

In 2021/22, one year after the widespread impact of COVID-19 and the easing of restrictions, most businesses, particularly in the services sector, resumed their operation. However, the economically *inactive* population continued to rise, leading to a decline of 0.4 percent in participation rate compared with 2020/21. To offset the adverse economic effects of COVID-19, the CBI's and the banking network's measures were focused on formulating and implementing several policy packages in coordination with the National Taskforce for Combating COVID-19, aimed at increasing the purchasing power of households and preventing business closures.

9.1. Population and Human Resource

According to the SCI, Iran's total population rose by 0.8 percent, compared with the year before, to 84.1 million persons in 2021/22. The urban population grew by 1.3 percent to 63.9 million, while the rural population decreased by 0.9 percent to 20.2

million persons. In the year under review, 76.0 percent of the population were residing in urban areas, up by 0.4 percentage point compared with 2020/21. Sex ratio (the number of males per 100 females) reached 102.1 in 2021/22. Meanwhile, the number of households increased by 1.6 percent to 26.4 million. Of all households, 20.4 million were residing in urban areas, up by 2.2 percent, and 6.0 million were living in rural areas, down by 0.4 percent, compared with the year before. Based on the statistics released by the National Organization for Civil Registration, births recorded in 2021/22 totaled 1,116.2 thousand, up by 0.2 percent compared with 2020/21. Considering the number of registered deaths at 544.5 thousand, 571.7 thousand people were added to total population (excluding immigration figures). The death rate by gender (male-to-female death ratio) equaled 126.0 people, indicating a fall compared with 129.4 in the year before. The number of registered deaths in 2021/22, affected by COVID-19, rose by 6.4 percent.

Table 9.1. Vital Statistics

(thousand persons)

	2019/20	2020/21	2021/22	Percentage change	
				2020/21	2021/22
Registered births	1,196.1	1,114.1	1,116.2	-6.9	0.2
Registered deaths	395.3	511.9	544.5	29.5	6.4

Source: National Organization for Civil Registration

9.2. Labor Market

Like any other market in the economy, the labor market is composed of supply and demand sides. The "economically active population" and "participation rate" are the important indicators of the supply side, while the "number of employment opportunities created in different economic sectors" is a significant index on the demand side. The unemployed population and the unemployment rate figures are resulted from the equilibrium between supply and demand. The supply side of the labor market is affected by the demographic structure, especially the population of 15 years of age and over as well as the economic factors. On the demand side, the labor market is influenced by the economic condition. Thus, decisions taken by the labor force (as the supplier) and the economic firms (as the market demand agents) affect the labor market developments. Significant factors on the supply side include the decision to enter the labor market, participation in skills training courses, job-seeking procedures, and wage levels. On the other hand, the type of activity, wage levels, contract types, and working hours affect demand by economic firms. On top of this, sociocultural developments have their impact on the labor market trends. In 2021/22, the labor market experienced favorable conditions following the easing of restrictions, unlike in 2020/21 when the labor market was adversely affected by COVID-19.

9.2.1. Labor Supply

Labor supply is affected by general demographic developments, particularly in the population of 15 years old and over. This population group experienced a rise of 1.1 percent, compared with 2020/21, to reach 63.1 million in 2021/22.

According to the results of labor force survey conducted by the Statistical Center of Iran, the economically active population increased by 0.3 percent (about 85.3 thousand persons), compared with 2020/21, to about 25.8 million in 2021/22. While the economically active population in 2021/22 remained relatively unchanged compared with 2020/21, a comparison of the economically active population of 25.8 million persons of 2021/22 with the highest figure of 2019/20 at 27.2 million persons is indicative of the continued adverse effects of economic sanctions as well as the outbreak of COVID-19. In 2021/22, the economically active population of men increased by 1.1 percent (236.6 thousand persons) to 21.6 million and that of women decreased by 3.5 percent (151.3 thousand persons) to 4.2 million persons. The economically active population in the labor market consisted of about 19.5 million urban and 6.3 million rural dwellers.

Meanwhile, the participation rate reached 40.9 percent in 2021/22, down by 0.4 percentage point compared with the year before. An increase of 0.3 percent in the economically active population, along with a rise of 1.1 percent in the population of 15 years old and over, led to a reduction in the participation rate compared with the year before. The participation rate in urban areas indicated a decrease of 0.1 percentage point to 40.3 percent and that in rural areas declined by 1.0 percentage point to 43.2 percent compared with 2020/21. Furthermore, in 2021/22, the participation rate for men remained unchanged, compared with the previous year, at 68.7 percent. On the other hand, the participation rate for women fell by 0.6 percentage point compared with 2020/21 to 13.3 percent in 2021/22.

Based on the SCI's report, 14.2 million persons were either university graduates or still studying at university in 2021/22, of whom 7.5 million were economically active, while 6.7 million persons were inactive in

the labor market. Accordingly, the participation rate of the educated community was 52.6 percent in 2021/22, indicating 0.1 percentage point decrease compared with the last year's figure.

Table 9.2. Population and Labor Market Developments

(thousand persons)

	2019/20	2020/21	2021/22	Percentage change ¹	
				2020/21	2021/22
Population of 15 years old and over	61,666	62,376	63,066	1.2	1.1
Economically active	27,167	25,737	25,822	-5.3	0.3
Employed	24,274	23,263	23,447	-4.2	0.8
Unemployed	2,894	2,474	2,375	-14.5	-4.0
Participation rate (percent)	44.1	41.3	40.9	-2.8	-0.4
Unemployment rate (percent)	10.7	9.6	9.2	-1.1	-0.4
Urban areas	11.8	10.4	9.9	-1.4	-0.5
Rural areas	7.3	7.2	6.9	-0.1	-0.3
Men	9.0	8.4	7.9	-0.6	-0.5
Women	17.5	15.6	16.0	-1.9	0.4
Youth (15-24 years old)	26.0	23.7	23.7	-2.3	0.0
Urban areas	29.1	26.0	26.1	-3.1	0.1
Rural areas	19.1	18.4	17.6	-0.7	-0.8
Youth (18-35 years old)	17.9	16.7	16.5	-1.2	-0.2
Urban areas	19.6	17.9	17.6	-1.7	-0.3
Rural areas	12.9	12.9	12.7	0.0	-0.2

Source: Statistical Center of Iran (SCI)

¹ Changes in participation rate and unemployment rate are in percentage points.

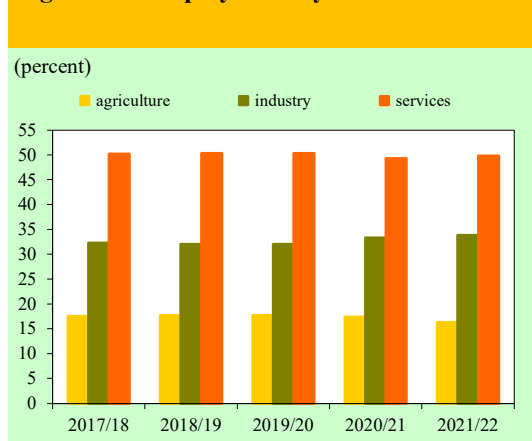
9.2.2. Labor Demand

Comparing employment across various economic sectors shows that the population employed in the services, industry, and agriculture sectors in 2021/22 totaled 23.4 million. This indicated an increase in the number of available jobs by 184.4 thousand (0.8 percent) compared with 2020/21. Employment in the services and industry sectors increased by 217.9 thousand and 180.9 thousand, respectively, thanks to the easing of restrictions in these sectors in the aftermath of the COVID-19 pandemic. However, employment in the agriculture sector declined for the second consecutive year by 215.6 thousand¹. Drought was the main factor behind this decline, particularly in rural areas.

Accordingly, the share of agriculture sector fell by 1.1 percentage points to 16.3 percent. However, the shares of the services and industry sectors in total employment rose by 0.5 percentage point compared with the previous year, amounting to 49.8 percent and 33.8 percent, respectively. Reviewing data on new employment opportunities by gender indicates that 326.6 thousand (1.7 percent) jobs were added to male employment, partly compensating for the jobs lost in 2020/21 during the COVID-19 pandemic. However, 142.2 thousand (3.9 percent) jobs were reduced from female population. Due to the decline in female employment in 2021/22, the share of female employment in total employment fell by 0.7 percentage point, compared with the year before, to reach 15.0 percent in 2021/22.

¹ The discrepancy between the sum total of jobs added or reduced in the services, industry, and agriculture sectors (183.2 thousand) and the number of jobs generated in the whole economy (184.4 thousand) is due to the jobs created or lost in unspecified fields.

Figure 9.1. Employment by Sector



9.2.3. Unemployment

In 2021/22, the unemployed population fell by 4.0 percent (about 99.1 thousand persons) to 2.4 million people and the unemployment rate fell by 0.4 percentage point to 9.2 percent. The unemployment rate of men decreased by 0.5 percentage point to 7.9 percent and that of women rose by 0.4 percentage point to 16.0 percent. The unemployment rate in urban areas was 9.9 percent, down by 0.5 percentage point. In rural areas, the unemployment rate decreased by 0.3 percentage point to 6.9 percent. Continued droughts and the falling level of non-renewable water resources in recent years, leading to the migration of rural job seekers to cities, have led, more than other factors, to higher growth in unemployment in urban areas than that in rural areas.

9.2.4. Facilities Extended for Employment Generation

In 2021/22, the banking network implemented measures to provide the required liquidity to production units and offered them low-interest facilities, with the aim of supporting their operations and preventing widespread unemployment. Based on pre-

liminary figures, the value of facilities extended by the banking network to this cause rose 56.3 percent, from Rls. 18,989.2 trillion in 2020/21 to Rls. 29,681.6 trillion in 2021/22. The share of the working capital in banking facilities was almost 65.3 percent, indicating a rise of roughly 4.0 percentage points compared with the year before.

Based on latest data, in 2021/22, a sum of Rls. 131.3 trillion worth of Gharz-al-hasaneh facilities was allocated to employment generation by public and private banks as well as credit institutions. Out of this sum, in accordance with Note (16), Budget Law for 2021/22, Rls. 107.4 trillion worth of facilities was disbursed to the beneficiaries of State Welfare Organization and Imam Khomeini Relief Foundation for employment generation, Rls. 12.9 trillion was allocated to knowledge-based companies and new ventures to combat unemployment, and the remaining amount was paid out to the disabled war veterans, underprivileged areas, and home-based businesses. Based on the Budget Law for 2021/22, the value of credits approved to be allocated to the said employment generation objectives totaled Rls. 230.0 trillion, which, compared with the amount actually allocated (a sum of Rls. 131.3 trillion), indicates a performance rate of 57.1 percent, as against 66.3 percent in the year before. Furthermore, based on data released by the Ministry of Cooperatives, Labor, and Social Welfare, approximately Rls. 140.0 trillion worth of facilities was allocated by the agent banks to employment generation projects as of 2017 until march 2022. This was realized based on the "Law of Support for Development of Sustainable Employment in Rural and Nomadic Communities, Utilizing the NDFI's Resources" (the disbursement of the rial equivalent of \$1,500 million out of the financial resources of the National Development Fund of Iran, to be leveraged with

banks' resources for allocation to non-public natural and legal persons residing in villages and towns with a population of less than 10 thousand and with the priority to be given to border and nomadic areas).

9.2.5. Unemployment Insurance Fund

The number of pensioners benefiting from the Unemployment Insurance Fund decreased by 18.5 percent to 174.3 thousand in 2021/22, which is very low compared with the number of the unemployed in this year (2,375 thousand). The number of pensioners added to the Fund in 2021/22 was 178.6 thousand. Therefore, the number of people enjoying unemployment benefits in the year under review reached almost 392.6 thousand¹, down by about 8.3 percent.

Table 9.3. Performance of Unemployment Insurance Fund (thousand persons)

	2020/21	2021/22	Percentage change
Beneficiaries	214.0	174.3	-18.5
New beneficiaries	202.0	178.6	-11.6
Ceased benefits	213.9	218.3	2.0

Source: Social Security Organization (SSO)

The unemployment benefits for 218.3 thousand beneficiaries were cut in 2021/22, mainly attributable to the termination of the eligibility period, accounting for 59.8 per cent of benefit cuts. Other reasons included

finding a new job with a share of 29.6 percent, followed by "retirement, disability, decease, and absence from vocational-technical classes" with a share of 10.6 percent. According to Labor Law, the term of unemployment benefit payment ranges from a minimum of 6 months to a maximum of 50 months as of the first day of getting unemployed. The value of unemployment benefits paid to each beneficiary in each month decreased by 3.3 percent compared with 2020/21 to reach Rls. 2,314.7 thousand.

9.2.6. Wages and Salaries

To promote social justice in the economy and to protect the low-skilled labor force, governments usually adopt a minimum wage policy. The Iranian government is in charge of setting the minimum wage for workers and the salary index for civil servants annually. According to Article (41), Labor Law approved in 1990, the Supreme Labor Council is the body in charge of setting the minimum wage for workers. In 2021/22, the nominal minimum wage (covering one whole month) was determined at Rls. 26.6 million, showing an increase of 39.0 percent compared with the year before. Based on the approvals by the Cabinet, the salary index for civil servants was set at 3,048 points in 2021/22 as compared with 2,438 points in 2020/21. This is indicative of a growth rate of 25.0 percent, which, given an inflation rate of 46.2 percent for 2021/22, shows a decline in real wages and salaries.

Table 9.4. Ceased Benefits and Reasons

		Total ceased benefits	Termination of the eligibility period	Finding a new job	Other ¹
2020/21	Thousand persons	213.9	136.7	53.1	24.2
	Share (percent)	100.0	63.9	24.8	11.3
2021/22	Thousand persons	218.3	130.5	64.6	23.1
	Share (percent)	100.0	59.8	29.6	10.6

Source: Social Security Organization (SSO)

¹ Includes retirement, disability, decease, and absence from vocational-technical classes.

¹ The discrepancy is due to the fact that the number of beneficiaries in each year comprises benefits started in that year plus beneficiaries remaining from the previous year-end.

9.3. Education

9.3.1. General Education

The number of school age students¹ reached 16.3 million in the academic year 2021/22, up by 4.5 percent compared with 2020/21. The number of students in primary schools, 1st period of middle schools, and 2nd period of middle schools increased by 4.0, 3.3 and 3.0 percent, respectively. Meanwhile, the number of students in preschools increased by 15.0 percent and that of adult students rose by 20.6 percent. About 43.3 percent of male and 27.8 percent of female middle school students (2nd period) attended skills training centers as well as vocational-technical schools, indicating the higher tendency on the part of the male students to enter the labor market.

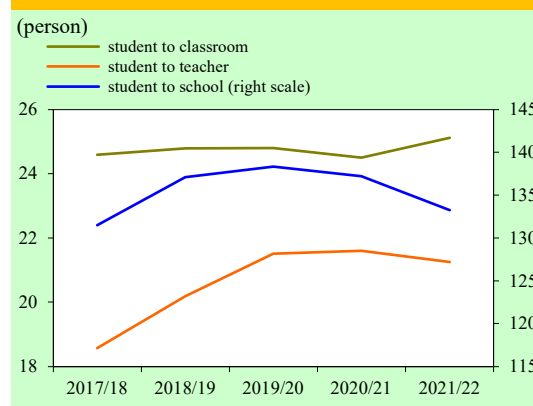
The number of students in private schools increased by 10.8 percent in the academic year 2021/22. Thus, the share of students at private schools in the total number of students (excluding preschools and adult students) increased from 11.6 percent in the academic year 2020/21 to 12.4 percent in the academic year 2021/22. The major factor behind the rise in the number of students in private schools was the students' return to school after COVID-19 shutdowns. The share of students of private schools in the total number of students in all educational stages increased in 2021/22.

The number of schools increased by 1.5 percent to 120.3 thousand and the number of classrooms rose by 1.5 percent to 637.9 thousand. Moreover, the number of teachers increased by 6.0 percent compared with the year before, to 754.3 thousand in 2021/22.

¹ Includes students of preschools, primary schools, 1st period of middle schools, 2nd period of middle schools (vocational-technical schools and skills training centers), as well as adult students.

Thus, the student-school ratio decreased from 137.2 in 2020/21 to 133.3 in 2021/22 and the student-teacher ratio fell by 0.4 point to 21.2 persons. On the other hand, the student-classroom ratio increased by 0.6 point compared with the year before, to 25.1 persons in the year under review². Meanwhile, the number of adults under the coverage of the National Literacy Movement decreased by 1.9 percent compared with 2020/21 to 289.5 thousand persons in the academic year 2021/22.

Figure 9.2. Education Quality Indicators¹



9.3.2. Higher Education

The number of university students (in both public and private universities) rose by 3.7 percent compared with the year before, to 3,330.2 thousand in 2021/22. The number of students in public universities increased by 1.6 percent compared with 2020/21 to 2,138.3 thousand in 2021/22.

² The occasional discrepancies between the figures given on the ratio of students to classrooms, teachers, and schools in this paragraph with the numbers of students, classrooms, teachers, and schools in Tables 47 and 48 in the Appendix section are due to either the inclusion or the exclusion of the number of adult students in each category.

Meanwhile, the number of students in Islamic Azad university increased by 7.6 percent compared with 2020/21 to 1,191.9 thousand in 2021/22, attributable to a rise of 9.7 percent in the number of female students. Men constituted the higher share of enrollments in the fields of "business, administration and law", "Information and Communication Technologies (ICTs)", "en-

gineering, manufacturing, and construction", and "services". On the other hand, female students surpassed male students in number in several other fields including "arts and humanities", "social sciences, journalism and information", "natural sciences, mathematics, and statistics", "education", "health and welfare", and "agriculture, forestry, fisheries, and veterinary" in 2021/22.

Table 9.5. Number of University Students

(thousand persons)

	Academic year		Percentage change		Share (percent)	
	2020/21□	2021/22□	2020/21	2021/22	2020/21	2021/22
Public universities¹	2,104.4	2,138.3	2.1	1.6	65.5	64.2
Women	1,062.5	1,073.8	2.4	1.1	33.1	32.2
Men	1,041.9	1,064.4	1.9	2.2	32.4	32.0
Islamic Azad University	1,107.7	1,191.9	-1.3	7.6	34.5	35.8
Women	512.0	561.7	1.1	9.7	15.9	16.9
Men	595.7	630.2	-3.3	5.8	18.5	18.9
Total	3,212.0	3,330.2	0.9	3.7	100.0	100.0

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

¹ Includes students at universities affiliated to the Ministry of Science, Research, and Technology, Payame Noor University, University of Applied Science and Technology, Farhangian University, Technical and Vocational University, private and nonprofit universities, as well as universities affiliated to the Ministry of Health and Medical Education and other executive organizations.