

CHAPTER NINE

SOCIAL AFFAIRS

Reduction in the population growth rate has been among the main achievements during the recent years, which is mostly due to the downward trend of female fertility rate. The high growth of population during 1355-1365 evolved the population age-structure and brought about additional demand for education, health and employment. Improvement in the social indicators such as education, health and income distribution reflects special attention paid to the social affairs during the recent years. However, to meet accelerated pace of labor force supply, certain measures were taken in the area of mobilization of potential resources to raise the demand for labor force and to reduce unemployment rate.

Population and Labor Force

Iran's population, with 0.1 percentage point reduction compared to the previous year, grew by 1.5 percent in 1383 to 67.7 million persons, 66.4 percent of whom dwelled in the urban and 33.6 percent in the rural areas. Migration fueled urban growth in Iran as people left countryside in search of better jobs. This raised population in urban areas by 2.3 percent as compared with the previous year and indicated a 0.2 percent fall in rural population.

In the review year, the population under 15 years of age was about 19.3 million and youth coefficient (the ratio of the population under 15 years of age to total population) was 28.6 percent. This shows the young population structure, although this ratio shows noticeable reduction compared to that of the previous year. The population pyramid in the post-revolutionary era indicates high fertility rate in the first decade, and reduction in infants' mortality rate. Nevertheless, with the adoption of birth control policies, youth coefficient posted a downward trend during the past years.

In the review year, the economically active population grew by 2.6 percent to 21.6 million persons. The remarkable increase in the active population of the country over the recent years is a result of population growth of the 1360s with its ensuing effect on labor market presently. Of the active population, 14 million dwelled in urban and 7.6 million in rural areas.

POPULATION AGE STRUCTURE

	(percent)		
Age groups	1381	1382	1383
Young population (under 15)	30.8	29.7	28.6
Population (15-64)	64.5	65.6	66.7
Old population (over 64)	4.7	4.7	4.7
Total	100.0	100.0	100.0

Source: Management and Planning Organization

General activity ratio grew from 31.5 percent in 1382 to 31.9 percent in 1383 and the dependency burden decreased from 2.67 persons in the previous year to 2.58 persons in this year.

Labor Market

Data drawn by the Statistical Center of Iran (SCI) indicates that unemployment rate reached 10.3⁽¹⁾ percent in the month of Aban, 1383, indicating one percentage point reduction when compared with corresponding figure of the last quarter of 1382. This rate was 10.4 percent for the month of Ordibehesht, 1383. The high growth of investment, particularly private sector investment, in tandem with job creation facilities extended by banks and gradual repatriation of immigrants were among the factors which contributed significantly to the downward trend in unemployment rate. Moreover, unemployment rate among male population dropped from 10.1 percent in Aban 1382 to 9.0 percent in Aban 1383 and, among female population, plummeted from 21.2 percent in Aban 1382 to 17.8 percent in Aban 1383, showing 3.4 percentage points reduction. The high unemployment rate among female population during the past years was basically due to the incongruity between great number of job seekers and the availability of jobs for them. Unemployment rates in urban and rural areas were 11.9 and 7.6 percent, respectively.

According to the SCI, of the total employed population, 22.9 percent were employed in agriculture sector, 30.1 percent in manufacturing sector, and 47 percent in services in 1383. These shares were 20.9 percent for agriculture, 31 percent for manufacturing and 48.1 percent for services in 1382, showing a rise in agriculture sector and fall in manufacturing and services sectors.

Major Job Creation Policies

Allocation of Directed Credits

Review of directed credits (approved and actual) extended in 1383 shows that of the total Rls. 3,000 billion credits, Rls. 1,670 billion was earmarked to be extended as job creation facilities, of which Rls. 641.8 billion (38.4 percent) was approved. In this year, banks extended Rls. 455.3 billion to the approved projects.

Allocation of Administered Funds

The credits allocated in the form of administered funds to productive sectors were envisaged in the annual budget law as of beginning of the Third Plan. These credits are mostly used for the financing of job creation projects, or investment in economic, social, and cultural activities in different private and cooperative sectors.

According to the Budget Law for 1383, a sum of Rls. 4,500 billion as administered funds was allocated to be extended as banking facilities to investment projects for job creation in productive, services, private and self-employed sectors. Out of total administered funds for job creation projects as of 1380 to the end of 1383, a sum of Rls. 10,418.9 billion was deposited by the Management and Planning Organization to banks. Banks approved Rls. 16,274.8 billion and extended Rls. 12,029.9 billion facilities for the execution of the said projects. These projects could create 274 thousand new job opportunities.

Article 56 of the 3rd Plan Law

The outstanding of facilities extended in the framework of Article 56 of the 3rd Plan Law went up by Rls. 3,974.9 billion compared to the previous year-end to Rls. 15,413.1 billion at the end of 1383.

Utilization from Oil Stabilization Fund (OSF)

In 1383, in order to support productive activities, aimed at creating new job opportunities, the utilization of OSF resources was continued. By the end of 1383, a total of \$10,257.3 million has been earmarked for projects with job creating targets, and the value of contracts concluded for such projects amounted to \$6,874.2 million.

(1) Data unavailable for Q4, 1383

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 increase in the government share in 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. In this regard, in 1383, Rls. 425 billion was paid to 11,189 applicants.

Unemployment Insurance Fund Performance

The number of pensioners benefiting from Unemployment Insurance Fund, with a rise of 1.3 percent compared to the year before, amounted to 133,552 persons by the end of 1383.

Salary and Wage

To maintain purchasing power, welfare and job security, the High Council of Employment, as the responsible body for setting the minimum monthly wage, determined the minimum nominal monthly wage at Rls. 1,066,000, up by 24.9 percent as compared to the previous year. Given the inflation rate of 15.2 percent for 1383, the minimum real monthly wage had an 8.4 percent rise. Furthermore, the salary coefficient of governmental employees rose from 320 in 1382 to 350 in 1383. This indicated a 14.4 percent growth, albeit lower than inflation rate of 15.2 percent.

Labor Force Productivity

Labor force productivity in various sectors of the economy, particularly during 1381-83, indicates an improvement, especially in the three sectors of manufacturing, agriculture, and services. However, the pace of this growth slowed down, largely observed in services and agriculture sectors.

LABOR FORCE PRODUCTIVITY				(1376=100)		
	1381	1382	1383			
GDP at basic price (billion rials)	355,554	379,838	398,234			
Number of employed (person) (1)	17,499,272	18,152,609	18,906,000			
Labor force productivity (thousand rials/person)	20,318.2	20,924.7	21,063.9			
Percentage changes	3.9	3.0	0.7			

(1) Estimates of Management and Planning Organization

LABOR FORCE PRODUCTIVITY BY ECONOMIC SECTORS (1)										(1376=100)		
	Industries and mining			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)			
1381	83,430	5,638,950	14,795.3	49,818	3,692,407	13,492.0	186,828	8,167,915	22,873.4			
1382	89,910	5,920,519	15,186.2	53,362	3,713,367	14,370.2	195,614	8,518,723	22,962.8			
1383	97,490	6,083,373	16,025.6	54,521	3,733,753	14,602.2	204,603	8,960,486	22,833.9			

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

Income Distribution

In 1383, the share of poorest 10 percent of households in the urban areas composed 2.1 percent and that of the richest 10 percent constituted 30.3 percent of the country's income. The share of the first decile went up by 5.0 percent while that of the tenth decile fell by 5.3 percent as compared with the previous year. As a result, the ratio of richest 10 percent to poorest 10 percent decreased by 10 percent from 16 times in 1382 to 14.4 times in 1383. This shows an improvement in income distribution in the urban areas. Another indicator of improvement in income distribution in the urban areas could be observed through a reduction of Gini coefficient by 3.8 percent in the urban areas to 0.3996 in 1383 when compared with the year before.

INCOME DISTRIBUTION INEQUALITY INDEX IN URBAN AREAS

	1381	1382	1383
Gini coefficient	0.4191	0.4156	0.3996
Share of 40% of low-income households (percent)	14.98	15.05	15.83
Share of 40% of medium-income households (percent)	36.07	36.54	37.07
Share of 20% of high-income households (percent)	48.95	48.42	47.10
Ratio of richest 10% of households to poorest 10%	17.1	16.0	14.4

Household Budget in Urban Areas

The Household Budget Survey was done in 72 sample cities in the review year. During this survey, 13,000 households were interviewed and the upshot is as follows:

A. Expenditure

The gross expenditures of each urban household on annual basis went up by 22.4 percent to Rls. 60,344 thousand (Rls. 5,029 thousand monthly) in the review year. Of this amount, 24.8 percent was related to “food and beverages”, 26.8 percent to “housing, water, gas and power and other fuels” and 15 percent to “transportation” group, which showed growth of 17.9, 16.9, and 32.5 percent respectively, compared to the previous year.

B. Income

The income of an urban household (including monetary and non-monetary income) totaled Rls. 55,662 thousand (gross) or Rls. 4,639 thousand monthly, up by 20.7 percent. Of this figure, 74.9 percent was cash income and 25.1 income in-kind, up by 22.7 and 15 percent, respectively as compared with the previous year. Moreover, about 19.7 percent of total income is related to rental value of owner occupied house.

Education

In 1383, literacy rate among the age group of 6 years and over grew by one percentage point to 86.5 percent. Enrollment rate in the age group of 6-14 years in various areas edged up to 96.3 percent. Literacy rate in the age group of 6-29 years in the whole country was 96.5 percent, up by 0.2 percentage point, compared to the year before.

Following downward trend of population growth, the total number of students at various educational levels fell to 15.8 million persons⁽¹⁾ in the academic year of 1383/84, down by 4.8 percent as compared with the previous year. Of the total number of students at various educational levels, students at primary, junior and senior high schools fell by 6.6, 6.6 and 1.7 percent, respectively, and pre-university students were reduced by 5.3 percent when compared with the previous year.

LITERACY RATE IN THE POPULATION AGED SIX YEARS AND OVER

	(percent)		
	Total	Urban areas	Rural areas (1)
1382	85.5	92.0	74.8
1383	86.5	92.6	76.5

Source: Management and Planning Organization

(1) Includes unsettled population.

ENROLLMENT AND LITERACY RATES

	(percent)	
	1382	1383
Enrollment rate (6-14 years)		
Urban areas	98.5	98.6
Rural areas	91.0	91.2
Total	96.0	96.3
Literacy rate (6-29 years)		
Urban areas	98.0	98.2
Rural areas	93.0	93.4
Total	96.3	96.5

Source: Management and Planning Organization

(1) About 490,000 of students were adult students. This number indicates 4.5 percent reduction compared to the respective figure of the previous year.

Higher Education

In the academic year of 1383/84, the total number of university students rose from 1.9 million persons to 2.4 million. The number of students at public universities and Payam-e-Noor university grew by 46.6 percent to 1,354 thousand and Islamic Azad University students, with 13.5 percent rise, reached 1,099 thousand. Moreover, the total number of male and female university students grew respectively by 24.8 and 34.2 percent to 1,144.1 and 1,308.6 thousand persons.

	NUMBER OF UNIVERSITY STUDENTS (person)					
	Academic year		Percentage change		Share (percent)	
	1382/83	1383/84	1382/83	1383/84	1382/83	1383/84
Public universities and higher education institutes	923,913	1,354,279	14.1	46.6	48.8	55.2
Female	493,420	778,643	19.5	57.8	26.1	31.7
Male	430,493	575,636	8.5	33.7	22.8	23.5
Islamic Azad University	968,206	1,098,491	6.7	13.5	51.2	44.8
Female	481,590	529,993	5.4	10.1	25.5	21.6
Male	486,616	568,498	8.7	16.8	25.7	23.2
Total	1,892,119	2,452,770	1.0	29.6	100.0	100.0

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

Health and Medical Care

Based on the statistics released by the Medical Council, the number of physicians, dentists, and pharmacists rose by 6.3, 7.2, and 5.5 percent to 85,182, 16,736, and 12,038 persons, respectively in 1383. The ratio of population to physician, dentist, and pharmacist was 832, 4,273, and 5,848 persons respectively, indicating an improvement in health indices.

Social Security

Contributory Program

The Social Security Organization (SSO) insures workers and employees subject to Labor Act through obligatory partnership plans, and the self-employed through contracts. In this year, the number of the main insured rose by 1.6 percent to 7,161.9 thousand. Among these, 85.5 percent were active in manufacturing establishments and 1.9 percent (approximately 133.5 thousand) were unemployed and benefited from unemployment insurance, up by 1,700 persons as compared with the previous year. The remaining 12.6 percent includes the optionally insured, the self-employed, truck drivers, and employees in the insurance sector.

Medical Services Insurance Organization, affiliated to the Ministry of Health and Medical Education extends health insurance coverage to the government employees and their dependents, villagers and self-employees.

The total number of insured by the Medical Services Insurance Organization grew by 3.3 percent to 38.9 million persons in 1383, covering 57.5 percent of the total population.

Non-contributory Program

In 1383, the total number of people covered by the Imam Khomeini Relief Committee was reduced by 0.9 percent to 5,976 thousand persons. Of this figure, 1,907 thousand were ad hoc recipients.

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

	1381	1382▲	1383	Percentage change	
				1382	1383
Total number of people (thousand persons)	6,038	6,030	5,976	-0.1	-0.9
Amount of grants (billion rials)	5,749.9	6,082.4	10,100.1	5.8	66.1

Source: Imam Khomeini Relief Committee