



Ministry of Cooperatives
Deputy for
Research, Education & Extension



Cooperatives of Iran at a Glance

Dep. of Research

Secretariat of ICA-ROAP Regional Consultation Meeting

Tehran-Iran July 2001

Translation by: Marjaneh Soltani

ICA Library
334(55)
SOL-C
ICA 02421

Ministry of Cooperatives

*Deputy for
Research, Education &*

Extension

**COOPERATIVES OF IRAN
AT A GLANCE**

Dep. of Research

Secretariat of ICA-RGAP Regional

Consultation Meeting

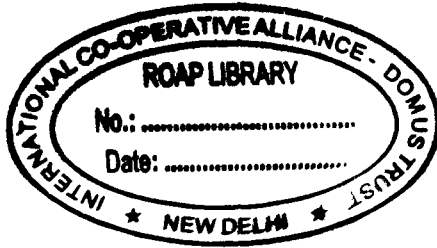
Tehran-Iran

July 2001

334 (1992)
1000

Translation by: Marjaneh Soltani





Preface

Although "Cooperation",referred to as collaboration , assistance, and mutual aid,has a long-lived record to the extent of human beings' social life, but the world of cooperative is 167 years old and the cooperative in Iran, 66. Cooperatives, in terms of their principles, values and being responsive to the international social-economic issues, quickly developed in such a context that currently, more than 800,000 cooperative societies with about one billion members and 66000 cooperative societies with 16 million members comprise the family of cooperatives in the world and Iran respectively.

Generally, cooperatives are active in three levels - primary,secondary, and tertiary (ie cooperative societies, unions and national unions).

Also , the International Cooperative Alliance(ICA) was established in 1895 and it has 5 regional offices in the five continents, rendering services to the cooperatives. The ICA Regional Office for Asia & the Pacific (ICA-ROAP) is based in New Delhi, India, which is bound to organize biannual Cooperative Ministers Conferences of the member countries. So far, five Asia& the Pacific Cooperative Ministers' Conferences have been held, the last one in Beijing, China in 1999, and the 6th conference will be held in Nepal in 2002. Before each cooperative ministers' conference , the Asia & the Pacific Regional Consultation Meeting, with the presence of representatives from member organizations, Governments & international organizations, is held in one of the member countries. The objective is to study the follow up of actions, approved in the ministers' conference

regarding cooperatives' existing problems, as well as setting the agenda for the upcoming cooperative ministers' conference.

The 6th ICA-ROAP Consultation Meeting is being held in Tehran, I.R. Iran, from 1-5 July, 2001 based on the proposal of I.R. Iran, Ministry of Cooperatives, and the approval of the Cabinet and ICA.

Since it is the first time such regional cooperative event is taking place in Iran, and as the year 2001 has been declared as "the Year of Dialogue among Civilizations" ,by the U.N. the following cooperative meetings will be held in Tehran:

- 1- "Cooperatives & Dialogue among Civilizations", 8:30-12:30, Sun. 1 July, 2001 (five speeches by national and international figures)

- 2-"NATIONAL CO-OPERATIVE FORUM OF IRAN", 14:00-17:00, Sun. 1 July, 2001 (with the presence of Iran, Asia & the Pacific Cooperative representatives)
- 3- "The ICA-ROAP Regional Consultation Meeting with the presence of representatives from member organizations, Governments & international organizations. 8:30-17:00 , Mon.,Tue., Wed.,2,3,4 July, 2001 (studying cooperative policy and legislation reforms).
- 4- "NATIONAL CO-OPERATIVE WOMEN FORUM OF IRAN", 8:30-12:30, Thur. 5 July, 2001(with the presence of cooperators from Iran& Asia).

All meetings will be held in the International Conference Hall of the I.R.Iran's Broadcasting Organization.

To provide all dear participants with useful

information, various reports and brochures are available, including this brochure, "Cooperatives of IRAN At A Glance " in both Persian and English . We hope these information as well as findings and achievements of the meetings, could be of great advantage for the quality and quantity developements of cooperatives all over the world, in Asia & the Pacific , and particularly in Iran.

Jafar Asgari

Director General

of Research Dep.

&

Meeting Executive Director

1- Geography

Covering an area of more than 1.6 million square kilometers, Iran is located in the southern half of north temperate zone. Its average altitude is more than 1200 meters from the sea level. The lowest spot with 56 meters in Loot Hollow and the highest , Damavand Summit , with 5610 meters altitude, is situated in the hearth of Alborz mountain chain.

Iran has terrestrial borders with Turkmenistan, Caspian Sea, Azarbaijan and Armenia in the north , Afghanistan and Pakistan in the east , Persian Gulf and Sea of Oman in the south , and Iraq and Turkey in the west. Iran has 28 provinces, 182 townships and 724 districts.

2- Population & Employment

According to the latest census made in 1996 ,

the population of Iran was 60.1 million, estimated to be 63 million now, with a very young structure. The population below 30 years of age is 70% and below 15 is 40%.

The rate of literacy is 80% and about 20 million people are currently studying in schools and universities.

In 1996, 16 million people were active population from the total 60.1 million , the net participation rate 35.3% and the unemployment rate had been 9.1%. The unemployment rate is estimated 14% due to juvenility of the population.

The population annual growth rate from 2.7% between 1966-76 increased to 3.9% between 1976-86, but it was controlled to 1.5% with the cooperation of people and authorities.

Accordingly , the employment annual growth rate decreased from 2.5% to 2.3% and 2.2% at the same period (table No. 1).

Table No. 1- Woman/Men Population & Employment Statistics

year	Population on the basis of age		Population on the basis of activity & employment			Average annual growth %		
	Total No.	%Men	%Women	Active Population (Thousand)	Participation rate (%)	Unemployment rate (%)	Population	Employment
1976	33708	51.5	49.5	9796	42.6	10.2	2.7	2.5
1986	49445	51.1	49.9	12822	39.0	14.2	3.9	2.3
1996	60055	50.8	49.2	16027	35.3	9.1	1.5	2.2

Source: Iran Statistics Center

3- Economy

According to the Principle 44 of the Constitutional Law, the country's economy is categorized into three Government , Cooperative and Private Sectors. The total value added created by all three sectors was 455237 billion Rls. in 1999, on the basis of current prices, 14.3% of which by agriculture sector, 10.8% by oil and mine, 15.2% by industry, 15.7% by commerce and 44% by other economic sectors(table No. 2).

Although the precise statistics of the GDP share of each economic sectors is not available, the share of government in national economy exceeds the share of cooperative and private sectors. The GDP share of cooperative sector is now about 6%

Table No.2- Iran GDP Share of Major Economic Sectors on the Basis of Current Prices in 1999 (billion RLS).

	Total	Agriculture, Hunting & Forestry	Mine & Oil	Industry	Water, Electricity & Gas (Utility)	Construction	Trade	Hotel & Restaurant	Transportation & Warehousing Communications	Financial and Monetary Institutions	Real estates, Professional Services	Public Affairs & Social Security	Education	Health care & Social Aids	Other Services
billion RLS.	4552.17	632.18	166.2	1923.2	693.01	1042.29	211.95	7199.5	504.9	294.91	620.30	236.08	1845.0	102.6	566.3
%	100.0	13.9	0.4	10.8	15.2	2.3	4.7	15.7	1.1	6.5	13.6	5.2	4.1	2.9	1.2

Source: Iran National Accounts 1991-99, Iran Statistics Center

The structure of gross domestic expenditure (GDE) indicates that 61.5% of the total country's GDE belongs to the households, 13.1% to the government and 22.8% is dedicated to savings and formation of gross capital assets. Furthermore, export of goods and services reaches to 17.8% , and import of goods and services to 13.5% of the GDE (table No.3).

Table No.3- GDE Structure on the Basis of Current Prices in 1999

	Total	Household Final Consumption expenditure	Government Final Consumption expenditure	CROSS FIXED CAPITAL FORMATION			Export of Goods & Services	import of Goods & Services	Stock changes in Warehouses	
				Total	Machinery construction	Others				
Billion Rls	460386	283070	60487	104989	58993	41959	4037	81951	62156	-7955
%	100.0	61.5	13.1	22.8	56.1	40.10	3.8	17.8	13.5	-1.7

Source: Iran National Accounts 1991-99 Iran, Statistics Center

The greatest portion of the Final households' consumption, as the biggest consumer of the country's GDP, first goes to food and beverage consumptions (31.9%) and second to housing, utilities and fuel. In other words, about 60% of households final consumptions is dedicated to food, fuel and housing. expenditure (table No. 4).

Table No. 4- Household Final Consumption Expense for Goods & Services on the Basis of Current Prices in 1999

	Total	Food & Beverage	Tobacco & Products	Clothing & Shose	Housing, Utility & Fuel	Furniture, & Household Equipment	Medical Care	Transportation	Recreation & Culture	Education	Hotel & Restaurant	Various Goods & Services	Net Commodity exports (excluding)
billion	281150	89834	3199	24417	76359	18359	15363	19448	4938	8688	2939	11839	2200
Ris													
%	100.0	31.9	1.1	8.7	27.2	6.5	5.5	6.9	1.8	1.1	3.1	4.2	0.8

4- Cooperatives

As it pointed out the second economic sector is earmarked for cooperatives. The cooperative sector economic activities are stipulated in both the Constitutional Law and the I.R. Iran Economic Law of 1991.

The first cooperative society was established in 1935 and gradually, the number reached to 6000 cooperatives until 1978, just before the triumph of the Islamic Revolution. After victory of the Revolution, as a movement towards underlining social and economic participations of grass roots, this number extended up to 66000 cooperative societies. More than 92% of the registered cooperatives are working under the umbrella of Cooperative Law (Ministry of Cooperatives) and

the remaining 8% are rural cooperatives , handi-carpets and women cooperatives (table No.5).

Also the huge family of cooperatives in Iran, consists of 16 million members; it means that from each 4 people, on the average, one is a cooperative member.

In Iran, unlike most other countries, the range of cooperative activities is vast and varied. The distribution of types of cooperative societies and unions under support of the Cooperative Ministry indicate that the agriculture cooperatives , with more than 10655 units or 17.3% of the total cooperatives, rank first from number point of view, housing cooperatives, with 9044

units(14.7%) rank second, and finally the consumer cooperatives with 8995 units(14.6%) rank the third (table No. 5).

Table No. 5- Cooperative Statistics of Iran/2000

	unit	Total	Ministry of Cooperatives	Rural Cooperative Organization	Ministry of Agriculture Jihad
No. of Coops.	Society	66695	61616	2949	2130
NO. of Members	Thousand People	16229.4	10653.2	4422.8	1153.4
Average Membership	Individual	243.3	172.9	1499.8	541.5
Capital	Billion Rls.	3892.8	3509.9	331.0	51.9
Average Capital	Million RLs.	58.4	57.0	112.2	24.3
Job Creation	Thousand People	1700.5	1486.2	38.0	176.3
Average Job Creation	Individual	25.5	24.2	12.9	82.8
No of Cooperative Union	Union	747	391	257	99

Source: Ministry of Cooperatives, Rural Cooperative Organization, Ministry of Agriculture Jihad

Table No. 6- Statistics of Different Cooperatives Under Support of the Cooperative

Ministry

(up to the end of 2000)

No	Type of Activity	Number of Coops		Capital (Billion RLS.)		Number of Members (thousand People)		Job creation (thousand People)	
		No.	%	No.	%	No.	%	No	%
1	Agriculture	10655	17.3	395.0	11.3	154.5	1.5	203.2	13.7
2	Development	1724	2.8	14.0	0.4	22.9	0.2	28.1	1.9
3	Industry	7222	11.7	542.8	15.5	105.8	1.0	153.9	10.4
4	Mine	1561	2.5	59.3	1.7	18.2	0.2	27.4	1.8
5	Handi carpet	890	1.4	26.6	0.8	150.3	1.4	198.4	13.3
6	Producer Supply	2186	3.5	407.4	11.6	302.9	2.8	304.2	20.3
7	Service	5770	9.4	268.4	7.6	121.5	1.1	144.7	9.7
8	Transport	1223	2.0	72.7	2.1	218.8	2.1	245.2	6.5
9	Housing	9044	14.7	478.3	13.6	1731.1	16.2	408.2	7.3
10	Credit	1385	2.2	118.3	3.4	341.2	3.2	2.9	0.2
11	Consumer supply	8995	14.6	827.3	23.5	6134.3	57.6	25.2	1.7
12	Multi - Purpose	1347	2.2	259.7	7.4	454.2	4.3	35.6	2.4
13	Service Supply	506	0.8	30.2	0.9	29.7	0.3	3.0	0.2
14	School Consumer	9108	14.8	9.7	0.3	868.6	8.2	8.1	0.5
15	Total	61616	100.0	3509.9	100.0	10653.1	100.0	1486.2	100.0
16	Cooperative Unions	391	---	405.1	---	16.5	---	17	---

According to the Third Five Year Economic, Social & Cultural Development Plan of the country, based upon minimizing Government patronizing role and increasing people's participation in economic affairs in general, and through cooperative institutions in particular, some new cooperatives emerged during recent years to overlap the role of Government to create employment opportunities , such as:

- Water Supply Cooperatives for transference of water from dams to the farms and residential units with the collaboration of farmers;
- Medical Cooperatives for supplying urban and rural dwellers with health care services by young physicians;
- Flower & Plant Growing Cooperatives;
- Mail & Tele Communication Services Cooperatives in small areas;
- Toll House Services Cooperatives;
- Educational Cooperatives, and Mental handicapped & Aged Care Cooperatives;
- SMEs Supply Cooperatives;

Regarding supply cooperatives (ie to provide cooperatives with their needs), there are more than 5.5 million economic entities, 90% of which are SMEs . Since small economic entities can not succeed on their Common need, in the globalization and changing technological era of the competitive markets, the formation and participation of small supply cooperative enterprises, with a private identity, is conducive to their economic and technical development and a guarantee of success in today's changing environment . Iran is a success for its relevant valuable achievements during recent years (table No.7).

*table No 7- Producer & Distributor Supply Cooperatives
Registered up to end of 1999*

No	Type	No. of coops.	Capital (Million Rls.)	No. of Members	Employment Creation
1	Producer Supply	1849	201871.4	249666	267022
2	Technical Services	161	23243.9	22544	23243
3	Consumer Supply	134	121295.4	22156	22996
4	Distributor Supply	1636	12195.4	146512	77539
	Total	3780	360598.8	440878	390800

Finally, the issues like employment generation and poverty alleviation, are not only one of the main concerns of the authorities and people in Iran, but a challenging subject for other countries as well. Hence, the cooperatives are expected to meaningfully affect the problems, such as creation of new jobs and step-by-step removal of poverty from the world, through structural and technical reforms and by being faithful to the progressive cooperative principles and values.

References

1. Statistical Yearbook,1999, Iran Statistics Center
2. Statistical Report on Cooperatives Performance, 2000, Ministry of Cooperatives
3. Statistical Report on the Ministry of Agriculture Jihad's Cooperatives Performance
4. Statistical Report on Rural Cooperative Organization's Cooperatives Performance
5. Cooperatives & Development , '1998, Ministry of Cooperatives
6. An Analysis of Employment & Unemployment Situation; Cooperative strategies for Employment Creation, 2000, Dep. of Research, Ministry of Cooperatives
7. Iran National Accounts, 1991-98, Iran Statistics Center.



ICA 02421