

Islamic Republic of Iran- Key Figures National Report

1. INTRODUCTION AND CONTEXT

This report is part of a global mapping exercise launched by the International Cooperative Alliance and its regional offices within a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects include a worldwide legal frameworks analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research provides exhaustive information on cooperatives worldwide. This has been achieved by collecting the input of ICA members through an online questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in the Islamic Republic of Iran.

Historical background

The modern cooperative sector in Iran builds on traditional cooperation practiced among farmers that takes the form of collective cultivation, weeding, irrigation and harvesting. Modernisation of agriculture, through mechanisation and new forms of irrigation, disrupts these traditional forms and leads to the emergence of new forms of cooperation such as the sharing of machinery.¹

The first registered cooperative society began in 1935 under a Trade Law of 1932. By 1941, there were three rural cooperatives with 1,050 farmers in membership. Successive governments then began to promote consumer and agricultural cooperatives with technical assistance from UN agencies such as FAO and ILO, from the US government, and from cooperative institutes in Europe. However, progress was slow, and by 1951 there were only around 100 cooperatives. In 1955, a Cooperative Act was passed, and then in 1962 land reforms required farmers, who were being allocated land, to register as members of an agricultural cooperative. As a result, more than 8,000 rural cooperatives were quickly established which later got merged together, reducing the number to 3000 cooperatives. In 1967 a national apex cooperative was founded, and in 1971 a new cooperative law was passed.

By the time of the Islamic revolution in 1979, there were 1,340 societies with a membership of more than 800,000 affiliated to the central body. The revolution led to a renewed emphasis on economic development through cooperatives and the idea was enshrined in the constitution. Cooperatives were to take their place alongside the public and private sectors as a major driver of the economy. In 1984, an Iran Central Chamber of Cooperatives (ICC) was founded as the apex for all types of cooperative.

Following the 1979 Revolution, cooperatives were recognized both as tools to serve people's common needs and as drivers of economic development. Cooperatives were incorporated into the

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_606668.pdf

Constitutional Law as the third economic sector, alongside the public and private sectors. The country's Act on the Cooperative Sector of Economy was first passed in 1991 and a revision was made in 1998. It was in 1991 itself, that the Ministry of Cooperatives was first established to oversee the cooperative business in Iran. The Ministry was later merged with the Ministry of Labour and the Ministry of Social Welfare in 2011.

Public national statistics available

For a more comprehensive picture of the cooperative movement in Iran, the present section strives to provide key data from the country's public registers – so as to provide some useful background context to the ICA members' data showcased in Section 3 of the report.

Since 2008, cooperatives in Iran can be established and registered through an online system.² Legal oversight and monitoring of cooperatives are managed online in a specific portal³ for cooperatives.

The data presented here stems mostly from the Statistical Center of Iran (SCI)⁴ and the Ministry of Cooperatives, Labor and Social Welfare (MCLS)⁵. To reach the national goal of increasing the share of the cooperative economy to 25% and to better assess the impact of cooperatives, SCI has launched a satellite account on cooperatives in 2011. The satellite account calculates the value added of the cooperative sector to the economy.

The development of a methodology for collecting statistics on cooperatives has been part of the framework of a National Strategy for Development of Statistics that ran from 2011 to 2015. In collaboration with the Ministry of Cooperatives, Labour and Social Welfare (MCLS), the Statistical Centre of Iran (SCI) has developed a Satellite Account of Cooperatives⁶. Although the SCI leads and co-ordinates the statistical system, responsibility for production of the statistics is decentralised to ministries; the cooperative statistics are provided by the MCLS. It draws on several sources: its own administrative database, surveys and censuses on cooperatives, data from other government departments (in particular the Department of Agriculture), and from apex cooperatives.

Number of cooperatives

According to Iran Central Chamber of Cooperatives, there are 92,089 cooperatives in Iran as of 2016.

Employment

There are 1,737,426 employees in 92,089 cooperatives in Iran as of 2016.

Cooperative membership

There are 9,348,364 members in 92,089 cooperatives in Iran as of 2016. This accounts for 11.7% of total Iran's population.⁷

Production value

² <https://ei.mcls.gov.ir>

³ <http://nezarat.mcls.gov.ir>

⁴ <https://www.amar.org.ir/english/>

⁵ <https://www.mcls.gov.ir>

⁶ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_606668.pdf

⁷ https://www.unescap.org/sites/default/files/Session6_Iran_Population_and_Housing_Census2016_Census_WS_24-26Jan2018.pdf

The economic contribution of cooperatives in Iran is about 2.6% of the total Gross Value Added.⁸ Out of the total economic contribution (i.e., 2.6%), over 92 % of the contribution is done by non-financial cooperatives.

2. RESEARCH PRESENTATION

As stated earlier, the aim of this research is to collect and make public reliable and update-to-date data on cooperative movement of a country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (EURICSE) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organisations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognised, the present mapping exercise targets cooperative organisations members of the ICA. The research team recognises that the challenge of this choice is that the data available might cover only a few sectors or a relatively low number of cooperatives, depending on the reach of the ICA cooperative members present in the country. However, collecting data on this category of cooperatives provides an easier entry point of contact and offers direct benefits in terms of visibility, advocacy and networking.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

In Iran, the mapping questionnaire was completed by four ICA member organisations in the country. After some additional follow-up and clarifications from the member, the figures provided were compiled to be presented in the next section.

3. KEY FIGURES ON ICA MEMBERS

This section comprises the central and main section of the report; it presents the results of the data collection directed by the ICA members.

List of ICA Members

⁸ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_577561.pdf

Iran has the following ten ICA member organisations:

1. Iran Central Chamber of Cooperatives (ICC)
2. Central Organization for Rural Cooperatives (CORC)
3. Central Union of Rural & Agricultural Coops of Iran (CURACI)
4. Iran Oilseeds and Vegetable Oil Processing Factories Cooperative (FARDA)
5. Pishgaman Cooperative Union (PCU)
6. Supervision and Coordination Central Union of Rural and Agricultural Cooperatives (SCURA)
7. Tose'e Ta'avon Bank (T.T. Bank)
8. Rah-e-roshd Cooperative Educational Complex (CRC)
9. Central Union of State Rural Production Coops of Iran (CURPC)
10. Taavon Insurance Company (TIC)⁹

ICC: ICC is the national apex non-governmental cooperative organization representing the cooperative movement in Iran domestically and abroad. It became a member of ICA in 2000.

CORC: Established in 1963, CORC was established to facilitate and strengthen cooperatives in rural areas. It became a member of ICA in 1988.

CURACI: Established in 1990, CURACI works towards the development of and transfer of information between cooperative networks. It became a member of ICA in 1991.

FARDA: Established in 2006, FARDA provides technical and financial resources, and raw materials needed in vegetable oil factories to its shareholders. It became a member of ICA in 2010.

PCU: PCU is a multi-stakeholder cooperative group having both corporate members and individual consumer members. The union operates in Iran's IT and ICT industry, providing internet and telecommunication connections to all of the country's provinces. It became a member of ICA in 2012.

SCURA: Established in 2009, SCURA is an apex and nongovernmental organization consisting of national cooperative unions in the agricultural sector. It became a member of ICA in 2010.

T.T. Bank: Established in 2009, T.T. Bank provides monetary and banking services to cooperatives. It became a member of ICA in 2011.

CRC: Established in 1983, CRC is an educational cooperative comprising of parents, teachers and university professors. It became a member of ICA in 2018.

CURPC: CURPC aims to empower the rural production cooperatives in terms of autonomy and independence nationwide. It became a member of ICA in 2018.

TIC: Established in 2007, TIC is the first insurance company in the cooperative sector of Iran. It became a member of ICA in 2019.

Data on ICA Members

The data presented in the below section was retrieved from ICC, CORC, CRC and PCU.

⁹ TIC became a member of ICA in 2019 and was not covered in the pilot study.

Preamble

The questionnaire was filled marginally by members and very few variables could be covered in the responses. A significant portion of the questionnaire was filled by ICC, the apex organisation. Data could not be provided for the following variables:

- While ICC represents four different types of cooperatives, i.e. user, producer, worker and multi-stakeholders' cooperatives, economic data was not available for these categories – including the number of cooperatives, memberships, employees, or economic data within each type.
- Membership data is available on gender and youth, though the same is not applicable for employees. Within ICC, 20% of the employees are women while 30% of the employees are youth.

General overview

As of 2016, ICC represents:

Category	Total
Number of cooperatives	92,089
Number of memberships	9,348,364
Percentage of women in membership	14%
Percentage of youth in membership	33%
Producer-members in the producer cooperatives	1,893,249
Worker members in the worker and multi-stakeholder cooperatives	838,957
Number of employees	1,737,426

Table 1: Cooperative statistics received from ICC (2016)

ICC represents 92,089 cooperatives in the country, with a total number of memberships¹⁰ of 9,348,364 (includes 14.14% females and 33.33% youth), and a total number of 1,737,426 people as employees¹¹. Within its membership, there are 1,893,249 producer-members in the producer cooperatives and 838,957 worker members in the worker and multi-stakeholder cooperatives. While no economic data was available for all member organisations at the national level, some sectorial data could be provided and is broken down below.

Sectorial overview

A general overview is provided in the tables below:

Category	User cooperatives	Producer cooperatives	Worker cooperatives	Multi-stakeholder cooperatives	Mutuals	Other	Total
Number of cooperatives	3,168	51,002	3,393	3,722	724	30,080	92,089

¹⁰ Defined in the Mapping methodology as: the number of persons who initially signed the application for registration and those admitted in accordance with the cooperatives' bylaws and who currently participate in the organization in accordance with the cooperatives' bylaws.

¹¹ Defined as: all those workers who hold the type of job defined as paid employment jobs.

Number of memberships	4,425,852	1,893,249	838,957	711,313	405,792	1,073,201	9,348,364
Number of employees	193,127	738,064	180,836	125,485	51,074	448,840	1,737,426

Table 2: Cooperatives statistics based on types of cooperatives received from ICC (2016)

Sector	Number of cooperatives and/or mutuals	Number of employees
Accommodation and food service activities	1,267	17,187
Agriculture and food industry	22,186	2,28,352
Banking	724	51,074
Construction	9,895	3,59,628
Education	1,828	18,172
Human health and social work activities	2,273	28,760
Industry	16,342	1,76,977
Information and communication	1,703	12,598
Insurance	121	843
Other services	29,008	5,88,983
Transport	2,142	56,804
Wholesale and retail trade	4,600	1,98,048

Table 3: Cooperative statistics based on sectors received from ICC (2016)

Graphical representation of above statistics is as follows-

- Number of cooperatives and/or mutuals by sectors:

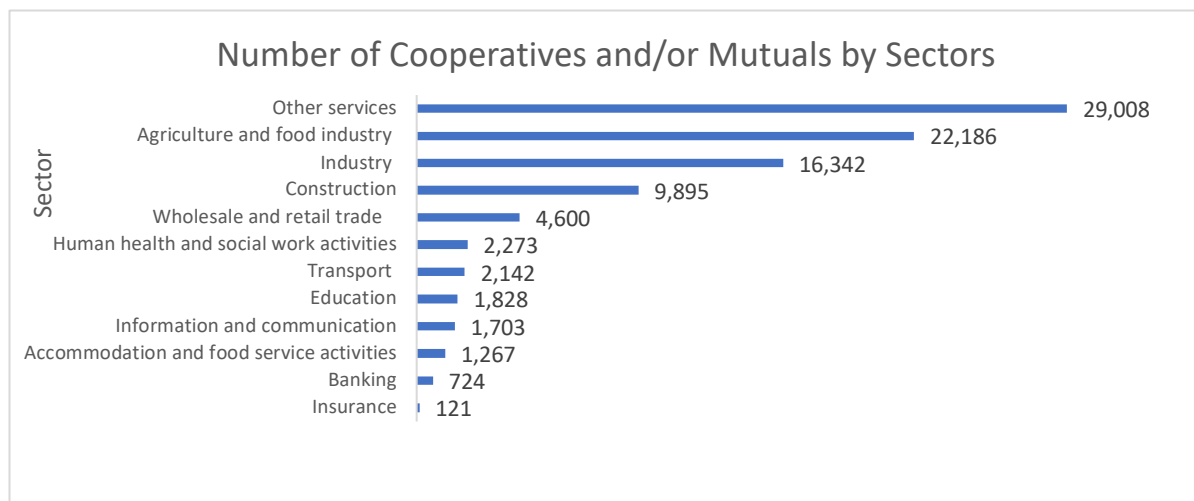


Figure 1: Number of cooperatives and/or mutuals by sectors in Iran (ICC, 2016)

- Number of employees by sectors:

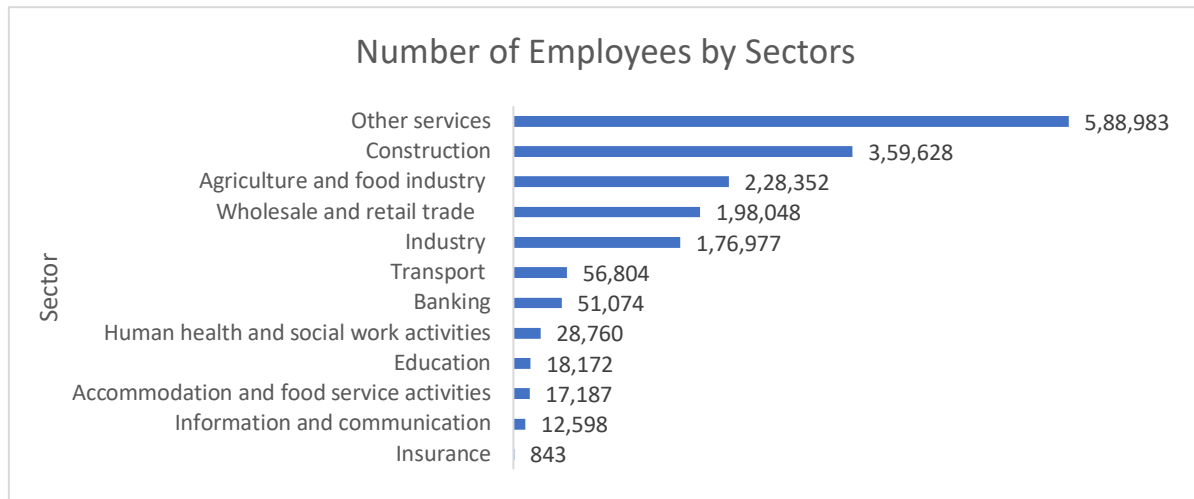


Figure 2: Number of employees in cooperatives by sectors in Iran (ICC, 2016)

The table below presents the data provided by other ICA members- CORC, CRC and PCU on common variables.

Year	No. of cooperatives represented	No. of membership of the cooperatives represented	Number of employees	Percentage of women employees	Percentage of youth employees
2016	-	169	652	72% (471)	40% (260)
2016	-	-	60	20% (12)	33% (20)
2016	-	-	1,136	24% (273)	73% (831)

Table 4: Data received from ICA members in Iran through mapping survey

4. CONTACTS

Further details on the Mapping research are available on the following website: (TBC with ICA or coops4dev site)

The production of this report was overseen by ICA-Asia Pacific. For any further information or clarification, please contact the following address: mappingresearch@ica.coop