

## The Evolution of Labour Legislation and Administration in Iran

*Before 1923 labour matters were almost totally unregulated in Iran, which makes the subsequent evolution of its labour legislation all the more remarkable. This rapid development, it is true, has been dictated by the needs of a newly emerging industrial sector that has steadily expanded alongside traditional agricultural and handicraft activities ; but it has been made possible only by the organisation of a modern system of labour administration. In the following pages the reader will find a brief account of labour legislation as it exists today in Iran, followed by a detailed description of the administrative machinery set up for its application and, finally, by a résumé of the assistance provided to Iran in this connection by the I.L.O.*

ALTHOUGH Iran is a country with a very ancient civilisation and a long-established political system, its public administration in the modern and broadest sense of the word is of comparatively recent date and this contrast is even more apparent in the domain of labour administration, which has only been organised and developed since the end of the last war.

The profound changes, both economic and political, dictated by the events of the war—particularly the abrupt, if temporary, check to the economic progress of the country, not to mention the paralysis of normal life—as well as the growing importance of the role played by the State and the remarkable increase in the population—all these greatly influenced and accelerated the rhythm of social evolution in the period immediately following the war. The general physiognomy of the country has changed, social questions having taken on a special importance and, at times, a preponderance which has placed the realisation of social reforms in the forefront of the Government's preoccupations.

The following brief description will bring out the main trends in the evolution of labour legislation and administration in Iran. The study of this evolution over a relatively short period clearly demonstrates how its pace has quickened and at times how fragmentarily it has met the new needs of the country.

## LABOUR LEGISLATION

In order to understand the evolution of labour legislation one must keep clearly in mind the conditions in which it has developed. These conditions are themselves bound up with the general physiognomy of the country.

Without wishing to repeat information of a general nature already published about Iran<sup>1</sup>, particularly with reference to its population, its natural resources, its economic situation and Government, it will suffice to refer briefly to the predominantly agricultural character of the country, whose chief activity over a long period has been agriculture. Indeed industrialisation only began towards 1925 and progressed regularly until 1941, when it was temporarily suspended owing to the war, to proceed again at an accelerated pace on the termination of hostilities. As in many other countries, therefore, recent labour legislation in Iran is closely bound up with the economic and industrial development of the country and reflects the social needs arising from this development. Two periods of evolution must, however, be distinguished—that prior to 1941, and that from 1941 to the present day.

*The Period Prior to 1941**Measures concerning the Conditions of Work.*

The industrialisation of Iran found its first impulse and made considerable progress between 1925 and 1941 on the initiative of the Government. Under its policy of modernisation the State itself took in hand the provision of industrial equipment. It built railways, roads and harbours, created the first important industries (textiles, cement, sugar, fats, etc.), established monopolies and companies for import and export, in order to co-ordinate and control the economic development of the country and to provide current consumer goods for the home market at reasonable prices. The State's activities were supplemented by private enterprise, and numerous individual firms and commercial companies for economic development appeared. As a result of this economic progress the Government was gradually led to regulate conditions of work in the new-born industries. The labour situation remained comparatively simple during the whole of this period and set no important problems, and until 1941 one may say that the only labour laws were a decree protecting workers in carpet factories,

<sup>1</sup> See M. A. DJAMALZADEH: "Notes on the Social and Economic Situation in Iran", in *International Labour Review*, Vol. LXIII, Nos. 1 and 2, Jan. and Feb. 1951.

dated 17 December 1923, and a decree on factories and industrial establishments of 10 August 1936.<sup>1</sup>

This last decree regulated safety and health, relations between employers and workers, and wages; it also created a provident fund in each establishment, and fixed the rates of allowances and compensation to be paid to victims of accidents. Provision was also made for the inspection of establishments. These regulations applied to any firm employing more than ten workmen, where there was no mechanical power, or five workers where mechanical power was installed. Moreover, it is of interest to note that already at this stage a clause in these regulations provided for the creation by local authorities of labour offices in the towns and provinces, to find employment for workers and deal with offers and demands for labour.

From the social point of view this decree was the first attempt to regulate the conditions of work in industrial establishments in Iran. It brought a new element into this field, the intervention and minimum responsibility of the authorities. Generally speaking it can be said to have met the needs of the period; but it is difficult to decide exactly to what extent this decree was implemented throughout the country, as the partial information available only covers a very short period and is not as accurate as could be desired.

#### *Social Insurance Measures.*

The first measures taken by the Government to protect certain classes of the working population against employment risks date from 1930. With this end in view, two decrees, dated 21 March 1930 and 31 July 1930, instituted a Reserve Fund in the Ministry of Roads and Communications. This fund, financed by a government contribution representing 2 per cent. of all wages, paid the following benefits: medical care for railway employees in case of employment injury; benefits to those disabled as a result of employment injury; and a lump-sum benefit equivalent to two years' wages to surviving dependants in the case of death resulting from employment injury.

In addition the Finance Law of 1932 provided that the Ministry of Finance should compensate all workers employed on state constructional enterprises who might be injured in accidents in the course of their work. This compensation could vary between ten days' and one year's wages.

In 1936, under a decision of the Council of Ministers respecting the creation of a Reserve Fund for industrial enterprises, the Ministry of Industry was required to make a levy of 2 per cent. of

<sup>1</sup> I.L.O. *Legislative Series*, 1923 (Pers. 1), and 1936 (Iran 1).

the wages of all workers with the object of establishing a fund for the care, in case of necessity, of any workers injured while at work, for paying benefits to those incapacitated for work by such accidents and for allotting pensions to surviving dependants. This decree was applicable to every establishment without mechanical power employing more than ten workers, as well as those with mechanical power employing at least five workers.

Mention must also be made of certain agreements between various government enterprises and the Iran Insurance Company, insuring employees against industrial accidents. The terms of these agreements were still vague as far as the definition of industrial accidents is concerned.

Finally, a special regulation framed in 1941 by the Ministry of Roads and Communications provided for special compensation to workers on the roads, under the following conditions : if the accident was due to the worker's own negligence, he would enjoy free medical care but receive no other benefits ; if the accident was due to negligence on the part of the employer, the latter must pay the wages for the period during which the worker was under treatment as well as disability benefits, in case of necessity ; and if the accident were outside the control of both worker and employer, the employer must pay half the wages of the victim, the other half being met from the provident fund of the Ministry.

#### *Period from 1941 to 1949*

The earliest texts on which the present labour legislation of Iran is based date from the beginning of this period. It is therefore useful to examine their main features in order to determine to what extent they have influenced the development of this legislation.

In the first place, from the sociological point of view, it must be emphasised that the industrialisation of the country and the exploitation of its immense petroleum resources had gradually given rise in Iran to a class of industrial workers and technicians, clearly differentiated from the mass of agricultural labourers. In addition, by its very concentration in the provincial centres and towns, this new category of worker offered a favourable ground for trade unionism, which gained strength during this period. The result was that, becoming gradually aware of their power, this new stratum of the population aspired to a more important role in the social structure of the country. Finally, since the 1936 legislation on factories and industrial establishments had fallen into disuse there was no appropriate legislation governing labour disputes.

On the economic plane the rise in the cost of living resulting from the shortage of vitally necessary consumer goods had spread

acute discontent among the poorer classes—particularly the workers. The food situation in the country, more especially in the large towns, had reached so critical a stage that the cost-of-living index (on the base 1937=100) had risen to 778 in December 1943. Between March 1942 and February 1943 alone the index had doubled. A series of strikes resulted.

On the political plane the attitude of the workers was paralleled by a general movement for the reform of labour conditions. At the same time growing technical and social maturity made management more capable of understanding and supporting the workers' demands.

These were the chief features of the situation in Iran when, on 3 May 1944, a group of deputies called upon the Government to consider drafting and putting into effect a law to regulate wages and industrial relations as a whole.

The movement which has just been described led to the promulgation, on 18 May 1946, of the text of a first Labour Act. Its provisions had been previously discussed and defined by a Higher Labour Council, appointed for this purpose on 22 April 1946, in which were included representatives of both labour and management. In the absence of Parliament, the promulgation of the Labour Act by the Council of Ministers in the form of a decree was a far-reaching social event in that it recognised and confirmed the importance of labour questions.

The standards laid down in this text were based generally speaking on those provided for in international labour instruments. But when the Labour Act of 1946 was promulgated it was understood that it should be submitted for ratification by Parliament at its next session. In the event, a certain time elapsed before this session, which the Government utilised to make certain modifications in the Act which appeared necessary in the light of experience.

#### *The Labour Act of 1949*

The new draft thus submitted to Parliament by the Government was finally adopted on 7 June 1949. The provisions of the Act, with the exception of those referring to the mutual assistance and workers' insurance funds<sup>1</sup>, are still in force. They can be resumed as follows:

##### *Scope.*

The Act applies to all industrial establishments, mining, commercial, building or transport concerns, as well as all rural or similar establishments employing ten or more workers.<sup>2</sup>

<sup>1</sup> Articles 16 and 17 of the Act.

<sup>2</sup> Decision of the Higher Labour Council dated 18 December 1949.

*Hours of Work.*

Working hours may not exceed eight per day or 48 per week. Overtime is allowed even on Fridays (the weekly day of rest) and on holidays, but hours of normal work and overtime may not exceed a total of 12 per day: the annual total of overtime may not exceed 600 hours in seasonal industries and 400 in other industries. Periods of rest and meal-breaks are not counted in total working hours.

*Weekly Day of Rest and Holidays.*

Friday is the normal paid day of rest. Shift workers are entitled to another weekly day of rest with pay if they work on Fridays. Others who, for technical reasons, work on Fridays are entitled to a 35 per cent. increase of salary if a different day of the week is allotted as a holiday. The increase is 135 per cent. if Friday cannot be replaced by another day as the weekly holiday.

The worker is further entitled to six paid public holidays in the year. In addition, after six months' continuous employment with the same firm a worker is entitled to five days' annual holiday with pay and, after a year's continuous employment, to ten days' holiday with pay.

*Female Workers.*

Employers of enterprises employing women are required to establish crèches. Mothers with children of under one-and-a-half years old are entitled to a break of half an hour every three hours to nurse their infants. These breaks are counted as working periods. Employment of women at night (from 10 p.m. to 6 a.m.) is forbidden as is their employment on heavy or dangerous work. The principle of the right to equal pay for work of equal value between male and female workers is also established.

The provisions of the Act regarding maternity have been subsequently superseded by the Social Insurance Act of 16 July 1955 which provides for the payment of benefits and for maternity holidays on certain fixed scales.

*Employment of Young Workers.*

It is forbidden to employ children of less than 12 years for a wage, except as apprentices. The hours of work for children between 12 and 16 years old are limited to seven per day, plus one hour for genuine work as apprentices. It is forbidden to employ children on arduous or dangerous work or to make them work overtime. Night employment (10 p.m. to 6 a.m.) of children under 16 is also forbidden.

*Wages.*

Wages must be paid at the end of each week or fortnight. The workers' wages are a privileged debt and must be paid in full before the claims of any other creditors are met. A worker's wages can only be attached by his creditors to the extent of one-quarter and, similarly, the worker may not assign more than a quarter of his wage except for sums due to a co-operative society for the purchase of vitally necessary rations.

The minimum wages of unskilled workers are fixed at a level which will assure the subsistence of themselves and their families (wife and two children). They are fixed annually for each district and region. The wages of workers employed on shift work for a month or longer are 10 per cent. higher than the normal wage for day work. Night-shift workers are entitled to a wage 35 per cent. higher than the normal wage.

*Dismissal.*

The worker is entitled to terminate his employment by giving his employer seven days' notice in writing. Similarly an employer may dismiss a worker after notice in writing and the payment of seven days' wages. If he has served more than one year in the undertaking he is entitled, in addition to the seven days' pay, to as many weeks' wages as he has years of service. A dismissed workman may, within 15 days of his dismissal, make an appeal under the conditions prescribed by the Act.

*Trade Unions.*

Workers and employers of the same industry or the same undertaking are entitled to form trade unions. All members of the executive board of a trade union must be Iranian nationals. It is forbidden either to force workers to join a trade union or to prevent them from doing so, whether by intimidation or the threat of reprisals. Local trade unions of the same branch may unite in federations.<sup>1</sup>

*The Right to Strike.*

According to the terms of the Act workers are not allowed, in case of disagreement with their employer, to strike without having first exhausted all the means provided for in the procedure for settling disputes or before the expiration of the intervals prescribed for such settlements.

<sup>1</sup> A decree of the Council of Ministers dated 9 November 1955 authorised promulgation of regulations on the constitution of trade unions and trade union federations. See *I.L.O. Legislative Series*, 1955. (Iran 2).

*Settlement of Disputes.*

Every dispute between workers and employers must, in the first place, be submitted to the conciliation committee of the undertaking, which is composed of representatives of workers and of the employer. If this committee fails to bring the parties to an agreement, the dispute is referred to a Conciliation Council, comprising, in addition to representatives of workers and employers, a representative of the Ministry of Labour. This council must meet within a week; its decision is binding if adopted unanimously. In case of dismissal of a worker, if he should contest the validity of a decision by the Conciliation Council, the dispute is brought before the Arbitration Council, whose composition is laid down in the Act. The award of the Arbitration Council must be given within a maximum period of one month.<sup>1</sup>

*Higher Labour Council.*

A Higher Labour Council was created by the Act of 1949 and is appointed annually. It includes several Ministers, the presidents and directors of various state institutions, three representatives of the workers and three of the employers, elected respectively by the workers' congress and that of the employers, which are summoned once yearly by the Ministry of Labour in Teheran.

The Higher Labour Council may, if it deems it advisable, constitute secondary councils to carry out certain activities foreseen by the Act, particularly to deal with such questions as those concerning handicraft workers or miners. The decisions of the Higher Labour Council are taken on a majority vote; each of the three groups forming it have one vote only.

*Employment Offices.*

The Ministry of Labour is responsible for providing free public employment offices; moreover, it exercises supervision over private employment offices.

*The Present Situation*

In practice, however, certain provisions of the Act of 1949 have proved difficult to apply for various reasons, chiefly because some of them were incomplete or contradictory while others had, in the meantime, undergone modification.

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<sup>1</sup> As far as the settlement of disputes is concerned, the appropriate clause (article 13) of the Act of June 1949 has been slightly amended by Parliament in its session of 13 May 1958.



For example, as has already been mentioned, provisions of the Act regarding social insurance were annulled and replaced by the Social Insurance Act of 21 January 1953. This gave rise to numerous problems of organisation and reallocation of functions and considerably reduced the scope of the 1949 Act.

In addition, since the Labour Act of 1949 made no provision for sanctions, the Labour Inspectorate could only ensure its observance by persuasion, and it became imperative to provide a legal basis for the Government's action in this field.

Moreover, experience had shown the necessity for completing and defining in detail certain provisions of the 1949 Act in the light of social developments during the period. The Iranian Government therefore decided to redraft its labour legislation and asked for the assistance of an expert of the I.L.O. This expert went to Iran in October 1957 and co-operated with the Ministry of Labour in producing the draft of a new Labour Act which is now before Parliament. In June 1958 the I.L.O. submitted to the Government a report based on the expert's work and containing its comments on the draft.

This draft includes some hundred sections and can be considered as a framework, limited to basic principles and giving the Government sufficiently extensive powers to elaborate supplementary regulations. It is based on the standards adopted by the International Labour Conference and particularly on those embodied in the international labour Conventions, which it closely follows on a number of points. Thus the draft marks a real advance on the previous situation with regard to the extended powers of labour inspectors as well as in the application of sanctions.

An attempt has also been made to broaden the scope of the draft, so as not to limit its application merely to manual workers in industrial and commercial undertakings but to extend its benefits to all workers, without distinction. Lastly, the draft deals with questions concerning trade unions, contracts of employment, dismissal and termination of employment, collective agreements, the settlement of disputes and strikes.

### *The Social Insurance Act of 1955*

During the period which followed the adoption of the Act of 1949, a movement was apparent in favour of a general social insurance system for workers. The outcome of this was the Social Insurance Act of 16 July 1955, which we shall briefly analyse below after summarising the laws which marked the different stages of evolution leading to its promulgation.

The first of these laws was the Act of 20 November 1943 and the regulations issued under it on 13 July 1947<sup>1</sup>, which set up a system of compulsory insurance against industrial accidents. This system covered workers in industry, commerce, mines and transportation; it was to be progressively extended throughout the country according to a programme and timetable fixed by the Government. Employers were required to insure their workers with the Government's insurance company against any accidents or sickness ensuing during the course of or as a result of their work. The contribution for all workers was fixed at 2.25 per cent. of wages, 1.5 per cent. to be paid by the employer and 0.75 per cent. by the worker. This law introduced for the first time on a small scale the principle of social insurance, which was to be taken up and expanded by the Labour Act of 18 May 1946.

According to the provisional Labour Act of 18 May 1946, adopted by the Council of Ministers, every factory was bound, as a temporary measure, to found a medical fund for the benefit of workers in case of non-occupational sickness, as well as a mutual assistance fund for the following purposes: marriage, support of dependants, unemployment, invalidity and funeral expenses. These funds were to be financed by contributions from employers and employees at the respective rates of 2 per cent. and 1 per cent. of the wages.

Later the Labour Act of 1949 was to raise the level of these subscriptions and modify the organisation and operation of the former mutual assistance fund, which became the Workers' Central Mutual Assistance and Insurance Fund. The Act fixed the rate of contributions at 6 per cent. of wages, 4 per cent. to be paid by the employers and 2 per cent. by the workers. Nevertheless, of the 6 per cent. thus raised, 2.25 per cent. was devoted to insurance against industrial accidents or occupational illnesses and only 3.75 per cent. was available for other types of benefits.

But the new Social Insurance Act of 21 January 1953<sup>2</sup> introduced a radical modification of the former systems. This Act deserves a place in the history of social reforms in Iran as it represented an undeniable advance in the field of the protection of workers. In order to improve even further the text of this Act and to correct some of its provisions in the light of experience, the Government drafted, a short time later, a new text to consolidate the finances of the scheme by raising the contributions and making more efficient arrangements for their collection.

Prolonged study was devoted to perfecting the text of this law, both at the Labour Ministry and in the Parliamentary Commissions

<sup>1</sup> *I.L.O. Legislative Series*, 1947 (Iran 1).

<sup>2</sup> *Ibid.*, 1953 (Iran 1).

concerned, and the draft became the provisional Social Insurance Act of 16 July 1955<sup>1</sup>, which was in fact an amendment of the Act of 21 January 1953.

The chief merit of the new text was that it abandoned insurance against unemployment, provided by the Act of 1953, but which had never been effectively implemented owing to technical difficulties encountered in the organisation of the placement services.

From the point of view of administration the new text retained the main features of the former Act, but the global rate of subscription was raised from 12 per cent. to 18 per cent. of the wages, in spite of the fact that unemployment insurance had been eliminated.

The Act still provides for benefits in the following contingencies : sickness, maternity, invalidity, old age and death, besides marriage and the support of children.

#### LABOUR ADMINISTRATION

From the end of the Second World War, particularly in the immediate post-war period, the growth of economic activity and the introduction of new industries contributed to strengthening and extending government responsibilities in the social field.

In order to meet these responsibilities under the best possible conditions, the Government took certain legislative measures of a social nature, whose application and supervision necessitated the creation of special administrative machinery.

Labour administration has gradually assumed more importance and, as a factor of progress, has played a considerable part in the realisation of reforms on the social plane. Moreover, it soon became a permanent feature of the administrative organisation of the country. It is interesting to follow its evolution by examining first of all the situation prior to 1946, at which date the Ministry of Labour was created.

#### *The Period Prior to 1946*

Before the creation of a Ministry of Labour, the Ministry of Trade and Industry was responsible for supervising application of labour legislation in industrial establishments. In order to co-ordinate and centralise the activities of this Ministry in a single department, a Directorate-General of Labour was created in November 1944. This department was responsible for compiling labour statistics, settling disputes and preparing a preliminary draft of the Labour Act.

<sup>1</sup> I.L.O. *Legislative Series*, 1955 (Iran 1).

Its functions were not strictly defined and the extent of its powers varied with the nature of the problems in question and with certain personal considerations. Nevertheless its very existence marked an advance and allowed the Government to apply its policy, which required a unified department under a central authority.

It was soon evident that the Directorate-General was not able, with the limited means at its disposal, satisfactorily to face its new responsibilities and that the appointment of an independent administrative service was necessary which should have extended powers and more suitable machinery to allow it to act effectively in such fields as conciliation, mediation and arbitration, as well as minimum wage fixing.

This picture of the evolution of a labour administration would be incomplete without a further word on Iran's participation in the International Labour Conference in 1945, a significant landmark in this period. It was in fact at this session of the Conference that Iran was represented for the first time by a complete delegation, including representatives of Government, employers and workers. This made it possible for the Iranian representatives to appreciate the full importance given by different countries to the international aspect of labour problems; in addition, the different opinions expressed in the course of the Conference on the technical problems of labour, while bringing to light the varying solutions favoured on different sides, were extremely instructive and helped them in their search for solutions of their own national problems.

This experience of the international scene made clear the utility of the Labour Ministries functioning in many countries and helped to strengthen the desire to create a similar Ministry in Iran, a desire that was considerably reinforced by the development of trade unions and the growing consciousness in these unions of the important role they would be called on to play.

Under the combined influence of these factors and with the object of co-ordinating the application of the proposed measures in the social field, the Government, in 1946, transformed the Directorate-General into a Ministry of Labour.

### *The Period Subsequent to 1946*

#### *The Creation of a Ministry of Labour.*

The newly formed Ministry of Labour was faced with an entirely new and complex task for which it was as yet scantily equipped either with powers or with trained personnel in sufficient numbers. The machinery had to be adapted to the needs of the

hour, and it was this that the Ministry of Labour set out to do during the first phase of its existence.

Its structure was modelled on that of the Labour Act itself. Besides the Higher Labour Council, which was a consultative organ outside the Ministry, a Higher Council of Experts was formed to advise the Minister on the main questions that might arise from the application of the Act and on the drafting of regulations for submission to the Higher Labour Council.

### *The Present Organisation of the Ministry of Labour.*

The present organisation of the Ministry of Labour is the result of a series of changes made during the last few years, chiefly on technical grounds, but at times owing to political considerations.

After Parliament in 1949 had given a more definite legal status to the Ministry of Labour, its principal services developed gradually and in varying forms. This evolution is still in progress and it is highly probable that the present organisation of the Ministry will very shortly undergo modification, as soon as Parliament has ratified the Bill that is now before it concerning the organisation of all Ministries. The Bill establishes the structure of each Ministry and the functions of its component departments, as well as personnel regulations embodying a system of ranks and duties.

Whatever future changes may be made in the organisation of the Ministry of Labour, the permanence of some of its features make it possible to outline briefly the situation at the end of 1958.

### *Terms of Reference.*

The functions of the Ministry of Labour were clearly defined by the Finance Law of 1949, section 2 of which is still fully in force. It states:

A Ministry of Labour is established as a competent and impartial organ to regulate disputes between workers and employers, to create good understanding between them, to co-ordinate all labour questions, to superintend the drafting and application of the Labour Act and the Social Insurance Act, to protect the health and well-being of workers and to raise their standards of living, to work out and apply regulations governing social insurance, and to establish relations with the International Labour Organisation.

### *Organs and Functions.*

The Minister of Labour is assisted in his functions by a Permanent Under-Secretary of State for Administration and an Under-Secretary of State for Technical Questions, both of whom are responsible for ensuring the application of labour legislation and for dealing with questions within the competence of the Ministry.

The Under-Secretary of State for Administration, as his title indicates, is a permanent official.<sup>1</sup> He supervises all problems of administrative organisation and those concerning personnel and he represents the Ministry in Parliament.

The Under-Secretaries ensure continuity in the administrative activities of the Ministry and keep the Minister informed of their opinions on current affairs as well as bringing to his notice any objections or difficulties that might arise from a decision by the Minister.

The functions of the Ministry of Labour are divided between departments at various levels which, for the sake of clarity, we shall call the directorate-general, division and section in descending order of importance.

The Ministry, then, is organised as follows :

*The Cabinet.* Generally speaking, the functions of the Cabinet are chiefly political and consist in making the Minister's instructions clear to the different departments. But it is the Under-Secretaries who are responsible for taking the necessary action for giving effect to ministerial instructions.

The Cabinet, in addition to its confidential and strictly personal character, has the duty of ensuring co-operation and good relations between the different branches of the Ministry.

There are at present three divisions on the Cabinet level—the Secretariat and Archives Division, the Legal Division and the Planning Division.

The Secretariat and Archives Division is made up of a number of sections respectively responsible for registration of correspondence, sorting and dispatch of mail, and the general correspondence of the Ministry. This division prepares all documents for signature by the Minister or the Under-Secretaries. It also includes an Archives Section.

The Legal Division includes a certain number of legal advisers chiefly occupied in revising drafts of laws, decrees and orders prepared by the departments of the Ministry and editing them before submission for signature by the Minister. They may also be called on to give opinions on all legal questions or current problems involving the responsibility of the Ministry in administrative matters. They also represent the Minister before the courts.

The Planning Division, a recent creation, has to prepare and issue long-term programmes of action in accordance with the general policy of the Ministry. With this end in view, it is kept informed of the different projects framed by the departments of

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<sup>1</sup> Under an Act of 3 February 1957 concerning the appointment of a Permanent Under-Secretary of State in each Ministry.

the Ministry within their field of action, in order to co-ordinate them and keep them within the limits of the budget.

*The Administrative Directorate-General.* The Administrative Directorate-General includes four divisions dealing respectively with personnel, accounting, matériel and scientific management. While the first three of these divisions call for no special comment, a brief examination of the functions of the Division for Scientific Management may be of interest. This division was recently created to increase general efficiency through the application of certain measures, particularly by improving the distribution of duties among the different departments of the Ministry on the basis of the number and qualifications of the available personnel, by carrying out work studies in the different departments and by making concrete recommendations on various organisational changes. All the recommendations of this division are made in the form of proposals to the Permanent Under-Secretary of State for Administration.

*The Technical Directorate-General.* The Technical Directorate-General, in view of the great diversity of its functions and its extended field of action, is certainly the most important department of the Ministry. It includes divisions for (a) manpower and employment; (b) labour inspection and industrial safety; (c) social affairs; (d) industrial relations; (e) vocational training; and (f) statistics.

(a) The Manpower and Employment Division, which was created at the same time as the Ministry itself, was originally destined to give effect to an article in the Act of 1946 respecting the creation of employment offices. The activities of this division are therefore based on the work of the free public employment offices.

From the start, the division ran into a number of financial, material and technical difficulties, which were for a long time an obstacle to its smooth operation. At this stage, the division did little more than record demands for and offers of labour and the only field in which it attained fruitful results was in finding places for domestic servants in the capital, especially with foreign residents. But once it had been reorganised both administratively and in respect of personnel, the Manpower Division began to make progress and in the last few years it has set up two employment offices in the capital for domestic servants and workers in industry respectively; inaugurated a six-month course of technical training for its staff; prepared and published a classified list of occupations in Iran, based on the international classification of occupations; sent members of its staff to foreign countries to perfect their knowledge of the subjects at which they will work (e.g. participa-

tion by a certain number of officials in the sessions of the Labour Institute in Istanbul and visits by others to the United States); collaborated with the national planning authorities by making a survey of total available manpower in the capital; and prepared a programme of research into occupations in Iran entailing the drafting of occupational monographs.

The division comprises sections for administration, including secretariat and archives; training and information; vocational selection and occupational study; labour market and statistics; regional operations; and placement.

(b) The Labour Inspection and Industrial Safety Division is responsible for supervising the application of those articles of the Labour Act and the Industrial Safety Act of 25 July 1955 which fall within its competence. It has to keep itself informed on all questions concerning conflicts which may arise between management and workers and to take part in drafting regulations to give effect to the law.

The scope of the division also extends to the employment of women and children, statistics of industrial accidents, the publication of safety pamphlets for workers, the drafting of regulations on arduous and dangerous work, as well as all questions affecting wages. It also provides the clerical staff for the Higher Industrial Safety Council, the consultative organ of the Ministry.

The division uses audio-visual aids and organises periodical lectures for workers. Its future programme includes the opening of a technical laboratory and the establishment of a permanent industrial safety exhibition; it hopes to realise these objectives very shortly.

The personnel of the division, consisting mainly of labour inspectors, although few in number, form a cadre whose technical competence and social sense of values are universally recognised.

The Labour Inspectorate is organised at present as a service without any industrial subdivisions, and is responsible for applying the provisions of the law in all branches of industry. Nevertheless the form of the Industrial Safety Act gives reason to suppose that specialised inspectorates for certain important branches of industry will be created as required by technical progress in the various industries.

The Labour Inspection and Industrial Safety Division includes sections for labour inspection, industrial safety, women and children, and wages and hours of work.

(c) The function of the Social Affairs Division comprises particularly the study of all problems arising in the social field, such as co-operative societies, workers' housing, sport and leisure



hours of workers, the campaign against illiteracy and similar questions.

In recent years the Social Affairs Division has been active in framing regulations on co-operative societies and the forming of a Higher Co-operative Council, for which it provides the clerical staff. It has laid the foundations of co-operative education by publishing a number of studies on the principles and methods of co-operation. In the field of workers' education it has contributed towards reducing the percentage of illiterates, largely through evening classes and the publication of a special course of instruction for workers. Encouraging results have been obtained in the last few years, as the following figures show : between 1954 and 1957 from 18,000 to 20,000 workers have learned to read and write and during 1957 and 1958, 20,000 to 24,000 workers attended the courses.

The Ministry of Labour puts on a special radio programme for workers, broadcast daily by the Teheran radio during the rest breaks in the larger factories. The programme is varied, but deals chiefly with problems concerning labour and social questions.

Holiday camps have also been established to accommodate groups of workers and their families in rotation. Two of these camps deserve particular mention, one on the shores of the Caspian Sea, the other in the vicinity of Teheran ; 400 workers were admitted to the Caspian camp in 1956, 250 in 1957, and 300 in 1958.

In collaboration with the Ministry of National Education, the Ministry of Labour has established various centres open every Friday to workers and their families, with the object of providing them on their day of rest with recreational activities, including educational lectures and films.

(d) The Industrial Relations Division controls various activities concerning questions which can, by their nature, be grouped under one division. For example, one of its functions is to maintain and improve relations with employers' and workers' organisations and to create a favourable climate for their co-operation. The division also assists in the formation of associations and encourages the practice of collective bargaining.

If complaints are voiced or should strikes or disputes break out, and the intervention of the Labour Ministry be requested, the Industrial Relations Division plays a special role in the field of conciliation, mediation and arbitration. It also prepares the meetings of the Higher Labour Council.

The division enforces all regulations issued under the Labour Act and supervises trade union activities on behalf of the Ministry of Labour as prescribed by law.

Finally, the Industrial Relations Division has organised 12-day courses for workers on the subject of the Labour Act. During the six sessions held to date, some 130 workers from different regions have followed courses of instruction. A series of films on labour legislation have been shown to workers during these courses.

(e) The objects of the Vocational Training Division have been defined as "to contribute towards the increase and improvement of national production and to raise the standard of living of the workers, by improving their technical and vocational skill". In carrying out this task, the division is required to formulate and carry out programmes of vocational training as well as to create vocational training centres.

The activities of the division include, in particular, the training of instructors and skilled teachers, a subject that has acquired a special importance in recent years since the expansion of industry has emphasised the urgent need for a sufficient number of such teachers. Over 1,900 persons have attended these training courses.

On-the-job training has also been provided for electrical workers, and textile and foundry workers, among others. During 1957, 96 workers successfully completed the course of electrical training; 232 textile workers received training, particularly at Ispahan, the centre of this industry; and 80 foundry workers received advanced training.

The vocational training programme will be extended gradually to other trades. To make the programmes of instruction more attractive to workers, the division has used audio-visual aids with encouraging results.

A programme of apprenticeship, involving three to four years' training by the most modern methods, is also in hand, but it has been carried into effect (and that in a limited degree) only in railway establishments.

One of the tasks of the division is to set up vocational training centres for skilled workers in various fields. According to available information the first centre to be formed will be in the railway establishments.

The Vocational Training Division comprises sections for administration, apprenticeship, audio-visual methods, instructors' and foremen's training, and vocational training.

(f) The Statistical Division is at present attached to the Technical Directorate-General of the Ministry. In practice, the application of the Social Insurance Act and the Labour Act had brought out the necessity of having an inventory of the firms subject to these laws so that appropriate and immediate use could

be made of all data collected. Logically this could only be the mission of the Statistical Division: it was therefore reorganised in 1953 with a view to undertaking this new task.

The work of the Statistical Division at present consists in putting together a central card index of firms and establishments for use in collecting data on their activities. For this purpose it is subdivided into four sections, namely secretariat and archives, registration and statistics, co-ordination, and research (for the preparation and organisation of projects).

It is intended to extend the organisation of the Statistical Division by appointing representatives in the provinces, as the size of the country makes a system entirely centralised in the capital unsuitable. The provincial representatives will be employment office officials. Before appointment, they will serve a period at headquarters. The Statistical Division is also responsible for the publication of an annual review of labour statistics.

*Directorate-General of International Relations.* The importance of maintaining relations with the International Labour Office and other international bodies has given the Directorate-General of International Relations a vital place in the Ministry of Labour. It comprises (a) an International Relations Division; (b) a Study and Regulations Division; and (c) a Foreign Workers Division.

(a) The principal duties of the International Relations Division comprise the maintenance of relations with the I.L.O., the co-ordination at the headquarters of the Ministry of Labour of the activities of the different services with a view to the preparation, ratification and application of international labour Conventions and Recommendations and the maintenance in this respect of a close collaboration with other organs of the Government. The division is also responsible for planning the various technical assistance projects in which the Ministry of Labour is interested, for organising the library as an information centre and for selecting officials to whom fellowships for study abroad will be allotted. In addition the division does the preparatory work for the participation of Iran in sessions of the International Labour Conference, and provides liaison with the labour attachés accredited to the Ministry of Labour.

(b) The Study and Regulations Division has the task of studying and analysing the various labour laws in foreign countries, of translating international labour Conventions and Recommendations and preparing them for submission to the competent national authorities.

(c) The Foreign Workers Division studies legislation on foreign workers in other countries and prepares and enforces regulations

on the employment of foreign workers in Iran, authorising their employment when vacancies in the labour market cannot be filled by Iranian subjects.

*Advisory bodies.* The advisory bodies of the Ministry of Labour are the Higher Labour Council, the Higher Co-operative Council and the Higher Industrial Safety Council.

Section 15 of the Labour Act of 1949 provides for the creation of a Higher Labour Council, a tripartite body including representatives of five Ministries, besides three economic advisers appointed by the Minister of Labour, the Director-General of the National Bank, the Director of the Industrial and Mining Bank, the President of the Chamber of Commerce and the President of the Municipal Council of Teheran. There are also three representatives of the workers and three of the employers. The Act stipulates that each group—Government, employers and workers—shall have one vote.

The functions of the Council are to express its views on all regulations issued under the Labour Act and on the general labour policy of the State, as well as on all measures taken to improve labour-management relations and any problems put before it by the Minister of Labour.

It is further responsible for promulgating minimum wage orders, for giving a final decision on any disagreement on the interpretation of the Labour Act and for carrying out all the duties allotted to it by the Labour Act.

The Act of 7 June 1949 also provides for the constitution within the Higher Labour Council of commissions for handicrafts, state enterprises, state concessions and private industry.

Article 8 of the Co-operative Societies Act of 2 August 1955 sets up a Higher Co-operative Council. A decree of the Council of Ministers dated 3 October 1955 appointed the Minister of Labour as President of this Council, while its secretariat is provided by the division responsible for co-operatives in the Ministry of Labour. The Council is composed of representatives of the Ministries of Labour, Agriculture, Finance and the Interior, and of the Agricultural Bank and the Directorate of the Seven-Year Plan.

The Council is responsible for supervising application of the Co-operative Societies Act ; approving the by-laws of co-operatives and drafting model by-laws ; preparing programmes of co-operative education ; applying sanctions against societies which violate the Act, the principles of co-operation or the by-laws approved by the Council ; examining disputes arising within co-operatives ; establishing international relations ; and participating in the international co-operative movement.

The whole future of the co-operative movement in Iran depends on the Higher Co-operative Council ; its technical assistance has already led to the formation of 242 co-operatives for consumption, production, agricultural credit, etc.

Under section 1 of the Industrial Safety Act of 25 July 1955 a Higher Industrial Safety Council was constituted in the Ministry of Labour. The members of this Council are the Minister of Labour as President, the Dean of the Technical Faculty of the University of Teheran, a professor of the Technical Faculty, an engineer representing the Ministry of the Interior, a representative of the Ministry of Justice, an engineer from the National Petroleum Company, an engineer from the Ministry of Roads and Communications and an engineer representing the Ministry of Economy. The Secretariat of the Council is provided by the Labour Inspection and Industrial Safety Division of the Ministry of Labour.

The Council is chiefly responsible for studying and drafting regulations concerning industrial safety and health.

*Labour administration in the provinces.* The Ministry of Labour also has a number of independent external services in the form of local labour administrations representing it in the provinces. Their importance varies with the degree of industrialisation of each region.

#### *Establishment and Budget of the Ministry of Labour*

It is interesting to note that from 1955 to 1958 the Ministry's budget rose from 32 million riyals to 78 million riyals.<sup>1</sup> Since the personnel of the Ministry has been more or less stable during this period, this increase strikingly reflects the expansion of the Ministry's activities in the last few years.

#### THE INTERNATIONAL LABOUR ORGANISATION AND LABOUR ADMINISTRATION IN IRAN

The participation of Iran in the 27th Session of the International Labour Conference in 1945 had two immediate results : relations with the International Labour Office were strengthened and a programme of technical assistance was launched. The influence of the I.L.O. was particularly marked in the field of labour legislation and administration, in which help was sought from I.L.O. experts.

#### *Expert Missions*

During the period 1947-57, 15 experts were sent to Iran by the I.L.O. at the request of the Ministry of Labour. These experts

<sup>1</sup> One U.S. dollar = 45 riyals approximately.

gave their views on a number of questions chiefly referring to the organisation of the different departments of the Ministry, to social insurance, the employment of women and children, the creation of co-operatives, the drafting of labour legislation, the employment service, labour inspection, and vocational training. In several instances these views led to concrete results in practice: for instance, a far-reaching system of social security was built up in a few years, largely due to the I.L.O.'s help.

In accordance with the Government's wishes an accelerated vocational training centre for the building trades was opened at Karadj, near Teheran, by the I.L.O. as part of its programme of technical assistance. The international staff includes the head of the mission, a chief instructor and instructors in masonry, reinforced concrete, plumbing and carpentry. The centre has been in action since July 1956. It is estimated, from the results of the first few courses, that the trainees reach a standard of 75 per cent. of that of the most skilled workers in these trades. In 1955 the I.L.O. also sent ten worker-trainees from the textile industry on courses of instruction abroad. The effect of this method of training on production is by no means negligible.

Labour legislation has also been a focus of attention in the last few years and, at the request of the Ministry of Labour, the I.L.O. has been invited to assist in the preliminary work of drafting a new Labour Act.

### *Study Fellowships*

The I.L.O. has also helped in the training of labour officials by granting the Ministry of Labour a number of fellowships for study and advanced training. Between 1951 and 1957, 62 officials of the Ministry have profited from these fellowships to perfect themselves in the different branches of labour administration abroad. They have studied technical problems of labour inspection, safety and health, labour-management relations, collective bargaining and labour disputes. Several have studied the problems raised by labour statistics, co-operation and the administration of social security while others have attended courses in labour administration at the Labour Institute in Istanbul specially organised by the I.L.O. and the Turkish Government for countries of the Near and Middle East.<sup>1</sup> Finally, during the same period five officials studied the structural organisation of the International Labour Office at Geneva and, more especially, the procedure for the submission and ratification of international labour instruments, as well as the functions of the library as a documentation centre.

<sup>1</sup> See Roger ROCH: "An I.L.O. Experiment in Labour Administration", in *International Labour Review*, Vol. LXXV, No. 4, Apr. 1957.

### *International Standards*

One aspect of the I.L.O.'s contribution to the framing of labour legislation has been the influence of international labour Conventions and Recommendations. Iran has, in fact, sought inspiration for its labour legislation in the international standards on conditions of work established by the I.L.O. and has tried to create, in harmony with these standards, an institutional framework within which this legislation would have meaning and practical effect.

In 1957 the number of Conventions submitted to Parliament for ratification was 24. To this number can be added the Forced Labour Convention, 1930, for whose submission to Parliament a special procedure was adopted and which was ratified on 10 June 1957.

According to a statement made on 15 June 1956 by the Government delegate of Iran at the International Labour Conference, the Chamber of Deputies had already approved the Labour Inspection Convention, 1947, the Equal Remuneration Convention, 1951, and the Social Security (Minimum Standards) Convention, 1952. These Conventions are under study in the Senate and their ratification will no doubt soon be announced.

### CONCLUSION

The evolution and application of social legislation have resulted in an undeniable improvement in the living standards of workers in Iran. The realisation of this aim has been in recent years a principal and lasting element in the Government's social policy. In order to carry out its responsibilities in full the Government has created a Ministry of Labour, whose efforts in the social field have resulted in the organisation of a social insurance system for workers.

The creation of these two institutions is a significant proof of the Government's desire to make every effort to raise the standards of living of the workers and, furthermore, to give the workers their rightful place in the new economy of the country. The least one can say is that the positive and constructive achievements of this period offer grounds for confidence in the future.