1.5	4.0	24.4	23.1
Islamic Azad University	806,639	904,869	-3.5	12.2	51.5	52.8
Female	390,068	457,126	1.9	17.2	24.9	26.7
Male	416,571	447,743	-5.0	7.5	26.6	26.1
Total	1,566,509	1,714,436	-2.0	9.4	100.0	100.0

Source: Ministry of Science, Research and Technology, and Islamic Azad University

Health and Medical Care

On the basis of the data released by the Medical Council, the number of physicians, dentists and pharmacists in 1381 rose by 6.7, 9.3 and 5.0 percent to 77,755, 14,751 and 11,306 persons, respectively. Ratio of population to physician, dentist and pharmacist was improved to 844, 4,451 and 5,807 persons; moreover, the ratio of population to hospital bed increased from 592 persons in 1380 to 593 persons in 1381.

Social Security

Non-Contributory Program

In 1381, the number of people covered by Imam Khomeini Relief Committee plunged by 18.4 percent to 6.0 million, 1.8 million of whom were aid recipients.

**NUMBER OF PEOPLE COVERED BY IMAM KHOMEINI RELIEF COMMITTEE
AND AMOUNT OF GRANTS PROVIDED**

	1379	1380	1381	Percentage change	
				1380	1381
Total number of people (thousand persons)	6,887	7,402	6,038	7.5	-18.4
Amount of grants (billion rials)	3,803.1	4,676.4	5,749.9	23.0	23.0

Source: Imam Khomeini Relief Committee

Contributory Program

The Social Security Organization insures workers and employees subject to Labor Law through obligatory partnership plans and self employees through contracts. The number of main insured and their dependents in 1381 with 3.3 percent rise reached 6,588 thousand persons. Of this figure, 98.2 percent were employed and 1.8 percent (116 thousand persons) unemployed benefiting from unemployment insurance and up by 23 thousand persons compared to the previous year. In the review year, only 3.5 percent of the total unemployed persons had unemployment insurance.

Government employees and their dependents, villagers and self employees benefited from medical insurance by the Medical Services Insurance Organization, affiliated to the Ministry of Health and Medical Education. In the review year, number of persons insured by this Organization went up by 3.5 percent to 32.7 million, covering 49.8 percent of the total population.