

**Tehran Chamber of Commerce,
Industries, Mines, and Agriculture**

Economic Research Department



Labor Force in Iran 2018-19

May 2019



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In regards to promotion of research and development, Economic Research Department of the TCCIMA prepares different reports about Iran's economic and trade performance. This report provides a quick overview of the Iran's labor market during the selected periods.



Did you know?

About 40.5% of the population of working-age (over 10 years old) are economically active in Iran.

The economically active population has been increasing in Iran. Recent statistics indicates a 0.4% rise in 1397 (the year ended March 20, 2019) as compared with the previous year.

Approximately 88% of the economically active population employed in 1397. This ratio stands about 89.6% for men.

More than 50% of the employed population is engaged in the service sector. Additionally, the manufacture sector accounted for about 32% of the total active population in 1397.

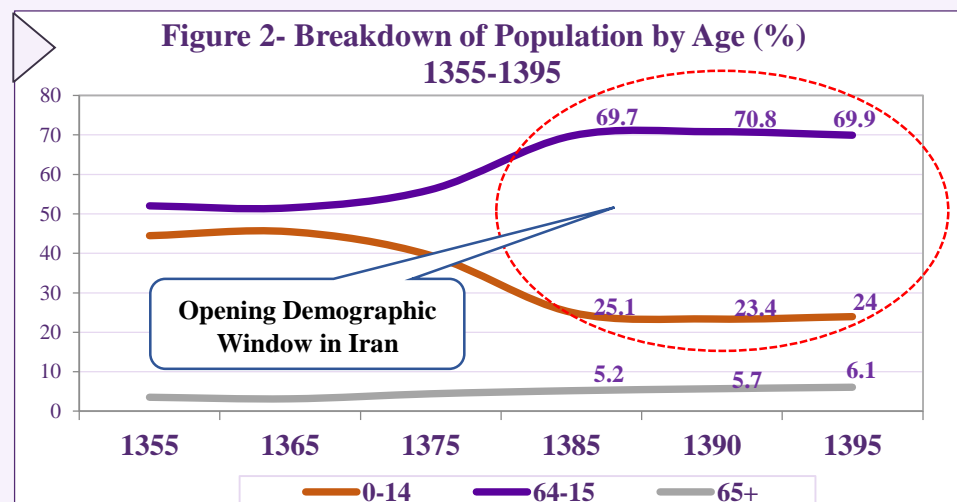
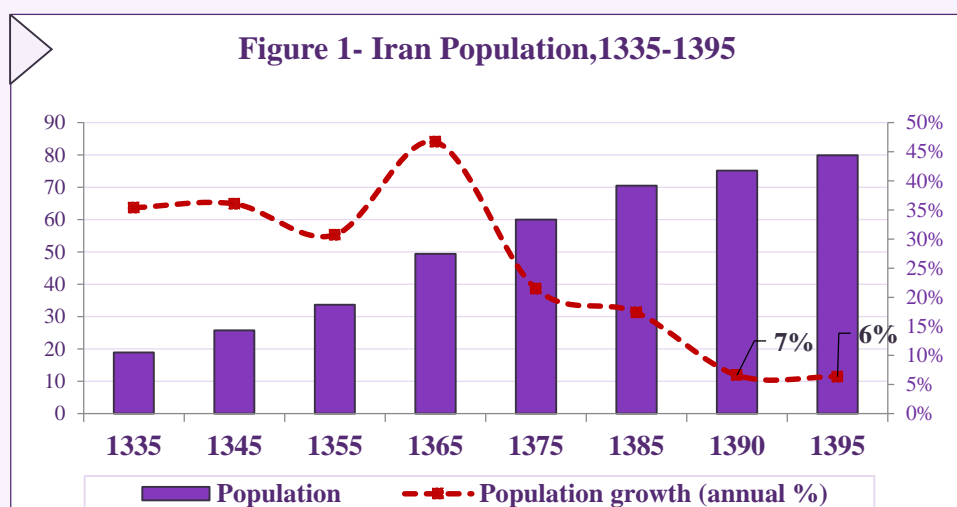
The demographic window in Iran will be open till 2045. During this period, consistent investment in human capital and appropriate policy choices are necessary to make the most of the demographic window of opportunities.



Population

Iran’s population has been increasing slowly since 5 years ago and reached approximately 80 million in 1395. The estimates indicate a growth of 6.7 percent according to last corresponding period (Figure 1). The remarkable point of Iran’s population is that demographic window has been opened since 1385. It refers to the period of demographic transition when the proportion of the population of working-age group (15-64 years of old) is truly more than other groups (Figure 2). In other words, the ratio of dependents to working-age population (Dependency Ratio) decreases in this specific era. Therefore, it is considered a unique opportunity for economic growth by boosting investments in human capital.

According to United Nation estimates, the demographic window has been opened in 2005 and will be closed in 2045 in Iran (4 decades).



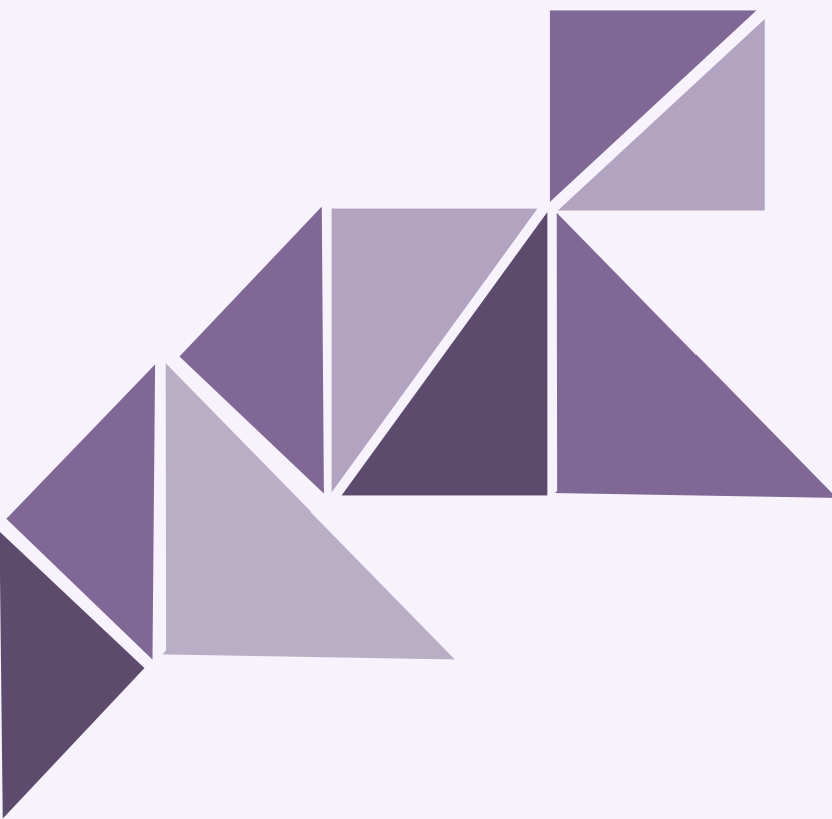
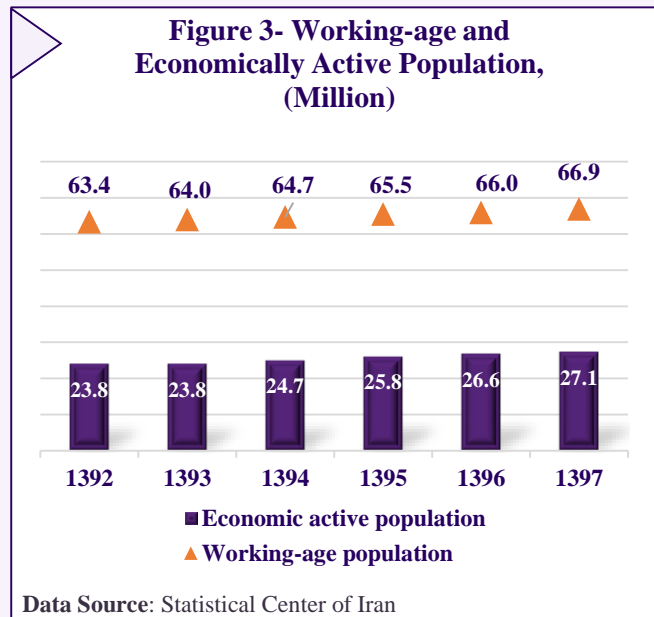
Data Source: Statistical Center of Iran



Active Population

The Population of people aged 10 or over (working-age group), is estimated approximately 66.9 million in 1397 (Figure 3). About 40.5% of this age group, who have been employed or have been able to take part in the production of goods and services, are economically active in Iran. The number of people is considered as the active population has risen in recent years. It stood at about 25 million people in 1394 and increased to about 27.07 million people in 1397 (Figure 3).

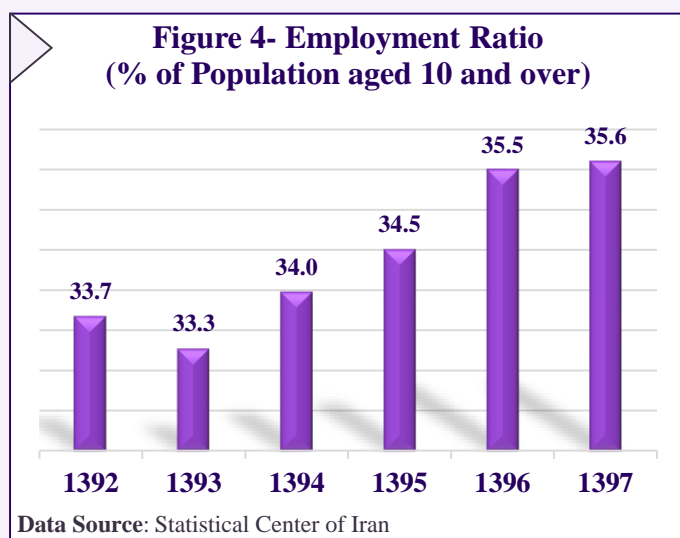
Over 80% of the economically active population is consisted of men. However, the percentage of women in this group has been slightly growing.





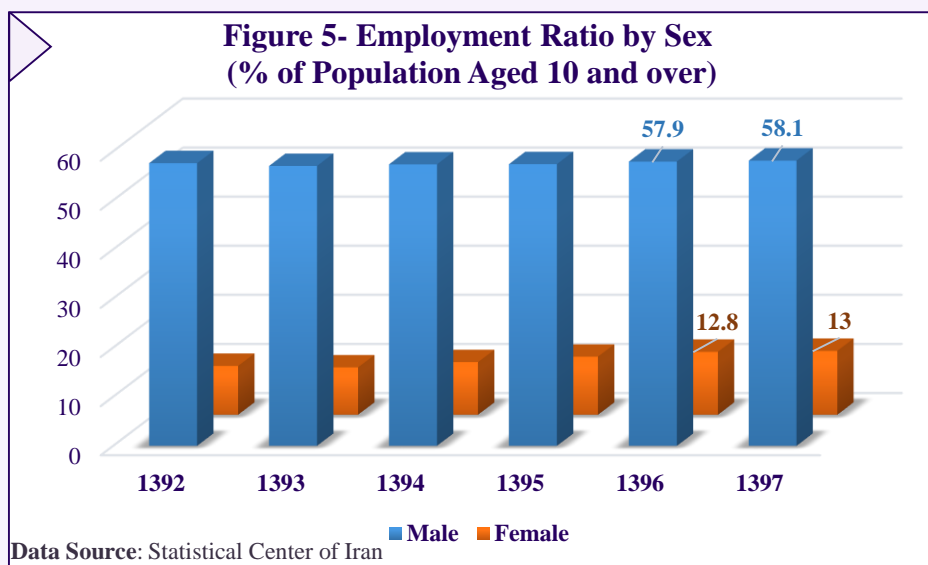
Employed Population

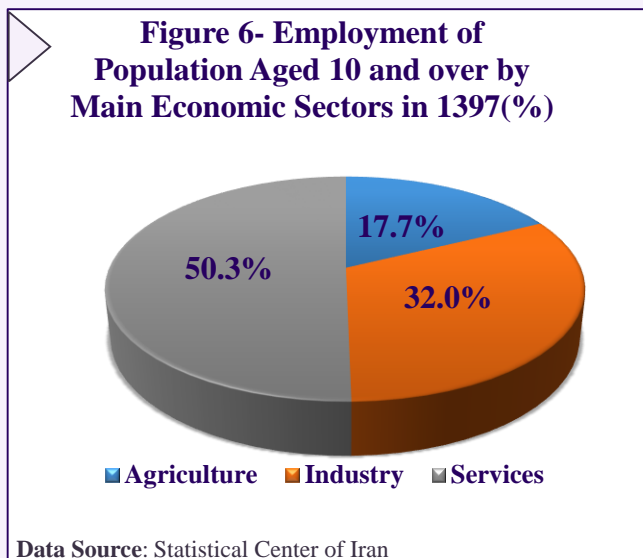
Approximately 35.6% of Iran’s population (aged 10 and over) has employed in 1397. It consists of about 23.8 million people.



The employment ratio which is the ratio of the employed population (10 years of age or over) to the total population (10 years of age or over) is estimated about 35.6% in 1397. This ratio has recently been on rise. So that it has increased 1.1 percentage points for the past two years (Figure 4).

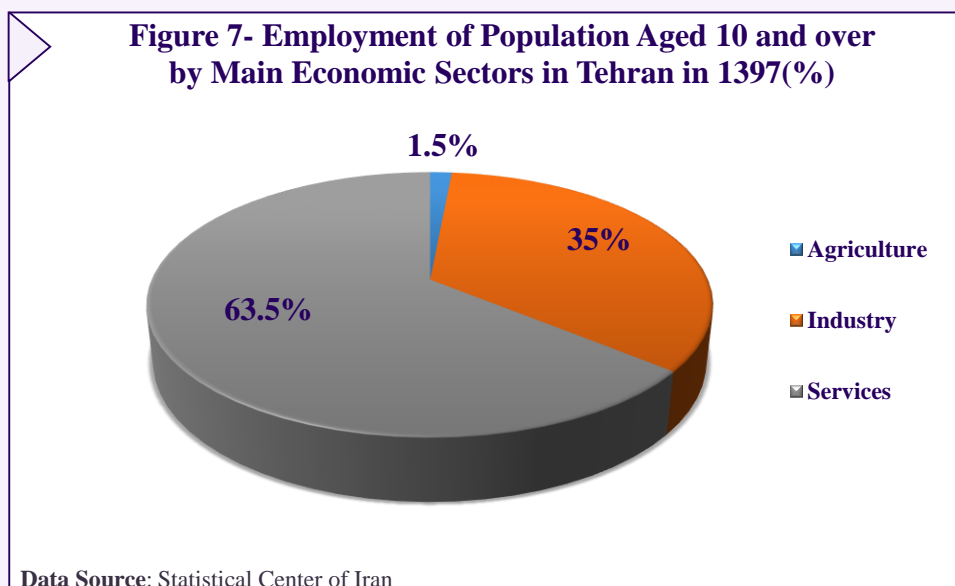
A review of the employment ratio in male and female individuals indicates that almost 13% of population of women has been employed in 1397. This indicator stands higher for men at about 58.1% (Figure 5).





The most significant proportion of the employed population has been working in the service sector. Nearly one out of two (50.3 %) works in this sector. The manufacture sector holds the second share of employment with about 32% of the total. These are followed by agriculture sector with 17.7% (Figure 6).

Tehran as the most populated province of Iran has a bit different composition of employment. The share of agriculture sector seems to be negligible, whereas service sector is quite significant in Tehran, employing over 63.5 % of the labor force (Figure 7).

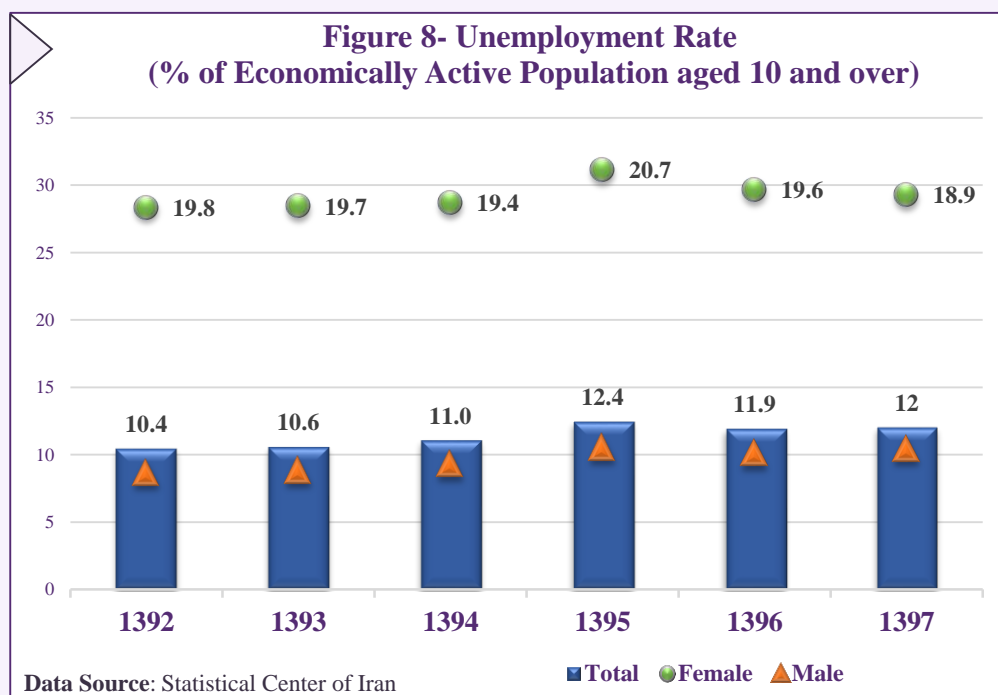




Unemployment Rate

According to the Statistical Center of Iran, nearly 3.26 million people aged 10 and over were unemployed in 1397 which is considered about 12% of the economically active population. This ratio has risen by 0.1 percentage points as compared with the previous year (Figure 8).

Although the economically active population of women is truly less than men (almost one out of four), women's unemployment rate stands remarkably higher than men at 18.9% (Figure 8).



It is notable that unemployment rate of youths aged 15-24 is generally higher and has increased to 27.7% in 1397. This rate stands about 39.9% and 24.3% respectively for women and men.

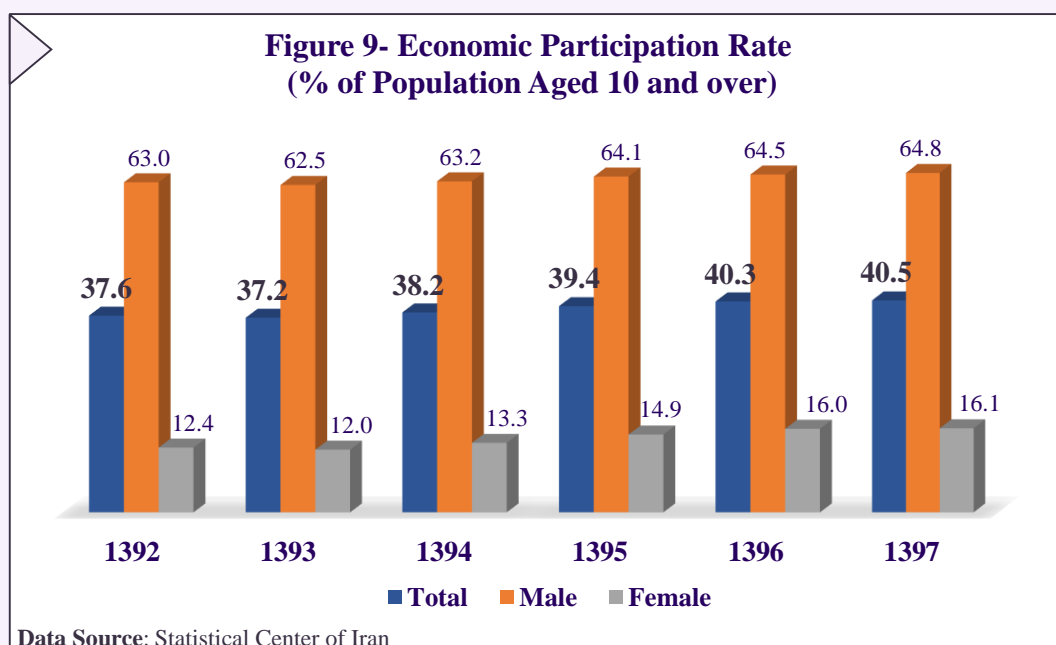
Unemployment of Tehran has been estimated about 12.2% in 1397 which has decreased 0.6 percentage points as compared with previous year.



Labor Force Participation Rate

Labor force participation rate is considered as a measure of the proportion of working-age population (10 years of age or over) that engages actively in labor market, either by working or looking for work.

The economic participation rate reveals that more than 40.5% of population aged 10 and over have been economically active in 1397. Additionally, this rate has increased about 0.4 percentage points in comparison to the previous year. In other words, the relative size of the supply of labor force available to engage in the production of goods and services has been growing recently (Figure 9).



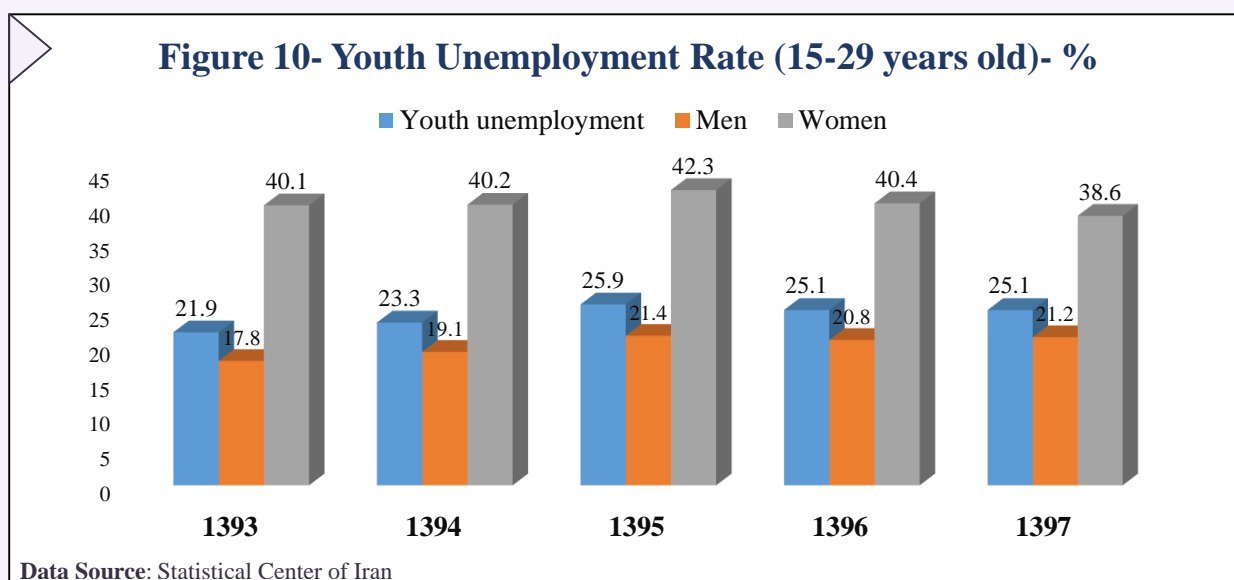
The breakdown of the labor force by sex and age group indicates that economic participation rate of men is really much higher than women. However, a careful assessment of these rates reveals that the proportion of the active population of women and men experienced a same rise (0.4 percentage point) by 1397 in comparison with the last year. The participation rate of women has risen from 15.7% in 1396 to 16.1% in 1397 for women.



Youth Unemployment

In 1397, about 25.1% of youth (15-29 years) are unemployed. Among this age group, women are noticeably in worse situation, with 38.6% unemployment rate, in comparison to men (Figure 10).

Youth unemployment rate saw a peak in 1395 (25.9%), and after falling to 25.1% in 1396 it leveled off in 1397. Hopefully, after 1395, the female unemployment rate among youth has diminished; from 42.3% in 1395 to 38.6% in 1397. Meanwhile, male youth unemployment rate stood at 21.4% in 1395, followed by a slight dip in 1396 (20.8%) and a rise in 1397 (21.2%).



Graduate Unemployment Rate

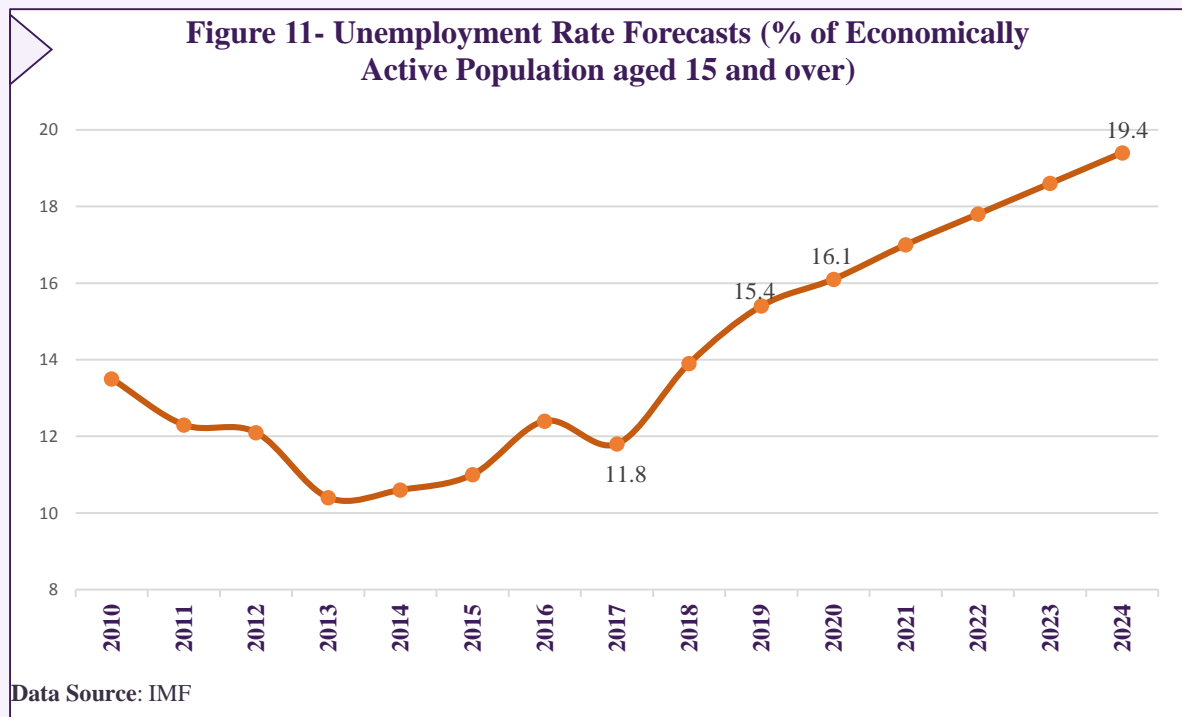
According to Statistical center of Iran, the graduate unemployment rate is 18.1%, which is higher than the total unemployment rate (12%). This shows unemployment among people with higher education is more than other people. However, the graduate unemployment rate in 1397 saw a 0.9 percentage point decrease in comparison to the previous year (1396).

The gender gap among highly educated individuals is even wider than total active population. While educated men experienced 12.9% unemployment rate in 1397, for females, this rate was twice as much as males (28.1%).



Unemployment Rate Forecasts

According to International Monetary Fund, Iran's unemployment rate at the end of 2019 will stand at 15.4%. Afterward, this will witness a moderate rise, reaching to 16.1% in 2020. In 2024, Iran will experience the highest unemployment rate in the period 2010-2024 (19.4%).





Annex

Correspondence of Iranian and Gregorian Calendars¹

Month Year	1393		1394		1395		1396		1397	
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2019</u>	
Farvardin	1	March 21	March 21	March 21	March 21	March 21	March 21	March 21	March 21	
	31	April 20	April 20	April 20	April 20	April 20	April 20	April 20	April 20	
Ordibehesht	1	April 21	April 21	April 21	April 21	April 21	April 21	April 21	April 21	
	31	May 21	May 21	May 21	May 21	May 21	May 21	May 21	May 21	
Khordad	1	May 22	May 22	May 22	May 22	May 22	May 22	May 22	May 22	
	31	June 21	June 21	June 21	June 21	June 21	June 21	June 21	June 21	
Tir	1	June 22	June 22	June 22	June 22	June 22	June 22	June 22	June 22	
	31	July 22	July 22	July 22	July 22	July 22	July 22	July 22	July 22	
Mordad	1	July 23	July 23	July 23	July 23	July 23	July 23	July 23	July 23	
	31	Aug 22	Aug 22	Aug 22	Aug 22	Aug 22	Aug 22	Aug 22	Aug 22	
Shahrivar	1	Aug 23	Aug 23	Aug 23	Aug 23	Aug 23	Aug 23	Aug 23	Aug 23	
	31	Sept 22	Sept 22	Sept 22	Sept 22	Sept 22	Sept 22	Sept 22	Sept 22	
Mehr	1	Sept 23	Sept 23	Sept 23	Sept 23	Sept 23	Sept 23	Sept 23	Sept 23	
	30	Oct 22	Oct 22	Oct 22	Oct 22	Oct 22	Oct 22	Oct 22	Oct 22	
Aban	1	Oct 23	Oct 23	Oct 23	Oct 23	Oct 23	Oct 23	Oct 23	Oct 23	
	30	Nov 21	Nov 21	Nov 21	Nov 21	Nov 21	Nov 21	Nov 21	Nov 21	
Azar	1	Nov 22	Nov 22	Nov 22	Nov 22	Nov 22	Nov 22	Nov 22	Nov 22	
	30	Dec 21	Dec 21	Dec 21	Dec 21	Dec 21	Dec 21	Dec 21	Dec 21	
Dey	1	Dec 22	Dec 22	Dec 22	Dec 22	Dec 22	Dec 22	Dec 22	Dec 22	
	30	<u>2015</u> Jan 20	<u>2016</u> Jan 20	<u>2015</u> Jan 20	<u>2016</u> Jan 20	<u>2016</u> Jan 20	<u>2018</u> Jan 20			
Bahman	1	Jan 21	Jan 21	Jan 21	Jan 21	Jan 21	Jan 21	Jan 21		
	30	Feb 19	Feb 19	Feb 19	Feb 19	Feb 19	Feb 19	Feb 19		
Esfand	1	Feb 20	Feb 20	Feb 20	Feb 20	Feb 20	Feb 20	Feb 20		
	29/30	March 20	March 19	March 20	March 20	March 19	March 20			

¹There are 31 days in each of the first six months of the Iranian calendar, 30 days in each of the next 5 months and 29 days in the last month, except in leap year when it has 30 days such as 1395.



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The Economic Research department of TCCIMA is responsible for providing economic analysis, conducting business research, managing official data collection, providing timely and accurate information to TCCIMA members and units. This sector actively seeks new data sources, suggests research topics, and prepares reports on various economic subjects' with the aim of analyzing economic challenges and increasing private sector awareness of macroeconomic and business environment issues.

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