

# CHAPTER NINE

## SOCIAL AFFAIRS

One of Iran's achievements during the past years has been reduction in the population growth rate, which is in turn due to the downward trend of fertility rate. Changes in the population age-structure have brought about additional demand for education, health and employment. Improvement in social indicators such as education, health and income distribution reflects special attention paid to the social affairs during the recent years.

### Population and Labor Force

Iran's population, with 0.1 percentage point reduction compared to the year before grew by 1.6 percent in 1382 to 66.7 million, 65.8 percent of which dwelled in urban and 34.2 percent in rural areas.

The population under 20 and 25 years constituted 43.3 and 55.3 percent of the total population, respectively, so that youth coefficient, i.e. the ratio of population under 15 years to total population reached 29.7 percent. This ratio has been declining in recent years due to population control policies.

Active population with 2.9 percent growth increased to 21 million. General activity ratio went up from 31.1 percent in 1381 to 31.5 percent in the review year, and dependency burden lowered to 267 persons from 275 persons.

#### POPULATION AGE STRUCTURE

	(percent)		
Age groups	1380	1381	1382
Young population (under 15)	31.9	30.8	29.7
Population (15-64)	63.3	64.5	65.6
Old population (over 64)	4.8	4.7	4.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Labor Market

On the basis of the data released by the Statistical Center of Iran, unemployment rate in the fourth quarter of 1382 with 0.9 percentage point decline compared to respective figure of the previous year reached 11.3 percent. Unemployment rate in the first quarter was 11.6 percent. Reduction in unemployment rate in the review year was basically attributable to remarkable rise in investment, especially private sector investment, extending of job creation facilities and return of some Afghan refugees. Unemployment rate among male population declined from 10.1 percent in Ordibehesht to 9.8 percent, and among female population increased by 0.1 percentage point from 20.4 to 20.5 percent. Rise in unemployment rate among the female is mainly owing to increase in female participation on the one hand, and shortage in creation of job opportunities for the female on the other. Unemployment rate in first and last quarters of 1381 was 11.7 and 10.9 percent for male and 17.6 and 19.5 percent for female, respectively. Unemployment rate in urban areas declined by 0.7 percentage point from 12.8 percent in first quarter to 12.1 percent in last quarter, while in rural areas it went up by 0.5 percentage point from 9.4 percent to 9.9 percent.

On the basis of the sample survey done by the Statistical Center of Iran in the review year, 20.9 percent of active population were employed in agriculture sector, 31 percent in manufacturing and 48.1 percent in services sector, showing decline in the share of agriculture and increase in the share of manufacturing and services sectors. The share of agriculture, manufacturing and services sectors out of total employed population in 1381 was 24.4, 29.6 and 46 percent, respectively.

## **Major Job Creation Policies**

### **1. Allocation of Directed Credits**

Review of directed credits (approved and actual) extended in 1382 indicates that out of the total Rls. 3,600 billion credits, Rls. 2,070 billion was earmarked to be extended as job creation facilities, of which Rls. 881 billion (42.6 percent) was approved. In this year, the banks extended Rls. 755 billion to the approved projects.

### **2. Allocation of Administered Funds**

To reduce unemployment and pursue efficient allocation of job creation facilities, in accordance with the 3<sup>rd</sup> Plan Law, the government was authorized to extend facilities to job creating projects and small-scale industries from the annual budget and administered funds. Government support includes payment of part of profit and commission accrued to such facilities.

### **3. Article 56 of the 3<sup>rd</sup> Plan Law**

The outstanding of facilities extended in the framework of Article 56 of the 3<sup>rd</sup> Plan Law went up by Rls. 379.5 billion compared to the previous year-end to Rls. 11,438.2 billion at the end of 1382.

### **4. Utilization from Oil Stabilization Fund (OSF)**

To support productive activities, aiming at creating new job opportunities, the OSF resources were utilized. Performance of facilities extended from the OSF shows that a total of \$ 8,054.5 million was earmarked for projects with job-creating targets, and the value of contracts concluded for such projects amounted to \$ 4,287.2 million.

### **5. Support Fund for Job Opportunities**

According to the Budget Law for 1382, Rls. 500 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 to self-employment projects with quick return up to a maximum of Rls. 30 million.

## **Unemployment Insurance Fund Performance**

At the end of 1382, the number of pensioners benefiting from Unemployment Insurance Fund grew by 13.4 percent to 131,842 persons.

## **Wage and Salary**

The High Council of Employment is responsible for determining the workers’ minimum wage, on an annual basis. The minimum monthly nominal wage in 1382 with 22.2 percent growth compared to the year before was set at Rls. 853,380. Considering the inflation rate (15.6 percent), the minimum monthly real wage went up by 5.7 percent. Moreover, government employees’ salary coefficient rose from 290 to 320. With the inclusion of 5 percent annual increase at the maximum, government employees’ salary coefficient surged by 15.3 percent, almost equal to the inflation rate of 15.6 percent.

## Labor Force Productivity

Labor force productivity by various sectors of the economy indicates growing trend of productivity in the economy, particularly in the manufacturing, agriculture and services sectors.

LABOR FORCE PRODUCTIVITY				(1376=100)
	1380	1381	1382	
GDP at basic price (billion rials)	330,565	355,350	379,009	
Number of employed (person) (1)	16,918,431	17,499,272	18,152,609	
Labor force productivity (thousand rials/person)	19,538.8	20,306.5	20,879.0	
Percentage changes	0.4	3.9	2.8	

(1) Estimates of Management and Planning Organization

LABOR FORCE PRODUCTIVITY BY ECONOMIC SECTORS										(1376=100)
	Industries and mining (1)			Agriculture			Services			
	Value-added (billion rials)	Employed (person)	Productivity (thousand rials/person)	Value-added (billion rials)	Employed (person)	Productivity (thousand rials/person)	Value-added (billion rials)	Employed (person)	Productivity (thousand rials/person)	
1380	74,079	5,338,864	13,875.4	44,738	3,670,408	12,188.8	177,267	7,909,159	22,412.9	
1381	83,162	5,638,950	14,747.8	49,825	3,692,407	13,493.9	186,992	8,167,915	22,893.5	
1382	89,339	5,920,519	15,089.7	53,345	3,713,367	14,365.7	196,559	8,518,723	23,073.8	

(1) Data for number of the employed is estimates of Management and Planning Organization.

## Income Distribution

In 1382, the poorest 10 percent of households in urban areas composed 2 percent and that of richest 10 percent shared 32 percent of the country's total income. The share of the first decile increased by 5.3 percent and that of the tenth decile decreased by 1.2 percent, so that the ratio of richest 10 percent to poorest 10 percent declined by 5.9 percent from 17.1 times in 1381 to 16 times in 1382, indicating an improvement in income distribution in urban areas. Moreover, the reduction in the Gini coefficient in urban areas by 0.8 percent in 1382 as compared with the previous year, is indicative of improvement in income distribution in urban areas.

INCOME DISTRIBUTION INEQUALITY INDEX IN URBAN AREAS			
	1380	1381	1382
Gini coefficient	0.3985	0.4191	0.4156
Share of 40% of low-income households (percent)	15.94	14.98	15.05
Share of 40% of medium-income households (percent)	37.14	36.07	36.54
Share of 20% of high-income households (percent)	46.92	48.95	48.42
Ratio of richest 10% of households to poorest 10%	14.7	17.1	16.0

## Household Budget in Urban Areas

The gross expenditures of each urban household on annual basis went up by 12.9 percent to Rls. 49,515 thousand (Rls. 4,126 thousand monthly) in the review year. Of this amount, 27.2 percent was related to "food, beverages and tobacco", 28.3 percent to "housing, water, fuel and power" and 15.8 percent to "transportation and communications" groups, up by 12.3, 18.3 and 15.2 percent, respectively.

The total gross annual income of an urban household grew by 14.6 percent in 1382 to Rls. 46,131 thousand (Rls. 3,844 thousand monthly), 73.7 percent of which was gross cash income and 26.3 percent in-kind. Cash income went up by 13.7 and income in-kind by 17.2 percent. Rental equivalence of owner occupied house constituted 21.1 percent of total cash and income in-kind.

## Education

In 1382, literacy rate among the age group of 6 years and over grew by 0.6 percentage point to 85.5 percent. Enrollment rate in the age group of 6-14 years in various areas edged up and reached 96 percent. Literacy rate among the age group of 6-29 years with 0.7 percentage point growth reached 96.3 percent.

Number of students declined to 16.5<sup>(1)</sup> million persons in 1382-83 academic year, down by 7.5 percent compared to the previous year as a result of reduction in population growth. Number of students at various educational levels, i.e. primary schools, junior high schools, high schools and pre-universities declined by 5.4, 3.8, 20.8 and 4.2 percent, respectively.

In 1382-83 academic year, total number of students studying at public universities and Islamic Azad University went up from 1.7 million to 1.9 million. Number of students of public universities and higher education institutes and Payam-e Noor University rose by 14.1 percent to 923.9 thousand students, and that of Islamic Azad University with 6.7 percent increase to 968.2 thousand students. Number of male and female students with 8.6 and 12.1 percent increase reached 917.1 and 975 thousand students, respectively.

### LITERACY RATE IN THE POPULATION AGED SIX YEARS AND OVER

	(percent)		
	Total	Urban areas	Rural areas (1)
1381	84.9	91.5	74.3
1382	85.5	92.0	74.8

Source: Management and Planning Organization

(1) Includes unsettled population.

### ENROLLMENT AND LITERACY RATES

	(percent)	
	1381	1382
<b>Enrollment rate (6-14 years)</b>		
Urban areas	98.0	98.5
Rural areas	89.3	91.0
<b>Total</b>	<b>95.8</b>	<b>96.0</b>
<b>Literacy rate (6-29 years)</b>		
Urban areas	97.7	98.0
Rural areas	90.6	93.0
<b>Total</b>	<b>95.6</b>	<b>96.3</b>

Source: Management and Planning Organization

### INDICES OF EDUCATIONAL QUALITY

	Academic year			
	1379/80	1380/81	1381/82	1382/83
Student to school	145.7	137.3	127.5	121.0
Student to class	27.3	25.8	24.9	24.3
Student to teacher	18.8	18.4	17.7	17.0

Source: Ministry of Education

### NUMBER OF UNIVERSITY STUDENTS

	(person)					
	Academic year		Percentage change		Share (percent)	
	1381/82	1382/83	1381/82	1382/83	1381/82	1382/83
<b>Public universities and higher education institutes (1)</b>	<b>809,546</b>	<b>923,913</b>	<b>6.5</b>	<b>14.1</b>	<b>47.2</b>	<b>48.8</b>
Female	412,848	493,420	9.1	19.5	24.1	26.1
Male	396,719	430,493	4.0	8.5	23.1	22.8
<b>Islamic Azad University</b>	<b>904,869</b>	<b>968,206</b>	<b>12.2</b>	<b>6.7</b>	<b>52.8</b>	<b>51.2</b>
Female	457,126	481,590	17.2	5.4	26.7	25.5
Male	447,743	486,616	7.5	8.7	26.1	25.7
<b>Total</b>	<b>1,714,436</b>	<b>1,892,119</b>	<b>9.4</b>	<b>1.0</b>	<b>100.0</b>	<b>100.0</b>

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

(1) Includes Payam-e Noor University students.

(1) About 500,000 of students were adult students. This number indicates 5 percent reduction compared to respective figure of the previous year.

## Health and Medical Care

On the basis of the data released by the Medical Council, the number of physicians, dentists and pharmacists in 1382 rose by 3.1, 5.8 and 0.9 percent to 80,156, 15,609 and 11,406 persons, respectively. Ratio of population to physician, dentist and pharmacist was improved to 832, 4,273 and 5,848 persons in the review year.

## Social Security

### Non-contributory Program

In 1382, under non-contributory program the number of people covered by Imam Khomeini Relief Committee was reduced by 0.1 percent to 6 million, 2 million of whom were ad hoc recipients.

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

	1380	1381	1382	Percentage change	
				1380	1381
Total number of people (thousand persons)	7,402	6,038	6,030	-18.4	-0.1
Amount of grants (billion rials)	4,676.4	5,749.9	6,140.2	23.0	6.8

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 insured and their dependents in 1382, with 7 percent rise, reached 7,048.9 thousand persons. Of this figure, 85.4 percent was employed and 1.9 percent (132 thousand persons) unemployed benefiting from unemployment insurance, showing a rise of 16 thousand persons compared to the previous year. The remaining 12.7 percent were optional insured, free professions, truck drivers and insurance sector employees.

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 2.9 percent to 37.7 million, covering 56.5 percent of the total population.