

CHAPTER SEVEN

SOCIAL AFFAIRS

The Iran's total population grew by 1.7 percent in 1379, registering a 0.1 percentage point increase over the previous year to reach a total of 63.9⁽¹⁾ million people. The population under 20 and 25 years respectively constituted more than 47, and approximately 58 percent of total population. The active population increased by 3 percent and reached 18.6 million persons due to the baby boom in the years 1355-1365.

The literacy rate increased in the 6-and-over year age group as in previous years, while the total number of students decreased to 18,259 thousand due to a substantial reduction of the number of primary and guidance school students.

In 1379, government current and development expenditures for social affairs increased by 32.5 percent and amounted to Rls. 49,757.9 billion. Expenditures on 'public education' program grew by 28.9 percent and constituted 37.4 percent of the total government current and development expenditures in social affairs, amounting to Rls. 18,601.8 billion. The expenditure on 'urban development' program showed the largest rise of 86.2 percent amongst all programs and amounted to Rls. 2,103.3 billion.

Population and Labor Force

In the year under review, 63.9 percent of the population lived in urban and 36.1 percent in rural areas, respectively showing a 2.7 percent increase and a 0.1 percent decrease, indicative of the continued migration to urban areas.

One of the major issues addressed in the 3rd FYDP is employment. It is projected that during the course of the Plan about 3.8 million job opportunities are to be created, i.e. 765 thousand job opportunities on average per annum. A comparison of quantitative targets for the first year of 3rd FYDP for new employment and job opportunities created shows that this figure was 100 thousand job opportunities short of the projected plan figures ⁽²⁾. In fact, the Plan's target figures for new employment can not be wholly achieved by sole dependence on economic growth and investment and without putting other policies in place. Population structure has changed to such extent that mere expansion of economic capacity can no longer meet the country's job requirements. Therefore, other measures must be taken, including the reform of the Labor Law and Social Security system, adoption of suitable production technologies, creation of a flexible and competitive environment for the working population, and expansion of professional, specialized, technical, and related training programs. Without these and other reforms along similar lines, the creation of job opportunities on the scale envisaged in the 3rd FYDP is in practice not possible.

(1) The figures for population and employment are estimates of Management and Planning Organization.

(2) It was projected that in the first year of the Third Plan 500 thousand job opportunities be generated.

In the year under review, 399 thousand new jobs were created, raising the number of employed from 15,177 thousand persons in 1378 to 15,576 thousand persons in 1379. The total number of unemployed individuals grew by 4.9 percent to reach 3 million persons, and this increased the unemployment rate from 15.8 percent in the previous year to 16.1 percent in this year.

Key Measures Taken for Job Creation

1. Extending Directed Facilities

In accordance with the 1379 Budget Law, it was proposed that out of a total increase of Rls. 5,400 billion in the ceiling of outstanding directed facilities, Rls. 2,368 billion be allocated to the creation of new jobs. On the basis of the same law, the CBI was assigned to allocate Rls. 100 billion to create employment for exceptional university graduates in an effort to halt the current brain drain through the Presidential Technology Cooperation Office. In addition to this law, government agencies were authorized to disburse up to 5 percent of their development expenditures towards underwriting a portion of the commission profit for banking facilities and cooperation in underpinning activities of the non-public sector investment with the approval of the Management and Planning Organization in order to create employment and encourage the private sector to invest in new production facilities. On the basis of the same law, Rls. 100 billion out of self-employment funds was allocated to applicants under the Imam Khomeini Relief Committee and State Welfare Organization. Banking system performance related to directed facilities aimed at job creation shows that out of the Rls. 2,368 billion ceiling set by law, 1,206.8 billion was paid out by agent banks for approved projects to take up 51 percent of these facilities. Provincial facilities aimed at job creation constituted 84 percent of the total facilities.

2. Allocation of Administered Funds

On the basis of 1379 Budget Law, it was determined that out of foreign exchange surplus revenues up to a maximum of Rls. 3,000 billion be allocated as administered funds⁽¹⁾ to productive activities through the specialized banks. Priority was to be given in allocation of these funds to the provinces with the highest unemployment rates, whose population tends to migrate to other areas. A review of the performance of agent banks indicates that only a negligible amount of these credits was taken up in this year. Applicant's limited awareness of the mechanism for accessing these facilities and in particular its collateral requirement, government's interest subsidy, and late approval of the by-law were the major factors for non-absorption of bulk of these resources (80 percent) in this year.

3. Support Fund for Creation of Job Opportunities

Based on provisions in the 1379 Budget Law, an amount of Rls. 413.2 billion was allocated to the "Support Fund for Creation of Job Opportunities" as an increase in government capital. This sum was to be utilized as facilities to provide opportunities to qualified applicants for use in setting up quick-result self-employment projects. This plan was proposed by the Ministry of Labor and Social Affairs on the basis of a by-law that was approved by the Cabinet and confirmed by High Council of Employment. In 1379, Rls. 340.7 billion of these facilities was given to this Fund.

(1) On the basis of the 1379 Budget Law, administered funds are funds which are allocated to agent banks on the basis of contracts between Management and Planning Organization as the fund supplier and the agent banks to extend bank facilities to non-public (private and cooperative) real and legal persons on the basis of the regulations of the mentioned by-law for the execution of employment policies of the Third Development Plan.

Despite extensive measures by government toward reducing unemployment due to the excess supply of labor, baby boom in the 1355-65, and continuing obstacles in expanding production and investment, the number of unemployed increased in this year.

The general activity ratio increased from 28.7 percent in 1378 to 29.1 percent in 1379. The dependency burden decreased from 314 persons to 310 persons, i.e. each person employed supports 3.1 unemployed persons.

In this year, the minimum monthly nominal wage increased by 26.6 percent and amounted to Rls. 458,010. Taking the inflation rate of 12.6 percent into consideration, minimum monthly real wage increased by 12.4 percent and amounted to Rls. 286,794.

Education

Literacy rate in the population aged 6 years and over grew by 1.4 percentage point and reached 84.4 percent.

The enrollment rate in the population aged 6-14 years increased in different areas and reached 91.3 percent in the whole country. The literacy rate among the 6-29 year old age group in urban areas, rural areas and in the country equaled 98.2, 91 and 97 percent, respectively. This showed an increase for rural areas and the whole country but remained unchanged in urban areas.

In 1379/80 academic year the overall number of students at various educational levels decreased by 1.8 percent and reached 18.3 million. The number of students in kindergartens, high schools of new educational system and pre-university centers increased by 13.9, 1.7 and 4.5 percent, respectively. Number of primary

school students declined by 3.8 percent over the previous year due to decline in birth rate in the years before. Out of the total 8 million primary school students 52.4 percent were male and 47.6 percent were female students, 4.6 million persons or 58 percent of these students studied in urban, while the remaining 3.3 million persons or 42 percent in rural areas. Ratio of female students to total primary school students was 59 and 41 percent in urban and rural areas, respectively.

The number of students in guidance schools, high schools of old educational system and teacher training centers decreased compared to the previous academic year. In 1379/80 academic year, the old educational system of high schools was completely omitted and all high school students studied in high schools with new educational system which had formally adopted in 1371/72 academic year. In this educational system, students get their diploma after 3 years of study and then go to pre-university centers.

The number of students in private schools increased respectively by 2.7, 2.5 and 4.2 percent in primary, guidance and general high schools. The private schools' proportionate share of overall students at various levels of education grew slightly and reached 4.6 percent of the

LITERACY RATE IN THE POPULATION AGED SIX YEARS AND OVER

	(percent)		
	Total	Urban areas	Rural areas (1)
1378	83.0	87.0	74.0
1379	84.4	88.3	76.4

Source: Management and Planning Organization

(1) Includes unsettled population.

ENROLLMENT AND LITERACY RATES

	(percent)	
	1378	1379
Enrollment rate (6-14 years)		
Urban areas	94.0	95.2
Rural areas	83.0	85.0
Total	90.0	91.3
Literacy rate (6-29 years)		
Urban areas	98.2	98.2
Rural areas	85.5	91.0
Total	96.3	97.0

Source: Management and Planning Organization

overall student population. The total number of private school students increased by 3.1 percent and totaled 786 thousand students. This was indicative of private sector's increased participation and cooperation in educational activities in recent years.

NUMBER OF STUDENTS IN PRIVATE SCHOOLS AT VARIOUS EDUCATIONAL LEVELS

(person)

	Academic year		Share in total students(percentage)		Percentage change	
	1378/79	1379/80	1378/79	1379/80	1378/79	1379/80
	Primary	276,048	283,629	3.3	3.6	5.0
Guidance school	254,531	260,889	4.9	5.2	2.1	2.5
High school (1)	231,386	241,094	5.8	5.9	7.4	4.2
Total	761,965	785,612	4.4	4.6	4.7	3.1

Source: Ministry of Education

(1) In 1378/79 academic year, includes students of old and new educational systems, but excludes pre-university level students.

NUMBER OF STUDENTS AT VARIOUS EDUCATIONAL LEVELS BY GENDER

(person)

	1378/79		1379/80		Percentage change	
	Female	Male	Female	Male	Female	Male
	Primary	3,938,766	4,348,771	3,792,588	4,175,849	-3.7
Guidance school	2,343,746	2,828,770	2,278,350	2,748,874	-2.8	-2.8
High school	1,957,867	2,050,709	1,998,449	2,065,265	2.1	0.7
Total	8,240,379	9,228,250	8,069,387	8,989,988	-2.1	-2.6

Source: Ministry of Education

COMPOSITION OF STUDENTS AT VARIOUS EDUCATIONAL LEVELS IN URBAN AND RURAL AREAS

(percent)

	Academic year 1378/79		Academic year 1379/80	
	Urban	Rural	Urban	Rural
	Primary	58.6	41.4	58.0
Guidance school	70.0	30.0	70.0	30.0
High school	87.4	12.6	86.7	13.3
Total	68.6	31.4	68.4	31.6

Source: Ministry of Education

The total number of schools in the country grew by 7.2 percent to number 122 thousand schools. The number of schools grew by 2.2 percent in urban areas and 11.1 percent in rural areas. Private schools at the primary, guidance, and general high school levels constituted 5.8 percent of overall schools and the number of these schools increased this year by 4 percent to number 6,434 schools.

The number of classes in the country grew by 1.9 percent to a total of 651 thousand classes, 62.6 percent of which were in urban and 37.4 percent in rural areas.

In the 1379/80 academic year, the number of multi-grade classes increased by 16.1 percent to number 48,025 classes. The ratio of multi-grade classes to total primary classes increased from 13.2 percent in the 1378/79 academic year to 15.1 percent in 1379/80. The increase in the number of multi-grade classes is primarily due to migration from rural to urban areas and the general decline in the overall number of primary school students at each academic level. This is as a result of the decline in the birth rate in recent years, which necessitates the

insertion of various educational levels in one class. The number of multi-grade co-educational classes in primary schools in rural areas increased by 17.3 percent in this academic year.

The number of teaching staff declined by 2 and 1.4 percent respectively for rural areas and the whole country but remained unchanged in urban areas.

INDICES OF EDUCATIONAL QUALITY

	1375/76	1376/77	1377/78	1378/79	1379/80
Student to school	175.2	173.2	167.8	159.3	145.7
Student to class	29.6	29.3	28.9	28.4	27.3
Student to teacher	23.7	21.5	20.7	19.5	19.4

Source: Ministry of Education

The total number of university students grew by 11.7 percent in this academic year to number 1,570 thousand students.

NUMBER OF UNIVERSITY STUDENTS

	(person)					
	Academic year		Percentage change		Share (percent)	
	1378/79	1379/80	1378/79	1379/80	1378/79	1379/80
Public universities and higher education institutes (1)	678,652	733,527	6.2	8.1	48.3	46.7
Female	299,333	346,342	11.8	15.7	21.3	22.0
Male	379,319	387,185	2.2	2.1	27.0	24.7
Islamic Azad University	726,228	836,249	9.0	15.1	51.7	53.3
Female	336,640	397,609	12.6	18.1	24.0	25.3
Male	389,588	438,640	6.0	12.6	27.7	28.0
Total	1,404,880	1,569,776	7.6	11.7	100.0	100.0

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

(1) Includes Payam-e Noor University students.

The number of students in public and non-public universities and institutes of higher education increased by 8.1 and 15.1 percent to total 734 and 836 thousand students, respectively. The number of male and female students grew respectively by 7.4 and 17 percent and amounted to 826 and 744 thousand students.

Amongst students of public universities and institutes of higher education, the number of students studying courses in 'behavioral and social sciences' and 'household economy' increased respectively by 56.4 and 37.3 percent. These were the most popular courses in this academic year. 'Engineering' and 'medical sciences and health' courses respectively represented 21.4 and 13.6 percent of the overall percentage of all public university students, making up the largest number of the entire student body.

Health and Medical Care

Based on data released by the Medical Council Organization, the number of physicians, dentists, and pharmacists grew respectively by 5.9, 6.2, and 6.1 percent to respectively total 67,046, 12,926, and 9,774 individuals this year. The population-to-physician, population-to-dentist, and population-to-pharmacist ratios were respectively 953, 4,941, and 6,534 persons. This indicates an improvement in health indices. The ratio of population-to-hospital bed also improved by decreasing from 608 to 604 persons.

In this year, the average price index for medicine in urban areas was 184.4, resulting the actual sales value of pharmaceuticals to increase to Rls. 1,746.2 billion, showing a 4.4 percent rise over the previous year. Pharmaceutical sales increased by 29.5 percent and reached Rls. 3,220 billion at current prices. The per capita consumption of pharmaceuticals grew by 27.4 percent and amounted to Rls. 50,421. Taking into account the price index for medicine, the real value of per capita consumption of pharmaceuticals equaled Rls. 27,343 showing a 2.7 percent rise compared to the previous year.

Government Current and Development Expenditures

In 1379, government current and development expenditures for social affairs rose by 32.5 percent and amounted to Rls. 49,757.9 billion. Of this figure 79.8 percent was due to current and 20.2 percent to development expenditures.

About 7.4 percent of government expenditures in social affairs was allocated to higher education, amounting to Rls. 3,687 billion, a marked increase over the previous year. 80.6 percent of this amount was for current and 19.4 percent was for development expenditures. The per capita current expenditures for general and higher educational affairs was Rls. 937.4 and 4,053.4 thousand, respectively. The per capita development expenditures for general and higher educational affairs was respectively Rls. 81.3 and 973.1 thousand.

Government outlays for ‘culture and art’, ‘health, medical care and nutrition’ and ‘environmental protection’ respectively rose by 53.8, 29.5 and 60.6 percent over the previous year. The share of ‘social security and welfare’ and ‘rural renovation and development’ chapters out of government expenditures was 22 and 4.6 percent, registering 29.2 and 40.2 percent increase and amounting to Rls. 10,935.7 and 2,267.8 billion, respectively.

Social Security

Non-Contributory (Non-Insurance) Programs

In the year under review, the ‘Imam Khomeini Relief Committee’ supported 6.9 million persons, 1.7 million of whom were provided relief on a temporary need basis, registering a 3.5 percent increase over the previous year.

The grants provided by this Committee increased by 19.7 percent and amounted to Rls. 3,803.1 billion, including pensions for aid project, Shahid Rajaie Project and disbursements made for ancillary services such as construction, housing, insurance, medical care, self-sufficiency and employment, dowry provision, cultural and educational, and other services to the eligible persons in need.

**NUMBER OF PERSONS SUPPORTED BY IMAM KHOMEINI
RELIEF COMMITTEE AND AMOUNT OF GRANTS**

	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Number of supported persons (thousand)	4,933	4,983	5,453	6,655	6,887	22.0	3.5
Amount of grants (billion Rials)	1,286.2	1,563.2	2,119.6	3,176.5	3,803.1	49.9	19.7

Source: Imam Khomeini Relief Committee

Contributory (Insurance) Programs

The number of individuals insured and protected under the Social Security Organization increased by 2 percent over the previous year to cover 6,023 thousand persons. 98.8 percent of

these individuals were gainfully employed while 1.2 percent, or 72 thousand persons, were out of work and used unemployment insurance. Of the total unemployed population, only 2.4 percent were covered by, and used unemployment insurance.

In this year, 14.3 percent of the insured were government employees and 85.7 percent non-government employees. Male employees made up 92.2 and female employees 7.8 percent of the insured. The total number of insured and their dependents rose by 2.3 percent to number 23.2 million persons or 36.3 percent of the total population. The number of retired pensioners rose 4.8 percent over the previous year to total 388 thousand persons, and the number of disabled pensioners decreased by 3 percent to 67 thousand persons. Total number of pensioners and their dependents grew by 3.1 percent and totaled 2.2 million persons. The overall number of people covered by this organization including insured, pensioners, and dependents registered a growth of 2.3 percent over the previous year to total 25.4 million persons.

The number of individuals insured by Medical Services Insurance Organization grew by 1.2 percent and reached 31.1 million persons providing medical insurance cover for 49 percent of the total population. Out of the total number insured, 73.1 percent were villagers, 21.1 percent were government employees and their dependents, 1.4 percent were self-employed, and 4.4 percent were made up of others. Based on the implementation of the Public Insurance Act for rural dwellers, which was initiated in 1377, all villagers must be covered by medical service insurance.