

In 1390, household final consumption expenditure increased by 4.2 percent (at constant 1383 prices) to Rls. 989,526.6 billion. Household final consumption expenditure, with a share of 44.2 percent in Gross Domestic Product (GDP) at current prices, had a high contribution to the 4.3 percent growth of GDP at constant prices. One of the factors behind the rise in the household final consumption expenditure was the payment of cash subsidy to the Iranian households. In this year, income distribution improved relatively. However, in the fourth quarter of 1390, due to the rise in the inflation rate and unfavorable economic conditions, household expenditure recorded a slight decrease at constant 1383 prices. This is indicative of the negative effects of cash subsidy payments on the economy.

### Socioeconomic Characteristics of Households in Urban Areas

Based on the Household Budget Survey, the downward trend of the household size in urban areas continued in 1390 as in previous years. The average number of household members decreased by 4.6 percent from 3.7 persons in 1389 to 3.53 persons in 1390. This was attributable to the increase in the shares of two- and three-member households<sup>1</sup> and fall in the share of households with four

or more members. Thus, total share of single-, two-, and three-member households rose from 45.2 percent in 1389 to 51.0 percent in 1390 while the share of single-member households decreased by 0.9 percentage point compared with 1389. However, as a substantial portion of the population reached the age when they were ready to be independent from the family, and many of them were willing to continue their education at university level, the number of single-member households has increased over the recent years. Besides, limited employment opportunities in small and medium-sized cities and the migration of the young population from the rural areas or smaller cities to larger cities were among factors that raised the number of single-member households. Rise in the average age for marriage and the low tendency of the newlyweds to have children also caused the total number of household members to fall. It is to be noted that households with four members had the highest share by 28.2 percent in 1390.

Distribution of household members by age groups reveals that during the past 10 years, the share of each group changed in a way that the share of 11-15 years of age decreased from 13.1 percent in 1381 to 7.2 percent in 1390 and for the age group of 16-20 years old, it went down from 14.9 percent in 1381 to 9.0 percent in 1390. On the other hand, the share of the age group of 21-30 increased from 17.1 in 1381 to 22.5 percent in 1390 and for 31-40 years old, it

<sup>1</sup> In 1390, the shares of two- and three-member households were 17.5 and 27.8 percent, respectively, which was the highest over the 1381-1390 period.

went up from 13.0 percent in 1381 to 15.6 percent in 1390. The share of the university educated people in total population rose from 10.4 percent in 1381 to 20.1 percent in 1390. This points to extended human capacity which, in case of appropriate placement, will lead to a rise in welfare and a fall in poverty. High unemployment, especially among the educated young people, indicates that these capacities have not been fully utilized. If this trend continues, economic development and welfare objectives stipulated in the Vision Plan of the Year 1404 will not be actualized.

Distribution of households' employed members based on expenditure deciles shows that of total households in the first decile, 35.5 percent had no employed member in 1390. In the first decile, about 1.6 percent of households were with three employed members and more. The mentioned share in the 2<sup>nd</sup> decile was 2.3 and in the 3<sup>rd</sup> decile, 3.6 percent. Reviewing the characteristics of the high-income deciles reveals that 52.6 percent of the households in the 10<sup>th</sup> decile had one employed person. Moreover, 8.8 percent of total households with one employed person were in the 10<sup>th</sup> decile.

Reviewing the distribution of the employed household members based on economic activity indicates that the highest share by 21.9 percent was related to those household members employed in "other community, social, and personal service activities" group, followed by "wholesale, retail trade, restaurants, and hotels" by 21.6 percent, "mining, manufacturing, and utilities" by 18.4 percent, and "construction" by 14.3 percent. Comparing these shares with the corresponding figures of 1389 shows that the share of the employed household members in "mining, manufacturing, and utilities" has increased more than other groups.

The share of households who are homeowners residing in their owner-occupied dwellings decreased from 64.7 percent in 1389 to 60.8 percent in 1390. It is to be noted that with regard to expenditure deciles, 7.8 percent of households residing in owner-occupied houses in 1390 were in the 1<sup>st</sup> decile, 8.1 percent in the 2<sup>nd</sup> decile, 8.6 percent in the 3<sup>rd</sup> decile, and 12.6 percent (the highest) in the 10<sup>th</sup> decile. In this year, 28.5 percent of households were residing in rental houses, up by 2.8 percentage points compared with the year before. Of total households in the 1<sup>st</sup> decile, 34.8 percent were residing in rentals, showing one percentage point increase compared with 1389. Fall in the household size, coupled with the rise in the total number of households, contributed to the growth of households residing in rentals. Moreover, 4.9 percent of households had one room in their residence, 31.9 percent two rooms, 45.2 percent three rooms, 13.8 percent four rooms, 2.7 percent five rooms, and 1.5 percent six rooms and more.

A review of utilities used by urban households in 1390 indicates that 93.2 percent of households had access to piped natural gas, 99.2 percent to piped water, and 100.0 percent to electricity. Furthermore, 21.8 percent of households had access to internet, indicating 0.5 percentage point decline compared with 1389.

### Household Budget Survey

According to the Economic Statistics Department of the Central Bank, in 1390, average annual household expenditure (gross)<sup>1</sup> in urban areas amounted to Rls. 173.9 million at current prices (Rls. 14,494 thousand monthly), showing 22.8 percent increase compared with the year before. In this year,

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<sup>1</sup> Excluding household expenditure on tax and retirement savings

average annual household expenditure (gross) in urban areas, at constant 1383 prices, rose 2.1 percent compared with 1389 and reached Rls. 65.5 million.

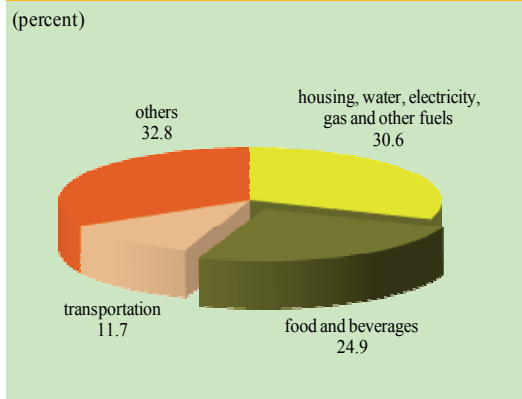
Of total household expenditure (gross), the biggest share by 30.6 percent was related to "housing, water, electricity, gas, and other fuels", followed by "food and beverages" by 24.9 percent and "transportation" by 11.7 percent. These three groups accounted for 67.2 percent of total household expenditure (gross), in 1390.

The share of "housing, water, electricity, gas, and other fuels" rose 0.5 percentage point, compared with 1389. The share of this group increased by 1.9 percentage points in the winter of 1390, when compared with the corresponding period of the previous year.

A review of average household expenditure (gross) in urban areas, by various

expenditure groups, indicates that the biggest rise in expenditures in 1390 (at current prices) was related to "miscellaneous goods and services"<sup>1</sup> by 29.5 percent, followed by "transportation", "restaurants and hotels", "housing, water, electricity, gas and other fuels", and "communication" by 26.8, 26.4, 25.0, and 23.0 percent, respectively.

**Figure 9.1. Share of expenditure groups in urban areas in 1390**



**Table 9.1. Comparison of Changes and Share of Expenditure Groups in Gross Household Expenditure in Urban Areas (at current prices)** (ten thousand rials-percent)

	1388	1389	1390	Percentage change		Share (percent)	
				1389	1390	1389	1390
Food and beverages	3,016.8	3,521.3	4,326.7	16.7	22.9	24.9	24.9
Tobacco	51.9	51.9	55.8	*	7.6	0.4	0.3
Clothing and footwear	644.7	693.1	796.3	7.5	14.9	4.9	4.6
Housing, water, electricity, gas and other fuels	3,987.9	4,263.7	5,329.2	6.9	25.0	30.1	30.6
Furniture, furnishings and household equipment and operation	670.3	738.2	830.4	10.1	12.5	5.2	4.8
Health and medical care	645.5	786.6	930.0	21.9	18.2	5.6	5.3
Transportation	1,476.7	1,601.4	2,031.0	8.4	26.8	11.3	11.7
Communication	294.2	320.3	394.1	8.9	23.0	2.3	2.3
Recreation and culture	346.0	395.2	469.1	14.2	18.7	2.8	2.7
Education	285.4	347.5	365.3	21.7	5.1	2.5	2.1
Restaurants and hotels	284.6	314.3	397.3	10.4	26.4	2.2	2.3
Miscellaneous goods and services	1,009.9	1,132.6	1,467.3	12.2	29.5	8.0	8.4
<b>Total</b>	<b>12,713.9</b>	<b>14,166.2</b>	<b>17,392.6</b>	<b>11.4</b>	<b>22.8</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Includes expenditures on electrical devices, cosmetic and hygienic products, perfumes, jewelry, etc., as well as "insurance and other financial services".

In 1390, annual household expenditure (gross) amounted to Rls. 65.5 million at constant 1383 prices, indicating 2.1 percent increase compared with 1389. Comparing the growth rate of household expenditure with the rise in the consumer price index shows that as of the winter of 1389 until the autumn of 1390, growth in household expenditure was higher than the growth of CPI, mainly due to the payment of cash subsidies to households. This indicates a rise in the household welfare level. In the autumn of 1390, average household expenditure increased compared with the respective period of 1389 but decreased compared with the summer of 1390. During the fifth quarter after the implementation of the Subsidy Reform Plan (winter 1390), household expenditure indicated a decrease compared with the corresponding period of the year before. It should be considered that liquidity growth, coupled with unfavorable conditions dominating the financial markets, led to the transfer of the liquidity to the foreign exchange market and in part to speculative activities. Moreover, further economic sanctions, in tandem with the fall in the exports of crude oil and restrictions on other commodity exports, raised the exchange rate

which in turn led to a rise in the import price of intermediate and consumer goods. Therefore, with the rise in the consumer price index, the real value of cash handouts was reduced sharply.

Comparing the inflation rate among various expenditure groups indicates that, in 1390, the highest inflation was related to "transportation", "food and beverages" and "clothing and footwear" groups while the lowest inflation was related to "communication" group.

### Analysis of Household Expenditure by Deciles

A review of household expenditure by various deciles indicates that the 10<sup>th</sup> to the 1<sup>st</sup> decile ratio was 12.0 in 1390, i.e. the richest 10 percent had an average expenditure of 12.0 times that of the poorest 10 percent, which was the lowest since the year 1383. This is indicative of better income distribution in 1390 as the mentioned ratio is lower than it was in the year before. In this year, the average household expenditure in the 10<sup>th</sup> decile was 2.8 times compared with the average household expenditure in urban areas. On the other hand, the average

**Table 9.2. Comparison of Changes and Share of Expenditure Groups in Gross Household Expenditure in Urban Areas (at constant 1383 prices)** (ten thousand rials-percent)

	1388	1389	1390	Percentage change		Share (percent)	
				1389	1390	1389	1390
Food and beverages	1,380.1	1,385.8	1,352.0	0.4	-2.4	21.6	20.6
Tobacco	23.8	23.2	23.5	-2.2	1.1	0.4	0.4
Clothing and footwear	358.4	345.0	324.6	-3.7	-5.9	5.4	5.0
Housing, water, electricity, gas and other fuels	1,811.0	1,805.1	1,907.8	-0.3	5.7	28.1	29.1
Furniture, furnishings and household equipment and operation	359.2	362.4	344.2	0.9	-5.0	5.6	5.3
Health and medical care	285.6	290.4	292.9	1.7	0.9	4.5	4.5
Transportation	935.8	883.8	878.3	-5.6	-0.6	13.8	13.4
Communication	302.4	329.9	398.6	9.0	20.9	5.1	6.1
Recreation and culture	238.1	243.8	253.0	2.4	3.8	3.8	3.9
Education	131.3	141.7	130.6	7.9	-7.8	2.2	2.0
Restaurants and hotels	130.4	123.4	132.2	-5.3	7.1	1.9	2.0
Miscellaneous goods and services	486.5	482.6	512.5	-0.8	6.2	7.5	7.8
<b>Total<sup>1</sup></b>	<b>6,442.5</b>	<b>6,417.0</b>	<b>6,550.5</b>	<b>-0.4</b>	<b>2.1</b>	<b>100.0</b>	<b>100.0</b>

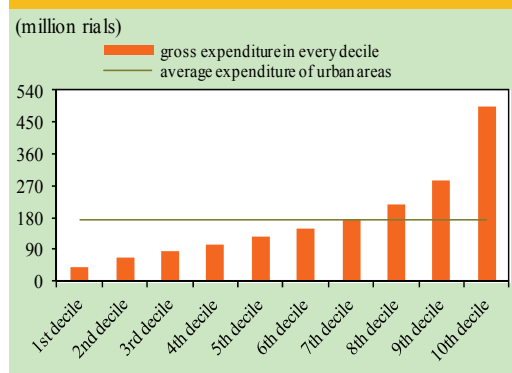
<sup>1</sup> Total is calculated based on total real expenditures of expenditure groups. This is due to changes in the share of expenditure groups at 1383 prices.

household expenditure in the 1<sup>st</sup> decile constituted only 23.6 percent of the average household expenditure in urban areas, at current prices. Average household expenditure in the 1<sup>st</sup> to 6<sup>th</sup> deciles is lower than the average household expenditure in urban areas.

In 1390, gross real expenditure of the first 5 deciles of households as well as household deciles 9 and 10 had positive growth. However, the lower income households faced higher inflation than higher income groups. It is to be noted that after the implementation of Subsidy Reform Plan, the inflation impact on different groups widened and the low income deciles became more vulnerable to large increases of price inflation. Although high-income groups consume more products of highly-inflated prices compared with low-income groups, due to smaller share of these expenditures in total consumption expenditure

of high-income groups and more diversified consumption pattern of these groups, the inflation impact on high-income households is less pronounced.

**Figure 9.2. Average household expenditure in urban areas compared to average expenditure of different deciles of urban households in 1390**



**Table 9.3. Comparison of Growth in Household Gross Expenditure in Urban Areas with Inflation for Different Expenditure Groups** (percent)

	Growth in household gross expenditure	Inflation	Growth in household gross expenditure in real terms
Food and beverages	22.9	25.9	-2.4
Tobacco	7.6	6.4	1.1
Clothing and footwear	14.9	22.1	-5.9
Housing, water, electricity, gas and other fuels	25.0	18.3	5.7
Furniture, furnishings and household equipment and operation	12.5	18.4	-5.0
Health and medical care	18.2	17.2	0.9
Transportation	26.8	27.6	-0.6
Communication	23.0	1.8	20.9
Recreation and culture	18.7	14.4	3.8
Education	5.1	14.0	-7.8
Restaurants and hotels	26.4	18.0	7.1
Miscellaneous goods and services	29.5	22.0	6.2
<b>Total</b>	<b>22.8</b>	<b>21.5</b>	<b>2.1</b>

**Table 9.4. Comparison of Average Household Gross Expenditure in Various Deciles in Urban Areas (at current and constant prices)** (ten thousand rials-percent)

	1 <sup>st</sup> decile	2 <sup>nd</sup> decile	3 <sup>rd</sup> decile	4 <sup>th</sup> decile	5 <sup>th</sup> decile	6 <sup>th</sup> decile	7 <sup>th</sup> decile	8 <sup>th</sup> decile	9 <sup>th</sup> decile	10 <sup>th</sup> decile
1389	3,128	5,159	6,757	8,317	10,074	12,130	14,575	17,874	23,331	40,317
1390	4,107	6,622	8,444	10,321	12,438	14,799	17,729	21,763	28,353	49,347
Growth in gross expenditure (current prices)	31.3	28.4	25.0	24.1	23.5	22.0	21.6	21.8	21.5	22.4
Growth in real terms	2.5	2.2	0.6	0.6	0.5	-0.2	-0.3	0.0	0.5	3.0

Reviewing the share of deciles in various expenditure groups shows that "housing, water, electricity, gas, and other fuels" and "food and beverages" groups had the highest shares in the household budget in all deciles. In the first decile, these two groups had a total share of 73.8 percent in total household expenditure. Given the higher rate of rental houses for lower deciles compared to higher deciles of households, the higher share of "housing, electricity, gas, and other fuels" group in total household expenditure indicates that this group is affected by the developments of the "rental" index.

In 1390, "education" and "restaurants and hotels" groups had the lowest shares of total household expenditure in the low-income groups. In the high-income deciles, the lowest share of household expenditure was related to "tobacco" and "communication" groups.

### Household Expenditure by Provinces

A review of annual household expenditure (gross) in various provinces indicates that in 1390, Tehran Province accounted for the highest expenditure while Lorestan Province had the lowest share of expenditure at both current and constant 1383 prices. Average

household expenditure in Tehran Province was 2.1 and 2.3 times as much as the average household expenditure in Lorestan Province at current and constant prices, respectively, pointing to income inequality between provinces.

In 1390, the highest number of household members by 4.6 persons belonged to Kohgiluyeh va Buyer Ahmad Province and the lowest by 3.1 persons to Gilan Province. The average household size in urban areas of provinces was 3.7 persons, with a variance of 0.1 in this year. Average household size in urban areas of provinces indicated 0.1 percentage point decline, compared with the corresponding figure of the year before. With the shrinkage of family size, a uniform household size is to be expected throughout the urban areas of the country.

### Household Income

In 1390, gross household income (monetary and non-monetary income) amounted to Rls. 167.2 million (Rls. 13,933 thousand monthly), up by 22.2 percent compared with the previous year. Of this amount, 73.9 percent was monetary and 26.1 percent non-monetary income. The major portion of

**Table 9.5. Share of Various Expenditure Groups in Deciles in Urban Areas in 1390** (percent)

	1 <sup>st</sup> decile	2 <sup>nd</sup> decile	3 <sup>rd</sup> decile	4 <sup>th</sup> decile	5 <sup>th</sup> decile	6 <sup>th</sup> decile	7 <sup>th</sup> decile	8 <sup>th</sup> decile	9 <sup>th</sup> decile	10 <sup>th</sup> decile	Average share
Food and beverages	29.1	30.5	29.4	29.2	28.5	27.7	27.3	25.7	24.5	19.3	24.9
Tobacco	0.7	0.7	0.6	0.5	0.4	0.4	0.3	0.3	0.2	0.2	0.3
Clothing and footwear	2.4	3.3	3.9	4.3	4.4	4.9	4.8	5.0	4.9	4.6	4.6
Housing, water, electricity, gas and other fuels	44.7	39.4	36.9	35.3	33.0	31.3	29.4	27.3	26.4	29.8	30.6
Furniture, furnishings and household equipment and operation	2.6	3.0	3.4	3.6	4.2	4.2	4.6	5.0	5.3	5.6	4.8
Health and medical care	4.9	4.5	4.6	5.1	4.8	5.0	5.2	5.3	5.4	6.0	5.3
Transportation	4.6	5.1	5.6	5.9	7.3	8.1	9.8	12.2	14.5	16.4	11.7
Communication	3.0	3.0	3.0	2.8	2.7	2.5	2.5	2.2	2.1	1.7	2.3
Recreation and culture	1.0	1.6	1.9	2.0	2.4	2.7	2.7	3.1	2.9	3.1	2.7
Education	0.6	1.1	1.6	1.6	1.9	2.1	2.3	2.5	2.3	2.2	2.1
Restaurants and hotels	0.8	1.2	1.5	1.7	1.7	2.1	2.1	2.3	2.7	2.8	2.3
Miscellaneous goods and services	5.4	6.6	7.6	8.0	8.6	8.9	9.0	9.0	8.8	8.3	8.4

non-monetary income is the imputed rental value of owner-occupied dwellings affected by the fluctuations in the housing market, which do not necessarily bring cash income to the households.

Reviewing the components of the household income indicates that the share of income received from the "wage and salary in the public sector" has followed a downward trend over the past years, mainly due to the fall in the number of people employed in the public sector, while the share of income received from the "wage and salary in the private sector" has had an upward trend in recent years.

Based on the Household Budget Survey, the share of "miscellaneous income", including the salary and the retirement pension, house rent, profit received from term deposits, participation papers and others, in household budget increased to 24.8 percent. This rise was attributable to the payment of cash handouts to the Iranian households.

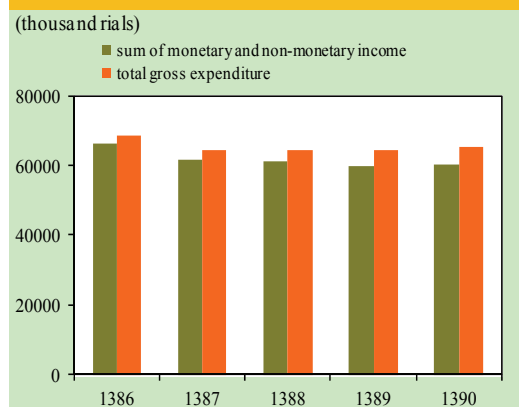
In 1390, household income amounted to Rls. 60.3 million, at constant 1383 prices, indicating a deficit in the household budget when compared with the household expenditure in real terms (Rls. 65.5 million). This indicates that despite the cash payments to households, the income-expenditure gap in 1390 was larger than 1389.

### Measurement and Analysis of Income Inequality

Gini coefficient decreased by 1.7 percent and reached 0.3750 in the year 1390. Moreover, the ratio of the average income of the richest 10 percent to the poorest 10 percent decreased from 13.1 in 1389 to 12.2 times in 1390 (a 0.9-point decline). A review of the shares of various income deciles in total income shows that the shares of the first four deciles increased compared with the

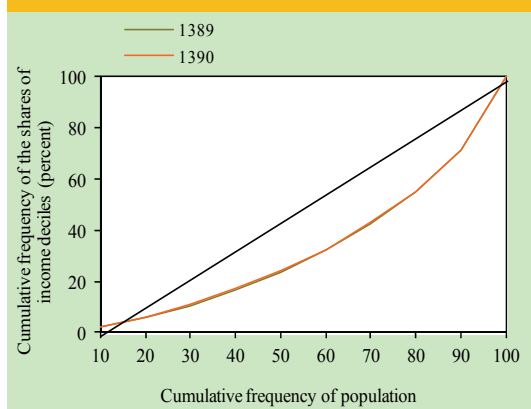
previous year while the share of the 5<sup>th</sup> decile remained unchanged and shares of the 6<sup>th</sup> to the 10<sup>th</sup> deciles were lower than the respective figures of 1389. As expected, implementation of the Subsidy Reform Plan, combined with the adoption of the price stabilization policy, improved income distribution in favor of the low-income groups in this year. Therefore, the income gap between the high- and low-income families has narrowed.

**Figure 9.3. Comparison of gross household expenditure with income at constant 1383 prices**



As price control policy was implemented in line with Subsidy Reform Plan and prices experienced a negligible increase, a lower proportion of cash payments was allocated to the offsetting of the inflation. Low-income groups spent the cash handouts for different purposes while high-income groups' expenditure did not change very much due to relative smallness of cash subsidy payments. Therefore, a fall in the Gini coefficient and improvement in income distribution were well expected. However, if the cash handouts are equally distributed and not adjusted based on the current inflation or the inflation impact on different households in the coming years, especially for goods with a higher share of consumption by the low-income groups, the Gini coefficient will start rising again.

**Figure 9.4. Comparison of Lorenz Curves**



**Table 9.6. Income Inequality Metrics in Urban Areas**

	1389	1390
Gini coefficient	0.3813	0.3750
Share of 40 percent of low-income households (percent)	16.4	16.9
Share of 40 percent of middle-income households (percent)	38.6	38.4
Share of 20 percent of high-income households (percent)	45.0	44.7
Ratio of richest 10 percent to poorest 10 percent of households	13.1	12.2

### Social Security

#### Non-contributory Coverage

In 1390, the total number of people covered by the Imam Khomeini Relief Foundation decreased by 16.6 percent to 6.3 million persons, constituting 8.4 percent of the total population. This decrease was attributable to

**Table 9.7. Number of People Covered by Imam Khomeini Relief Foundation and Grants Provided**

	1388	1389	1390	Percentage change	
				1389	1390
Total number of covered people (thousand persons)	7,996	7,531	6,283	-5.8	-16.6
Value of grants (billion rials)	30,707.2	32,480.2	41,307.4	5.8	27.2

Source: Imam Khomeini Relief Foundation

the adoption of new policies to create jobs and support the beneficiaries, with the aim of reducing their reliance on monthly payments from this Foundation. The grants provided by this Foundation increased by 27.2 percent to Rls. 41.3 trillion.

#### Contributory Coverage

Social Security Organization, Iran Health Insurance Organization, as well as some independent Funds are responsible for the provision of contributory insurance. In 1390, Social Security Organization and Iran Health Insurance Organization collectively covered about 70.5 million persons, showing 3.6 percent growth compared with the previous year.

The Social Security Organization (SSO) insures workers and employees, who are subject to the Labor Law, through obligatory partnership plans. This organization insures the self-employed parties through contracts. In 1390, the number of main insured rose 8.7 percent to 11,497.1 thousand persons, 16.4 percent of whom were women and 83.6 percent were men.

In this year, total number of people insured by the Social Security Organization increased by 7.7 percent to 35.0 million, of whom 4.2 million were pensioners and the remaining received insurance services. Moreover, 11.5 million were main insured and 19.3 million were dependents. The ratio of dependents to main insured was 1.7 in this year. This means that every main insured



covers almost 2 other family members. Therefore, the average number of covered household members was approximately 3 in 1390. This low figure could be attributable either to the fact that male children do not use insurance services after graduating or because different household members are covered by various insurance companies simultaneously. The number of the retired people under the coverage of the Social Security Organization reached 1,073.9 thousand, registering 7.5 percent rise compared with the previous year.

Iran Health Insurance Organization, affiliated to the Ministry of Cooperatives, Labor, and Social Welfare, extends health insurance coverage to civil servants and their dependents, rural dwellers, and the self-employed people. In 1390, the number of those insured by Iran Health Insurance Organization went down by 0.2 percent to 35,529 thousand persons. Following the implementation of Public Medical Service Insurance Coverage Act in the rural areas as of 1377, about 66.1 percent of total people insured by this organization in 1390 were rural dwellers (23,470.9 thousand).

### Rural Dwellers' Social Insurance

Rural Dwellers' Social Insurance Project was put into operation as of the beginning of the 4<sup>th</sup> FYDP. Based on the Structural Rules of the Comprehensive System of Welfare and Social Security, Rural Insurance Fund insures farmers and other villagers on a voluntary basis. As a result, the activities of this Fund are expanded through brokerage firms. The number of brokerage firms came to 3,489 in 1390. Compared to the respective figure of the year before, 25 new brokerage firms were added in this year. The highest number of brokerage firms by 299 belonged to Fars Province, followed by Mazandaran Province with 242 and Khuzestan Province with 212 brokerage firms. In 1390, a sum of

Rls. 1,803 billion was approved as government contribution to this Fund, 85.0 percent of which was paid to the Fund by the government.

**Table 9.8. Number of Brokerage Firms and People Insured by Rural Insurance Fund**

	1389	1390	Percentage change
Main insured	852,897	958,306	12.4
Dependents	1,860,831	2,222,028	19.4
Brokerage firms	3,464	3,489	0.7

Source: Rural Insurance Fund

### Health and Medical Care

According to the data drawn by the Medical Council, the number of physicians reached 107.4 thousand in 1390. Moreover, the numbers of dentists and pharmacists came to 23.0 thousand and 16.3 thousand people, respectively. Comparing these figures with the respective figures of the previous year indicates that the number of dentists decreased by 2.1 percent while the number of physicians and pharmacists increased by 2.1 and 6.1 percent, respectively. The ratio of population to physician reached 700, ratio of population to dentist was 3,267, and that of population to pharmacist was 4,618 persons.

### Human Development and Poverty Indices

#### Human Development Index (HDI)

The 2013 Human Development Report published for the United Nations Development Programme (UNDP) reports the substantial lifting of the HDI values of the less-developed countries. The report argues that this transformation is attributable to the adoption of appropriate policies applied specifically to each country based on its special condition.

Based on the 2013 Human Development Report, there was notable convergence in HDI values globally. The Report notes that, over the last decade, all countries accelerated their achievements in the education, health, and income dimensions as measured in the Human Development Index (HDI) to the extent that no country for which data was available had a lower HDI value in 2012 than in 2000. In lower HDI countries, even faster progress was recorded during this period.

Human Development Report 2013 ranks Iran 76 in HDI among 187 countries in 2012, down by 2 levels compared with 2011. This was due to the improvement in the rankings of other countries. This Report considers four Human Development Index groups including very high human development, high human development, medium human development, and low human development. Countries ranking 48 to 94 are the countries with high human development.

### Gender Inequality Index (GII)

The GII measure contains three dimensions of reproductive health, empowerment, and labor market participation, indicating that countries with unequal distribution of human development also experience high inequality between men and women, and countries with high gender inequality also experience unequal distribution of human development. This measure ranges from 0, which indicates that men and women fare equally, to 1 which is indicative of perfect gender inequality.

According to the 2013 Human Development Report, Iran ranked 107 in 2012 in GII among 148 countries whose data were available. The Netherlands and Sweden ranked respectively first and second in 2012 in GII. This indicates that the least gender inequality is found in these two countries.

### Human Development Indices

Among indices referred to in the 2013 Human Development Report is overall life satisfaction which varies from 0 (lowest life satisfaction) to 10 (highest life satisfaction). During 2007-2011, Life Satisfaction Index (LSI) for the global population was 5.3 and for Iran, it was estimated at 4.8 which was lower than the world average. The highest LSI by 7.8 was related to Denmark.

Based on the 2013 report, maternal mortality ratio was 22 per 1,000 live births in Iran in 2010. Furthermore, life expectancy at birth was 73.2 years in 2012, which is higher than the world average (70.1 years).

Another index referred to in the 2013 Human Development Report is the percentage of women holding seats in the national parliament. In 2012, the share of the Iranian women of seats in the national parliament was 3.1 percent. This index was 16.7 percent in Europe and Central Asia, 20.3 percent in less-developed countries, 17.0 percent in the United States, and 20.3 percent for the world (average).

Table 9.9. Iran's HDI Value

	2005 ▲	2007	2010 ▲	2011 ▲	2012	Change in rank		Annual average growth rate (percent)	
						2007-2012	2011-2012	1990-2000	2000-2012
HDI	0.685	0.706	0.740	0.742	0.742	7	-2	1.94	1.05