

Short-Term Demographics Change in the Middle East, Social Upheaval and Regime Change: The Case of Iran

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ABSTRACT

Since the outcome of the “Arab Spring” is still not clear and some of the MENA regimes may survive with none or limited evolution, the 2009 Iranian political crisis can serve as a case study that can highlight the links between socio-economic changes, especially short-term demographics trends, and social upheaval and regime change in the region.

The paper argues that the 2009 political crisis has coincided with one of the largest youth cohorts in modern Iranian history. Ironically, the street protests may have increased the support among Iranian society in general for a strong hand that would prevent a significant escalation of civil unrest. It concludes that the 2009 socio-economic conditions in Iran favoured a strong, authoritarian regime in Tehran. Unless seriously mismanaged, the Iranian economic reforms, combined with the fast declining youth bulge, would further strengthen the regime and destabilize the political opposition in the near future.

A more detailed inquiry into the socio-economic factors underpinning the Arab Spring can solidify the evidence from contemporary Iran that the impact of these factors has not been so significant to prompt in 2009, and now in 2011, a social and political shift on the scale it occurred during the 1979 Iranian Revolution.

INTRODUCTION

Since the ousting of the Tunisian president Ben Ali in January 2010, popular unrest against long-standing authoritarian regimes has spread across many Middle East and North African countries (MENA). Most significant upheavals have occurred in Bahrain, Egypt, Syria, Yemen and Libya, with the last two countries now in the midst of a full-fledged civil war. Smaller scale protests have occurred in Oman, Saudi Arabia, and Jordan. On first sight, the social upheaval in the MENA countries appears nothing short of a revolutionary wave that is posed to sweep the 40-year old dictatorial regimes in the region. One of the most visible signs of the mass protests has been the overwhelming participation of young people in them, posing the question of what is the connection between the upheavals and the demographics trends in MENA.¹

One can argue, however, that the so-called “Arab Spring” started in Tehran in 2009 with the Green movement demonstrations against the presidential election results. As in the case of the 2011 Arab protests, youth participation in the 2009 Iranian political turmoil was a dominant characteristic as well. Moreover, the civil unrest in Iran, triggered by the alleged fraud in the June 2009 presidential elections, has also attracted the attention the global community as a potential precursor of political change. Many observers also saw the events as the beginning of another revolution.² Indeed, the political upheaval spanning from the day after the election – June 13 – until the December 27-28, 2009 violent clashes following the mourning of Ayatollah Montazeri and the Ashura celebrations has presented the most significant test for the regime in Tehran since 1979. Thousands of Iranians took the streets in Tehran and other urban centers to protest the election results and clashed with the regime’s security forces.³ However, despite the seemingly large popular discontent, the regime’s security forces have been able to remain in control of the streets. Expressions of discontent have dissipated or suppressed in 2010 and the hardliners supporting president Ahmadinejad seems to have won the confrontation.

So far, the Tunisian and Egyptian presidents have stepped down, while those in Syria, Yemen and Libya are battling for their survival. Since the outcome of the “Arab Spring” is still not clear and some of the MENA regimes may survive with none or limited evolution, the 2009 Iranian political crisis can serve as a case study that can highlight the links between socio-economic changes, especially short-term demographics trends, and social upheaval and regime change in the region. The paper will first present an overview of the current demographics in the MENA region. Then it will explore the relationship between population dynamics and related socio-economic factors to political change. These factors will be placed in the context of the Iranian

¹ See for example, Jeffrey Fleishman, “Young Egyptians Mount Unusual Challenge to Mubarak,” *Los Angeles Times* (January 27, 2011); Elaine Ganley and Bouazza Ben Bouazza, “Thousands March in Tunisia, Calling for President to Quit,” *The Associated Press* (January 14, 2011); “Youth Protesters March on Palace in Yemen’s Capital” *CNN World* (April 4, 2011).

² See for example, Robert Tait, “Iranians’ Green Revolution Refuses to Wither and Die,” *The Guardian* (December 27, 2009).

³ Mass demonstrations also took place in Tabriz, Isfahan, Shiraz, Urumiyeh and other cities. According to Irantracker.org, up to 600,000 people have participated on some days of the protests. See Charlie Szrom, Rob Francis, Maseh Zarif, “Unrest in Iran: Incident Statistics and Map for Protests, Arrests, and Deaths,” Irantracker.org (July 31, 2009) - <http://www.irantracker.org/analysis/unrest-iran-incident-statistics-and-map-protests-arrests-and-deaths>.

political affairs in order to elaborate on how the near-term socio-economic and demographic trends are likely to shape future political developments.

MIDDLE EASTERN AND NORTH AFRICAN DEMOGRAPHY: AN OVERVIEW

The aggregate population in the Middle East and North Africa has quadrupled from 103.7 million in 1950 to 453.6 million in 2010 (Table 1), and its share as a percentage of the world population has doubled from 2.5 to 5 percent.⁴ On a regional level, the growth is more pronounced in some countries than in others. For example, the population of the UAE today is 107 times larger than it was fifty years ago, while that of Lebanon is only 2.9 times larger (see Table 1).⁵

Table 1: MENA populations, 1950-2010⁶

Country	1950	2010	% Growth
Algeria	8,753,000	35,468,000	405
Bahrain	116,000	1,262,000	1088
Egypt	21,514,000	81,121,000	377
Iran	16,913,000	73,974,000	437
Iraq	5,719,000	31,672,000	554
Israel	1,258,000	7,418,000	590
Jordan	472,000	6,187,000	1311
Kuwait	152,000	2,737,000	1801
Lebanon	1,443,000	4,228,000	293
Libya	1,029,000	6,355,000	618
Morocco	8,953,000	31,951,000	357
Oman	456,000	2,783,000	610
Palestinian Territories	1,005,000	4,039,000	402
Qatar	25,000	1,759,000	7036
Saudi Arabia	3,201,000	27,448,000	857
Syria	3,536,000	20,411,000	577
Tunisia	3,530,000	10,481,000	297
Turkey	21,238,000	72,752,000	343
UAE	70,000	7,512,000	10731
Yemen	4,316,000	24,053,000	557
Total	103,699,000	453,611,000	437

⁴ Graham Fuller, “The Youth Factor: The New Demographics of the Middle East and Implications for US Policy” (Washington, D.C.: Brookings Institution, June, 2003), 2.

⁵ The reason for these discrepancies is the different stages of demographic transition that Middle East countries were 50 years ago, as well as migration patterns.

⁶ Source: *World Population Prospects: 2010 Revision Population Database* (New York: United Nations Population Division), at <http://esa.un.org/unpp/index.asp>.

What is more important for the current analysis, however, is the age structure of the MENA population. The MENA possesses one of the youngest populations in the world. The region's population under the age of 15 is 33.1 percent, which is second only to that of sub-Saharan Africa (43.4 percent).⁷ Many countries in the region have cohorts of young people under age 24 that represent 50 percent or more of their total population. The “under 24” youth group represents 66.4 percent of Yemen's population, 63.8 percent of that of the PA territories, 62.7 percent of the Iraqi, 57.3 percent of the Syrian, and 51.3 percent of the Egyptian population. Between 40 and 50 percent are Oman (49.1), Saudi Arabia (48.4), Libya (48.1), Algeria (47.6), Morocco (47.6), Iran (44.9), Turkey (44.1), Lebanon (42.7), Tunisia (42.5), Israel (42.3) and Kuwait (42.1). Countries whose young people comprise less than 40 percent of their total populations are only the UAE (33.2), Bahrain (34.9), and Qatar (28.1). In fact, the first two groups—countries with above 40 percent of the population under 24 years—comprises most of the region's aggregate population or 98.5 percent. In comparison, developed regions such as Europe and North America have “under 24” populations of 27.6 percent and 33.6 percent respectively.⁸

Table 2: Youth cohort in MENA countries, 2010⁹

Country	Population younger than 24 (in thousands)	Percent population younger than 24
Algeria	16,886	47.6%
Bahrain	440	34.9%
Egypt	41,615	51.3%
Iran	33,214	44.9%
Iraq	19,858	62.7%
Israel	3,138	42.3%
Jordan	3,650	59.0%
Kuwait	1,152	42.1%
Lebanon	1,805	42.7%
Libya	3,058	48.1%
Morocco	15,217	47.6%
Oman	1,366	49.1%
Palestinian Territories	2,577	63.8%
Qatar	494	28.1%
Saudi Arabia	13,285	48.4%
Syria	11,696	57.3%
Tunisia	4,453	42.5%
Turkey	32,064	44.1%
UAE	2,494	33.2%
Yemen	15,971	66.4%

⁷ See *World Population Prospects 2010*, Regional profiles: Western Asia, Northern Africa, and Sub-Saharan Africa

⁸ *Ibid.*, Regional Profiles: North America and Western Europe.

⁹ Source: *World Population Prospects 2010*.

Another important age group that has been pointed to by demographers and political scientists (see next section) as the one most prone to violence is the group of 15 to 29 years old - also called the “fighting age” group. In the region as a whole, this group represents 29.3 percent of the total population. In comparison, the same demographics group constitutes 20.9 and 17.9 percent of the North American and Western European populations respectively.¹⁰

Table 3: “Fighting Age” cohort in MENA countries, 2010¹¹

Country	Population 15-29 years old	Percent population 15-29 years old
Algeria	10,931,000	30.8%
Bahrain	373,552	29.6%
Egypt	23,362,848	28.8%
Iran	25,151,160	34.0%
Iraq	8,646,456	27.3%
Israel	1,676,468	22.6%
Jordan	1,893,222	30.6%
Kuwait	763,623	27.9%
Lebanon	1,133,104	26.8%
Libya	1,813,000	28.5%
Morocco	9,202,000	28.8%
Oman	1,004,663	36.1%
Palestinian	1,167,271	28.9%
Qatar	550,567	31.3%
Saudi Arabia	7,410,960	27.0%
Syria	5,817,135	28.5%
Tunisia	2,993,000	28.6%
Turkey	19,496,000	26.8%
UAE	2,448,912	32.6%
Yemen	7,336,165	30.5%

YOUTH COHORTS AND POLITICAL VIOLENCE

The connection between young people and political violence is not a new observation. Historically, large youth cohorts have been associated with social instability and political change, and recent theoretical works have confirmed that.¹² Examples include the Reformation, the French Revolution and the rise of Nazism.¹³ A major advancement in understanding the link

¹⁰ *World Population Prospects 2010*, Regional Profiles: North America and Western Europe.

¹¹ Extrapolated from *World Population Prospects 2010*.

¹² Henrik Urdal, “The Devil in the Demographics: The Effect of Youth Bulges on Domestic Armed Conflict, 1950-2000,” Conflict Prevention and Reconstruction Paper No. 14 (Washington, D.C.: The World Bank, July 2004).

¹³ See Herbert Moller, “Youth as a Force in the Modern World,” *Comparative Studies in Society and History*, Vol. 10, No. 3, April 1968, pp. 237-260.

between youths and violence is *The Security Demographic: Population and Civil Conflict after the Cold War*.¹⁴ The study introduces the notion that large youth bulges should be correlated to other factors, called demographic stress factors that increase the likelihood of the youths engaging in violence. It also proposes a stress level scale—extreme, high, medium and low stress—that could be experienced by a country’s political system as a result of a particular demographics related factor. For example, a youth bulge of 40 percent or more is considered placing a high level of stress on a country’s political system and 50 percent or more – an extreme level of stress.¹⁵

However, I have argued elsewhere that the demographic stress factors proposed by *The Security Demographic* – the existence of a youth bulge, high rates of urban growth, declining availability of freshwater and cropland and rising death rates due to the spread of HIV/AIDS – are mostly applicable to sub-Saharan Africa where they are prominent.¹⁶ For Iran, where none of the factors, except the youth bulge, is present, more appropriate stress factors, are the youths’ unemployment rates,¹⁷ income levels (or the GDP per capita), Iranian social inequality, urban-rural divide, and the level of ethnic/ sectarian tensions.¹⁸ Given the emphasis on economic factors in such framework, the ratio of young adults (YA) – 15-29 year old – to working adults (WA) – 15 to 65 year old is considered to best gauge for the stress on the political system exerted by the youth cohort. In other words, in country that has a high ratio of the first group to the second, the competition for jobs and resources is anticipated to be greater and thus more likely to result in political violence and instability.

Table 4: YW/WA ratio in MENA countries and stress on the political system, 2010

Country	YW/WA Ratio	Level of Stress on the Political System
Algeria	45.1%	High
Bahrain	38.0%	Moderate
Egypt	45.4%	High
Iran	47.4%	High
Iraq	50.9%	Extreme
Israel	36.2%	Moderate
Jordan	52.2%	Extreme
Kuwait	39.4%	Moderate
Lebanon	39.5%	Moderate
Libya	43.7%	High
Morocco	43.3%	High

¹⁴ Richard P. Cincotta, Robert Engelman and Daniele Anastasion, *The Security Demographic: Population and Civil Conflict after the Cold War* (Washington, D.C.: Population Action International, 2003).

¹⁵ *The Security Demographic*, 48.

¹⁶ Anton Minkov, “The Impact of Demographics on Regime Stability and Security in the Middle East,” DRDC-CORA Technical Memorandum TM 2009-021 (June, 2009), 7-9.

¹⁷ Theoretical models consistently link high unemployment to the conflict propensity of large youth cohorts – see Urdal, “The Devil in the Demographics,” 3-4, and 14 for the results of his statistical modeling.

¹⁸ See for discussion Minkov, “Impact of Demographics,” 24.

Oman	51.4%	Extreme
Palestinian	52.8%	Extreme
Qatar	36.6%	Moderate
Saudi Arabia	40.5%	High
Syria	53.0%	Extreme
Tunisia	41.0%	High
Turkey	39.6%	Moderate
UAE	39.5%	Moderate
Yemen	57.3%	Extreme

The question is, however, whether high levels of risk of domestic instability, as a result of the youth bulge and the other demographic stress factors, could bring about political changes, such as a regime overthrow, or pressure the regime to introduce democratic reforms. The relation between risk of domestic instability and political change is not, in fact, linear. According to Richard Cincotta, when faced with threats to security and property, elites and ordinary citizens are more willing to relinquish liberal values and rights and would support authoritarianism.¹⁹ In other words, the higher the YA/WA ratio, and greater the power and resolve of the regime (i.e., the latter's ability to keep revolutionary/opposition forces under control), the less likely is a regime change. The lower the YA/WA ratio, though not below the 39 percent threshold, and the weaker the regime's hold of power and resolve to apply pressure on the opposition, the more likely is the regime's removal from power to occur. Only when the ratio of young to adult population drops to 39 percent, is there an equal chance of democratic changes.²⁰

IRANIAN POLITICAL DEMOGRAPHY

The various political factions in contemporary Iran are representatives of its different elites. Broadly the factions can be grouped into ultraconservatives (also called hard-liners or principlists) and moderate conservatives (also labelled as reformers). Since 2009, the political forces also include the so-called Green Movement. It is important to understand that these political forces represent different generations and thus different value systems.

The moderate conservatives, turned reformers, are the circle around the 2009 presidential candidate Mousavi, and former presidents Khatami and Rafsanjani. They came to maturity during the struggle against the Shah and carried out the Revolution of 1979. This generation is now primarily in their 60s and 70s. The moderate conservatives view participatory representation, vested in the office of the President, as the most important legacy of the Revolution.²¹

¹⁹ See Richard Cincotta, "How Democracies Grow Up," *Foreign Policy*, March/April, 2008, 81.

²⁰ Cincotta surveyed the countries which have achieved a liberal democracy (as defined by the Freedom House) in the last few decades. These full democracies evolved only when the YA/WA ratio dropped in the range between 36 and 42 percent. The 39 percent benchmark is the statistically median point.

²¹ Said Amir Arjomand, "Has Iran's Islamic Revolution Ended?" *Radical History Review*, Issue 105 (Fall 2009), 136.

The group around the president Ahmadinejad spend its formative years during the Iran-Iraq war and, as a result, is more nationalistic and exhibits more militant outlook. Most of them are members of the military-security establishment. The new guard is born between 1955 and 1965 and are now in their 40s and 50s. For example, the average age of Ahmadinejad's new cabinet is 51.7 years.²² The generation of Ahmadinejad perceives the old guard as soft, corrupt and having abandoned the principles of the revolution, while the reformists view Ahmadinejad and his circle as trying to usurp the power inherent in the *vilayat-i faqih* system and thus dispense with the republican principles embodied in it. The Supreme Leader, Khamenei, supports Ahmadinejad because he feels threatened by expanding the republicanism principle further. There are some strong personal underpinnings in the divisions between the two camps as well.²³

There are groups in the clerical establishment that support both sides. Clearly, neither camp is viewed as trying to abandon the theocratic nature of the state, or its clerical, councils-based institutions, which are the main heritage of the Revolution. However, both factions are trying to reshape the system by emphasizing the two other aspects of the Revolution – republicanism and populism. The moderates would like to diffuse the concentration of power in the system and make it more transparent. Ahmadinejad and his camp claimed the last part of Khomeini's legacy – the populism and social justice – as a source of their legitimacy as followers of the Revolution.

The Green Movement came into being as a spontaneous expression of dissatisfaction with the June 2009 election results by the urban middle class. It is mostly comprised of young, educated Iranians in their 20s and 30s. Although the Greens align more or less behind Mousavi, the most moderate of the presidential candidates, their aspirations for change are much broader. Both Mousavi and the pro-reform crowd want more freedom and transparency in Iranian politics, but while the former aims to preserve the clerical rule, the latter do not fully associate with the values of the *vilayat-i faqih*. For example, according to a 2006 Gallup poll, Iran was the Muslim country with the lowest support for Islamic law and the only Muslim country where approval ratings for the US have actually increased.²⁴ The generational differences are also evident by the fact that the Green Movement does not have a formal structure or established political leaders. It consists of loosely interconnected personal networks that rely on tele- and cyberspace communications for mobilization, reflecting the dominance of social networking among the today's youths and the resulting de-stratification of personal relations.

THE SOCIAL CONTEXT OF THE 2009 PROTESTS

The social context of the 2009 Iranian protests was driven by group competition for resources and power. The moderates were supported by clerics, technocrats and disenfranchised middle class, and the hardliners primarily by the military-security apparatus (IRGC and Basij militia,

²² Author's calculations.

²³ Rafsanjani, for example, has a long-standing rivalry with the Supreme Leader Khamenei as well as with Ahmadinejad who defeated him in the 2005 presidential elections. Mousavi, on the other hand, having served as a prime minister during Khamenei's presidency, is also known to be his personal rival.

²⁴ Dalia Mogahed, "Islam and Democracy," *Gallup World Poll: Muslim World*, 2006.

and their networks). The underlining current that informs the alliances at the top, however, was their relations to the rest of the population, and most notably to the younger generation.

In 2009, 57 percent of the Iranian population was under the age of 30, while 34 percent was between the ages of 15 and 29.²⁵ Educational attainment for Iranian youth has also risen dramatically in the last twenty years, with particularly large gains by females. On the other hand, Iranian job market is one of the most rigid in the developing world and has failed to accommodate the rising labour force, and especially the increased participation of women in the workplace. In the last few years, 1.2 million youths have been entering the labour market annually, against only 300,000 retirements and minimal job creation in the private sector. As a result, unemployment rates among people younger than 30 are several times the national average.²⁶ Such situation naturally leads to frustration and a greater likelihood of youth resorting to civil protest and violence. These grievances may have been subdued during the general economic upturn Iran experienced in most of the last decade. However, the global economic crisis since 2007 must have affected this group the most. The 2009 protests and the Green Movement, despite their political colouring, were most likely provoked by socio-economic dissatisfaction.

The connection between youth grievances and social protest is especially pronounced in the case of Iranian women, whose presence on the streets in opposition to the regime was quite prominent. In 2005, 60 percent of Iranian urban women aged 18-30 had high school or university education, as opposed to 50 percent of their male counterparts, while female unemployment rates are two times higher than that of men (Table 5). Furthermore, because of social customs that favour five or six years age difference between husband and wife, Iranian women face a challenging time forming a family. In 2005, the ratio between males 25-29 years old to females 20-24 years old was 70 percent, i.e., 30 percent of women in that age group would have difficulty finding a partner. As a result, the number of females living with their parents has increased two and a half times since 1984 (from 20 to 48 percent, with university-educated women leading this statistic at 62 percent.²⁷

Table 5: Unemployment rates of Iranian women, 2005²⁸

Age /Education	Female	Male
20-24	42.5%	22.2%
25-29	23.3%	12%
illiterate	4.3%	
University degree	43.3%	

In the long-term, Iranian population will continue to increase. Especially pronounced growth will be seen in the working age population. It has steadily increased from 39.5 million in 2000 to

²⁵ *World Population Prospects 2010*.

²⁶ Djavad Salehi-Isfahani, Daniel Egel, "Youth Exclusion in Iran: The State of Education, Employment and Family Formation," *The Middle East Youth Initiative Working Paper*, No. 3 (September, 2007), 18.

²⁷ *Ibid.*, 31-35.

²⁸ Source: *Ibid.*, 29-30.

almost 53 million in 2010, and is projected to increase further to 56 million in 2015 (Table 6). The fighting age group (aged 15-29), however, has shown a significant increase in the decade 2000-2010 – from 21 million to 25.1 million, but declining birth rates in the 1990s would lead to its reduction to 21.5 million in 2015 (a 14 percent decrease). Broken down by five-year age groups, the peak of the 15-19 and the 20-24 year old cohorts already occurred in the 2005-2010, period (Table 7). Although as a result of the 2005 15-19 cohort moving up in the age ladder, the 25-29 year old group would remain at almost the same level in 2015 as in 2010, it is clear that Iran enters into its late phase of demographic transition. The latter is characterised by greater number of the population above 30 and by less political volatility.

Table 6: Iranian working age population, 2000-2025 (in thousands)²⁹

Age/Year	2000	2005	2010	2015	2020	2025
15-19	8,657	9,204	7,146	5,434	5,315	6,058
20-24	6,894	9,000	9,107	7,077	5,390	5,275
25-29	5,369	6,821	8,899	9,021	7,011	5,339
30-34	4,412	5,256	6,754	8,827	8,946	6,954
35-39	3,751	4,663	5,203	6,697	8,754	8,880
40-44	3,196	4,034	4,607	5,149	6,632	8,680
45-49	2,635	3,346	3,966	4,539	5,080	6,553
50-54	1,901	2,628	3,262	3,877	4,448	4,986
55-59	1,437	1,739	2,536	3,157	3,763	4,326
60-64	1,311	1,342	1,654	2,419	3,021	3,611
Total	39,563	48,033	53,134	56,197	58,360	60,662

Table 7: Fighting age population in Iran, 2000-2025 (in thousands)³⁰

Age/Year	2000	2005	2010	2015	2020	2025
15-19	8,657	9,204	7,146	5,434	5,315	6,058
20-24	6,894	9,000	9,107	7,077	5,390	5,275
25-29	5,369	6,821	8,899	9,021	7,011	5,339
Total	20,920	25,025	25,152	21,532	17,716	16,672

As mentioned earlier in the paper, the severity of the job competition can be measured by the young adults/working adults ratio (YA/WA). In 2005, it was 52.1 percent (Table 8), which is an indicator of extreme pressure on the political system. It is worth pointing out that the 1979 Revolution occurred in a similar demographic environment – in that year, the YA/WA ratio was 51 percent. In 2010, however, the YA/WA ratio fell to 47.3 percent, thereby reducing the pressure on the political system to a lower level, and is projected fall to 38.3 percent in 2015 – a number suggesting only a moderate level of pressure.

²⁹ Source: UN Population Division, *World Population Prospects: 2010 Revision Population Database*

³⁰ Source: Ibid.

Table 8: Young Adults to Working Adults (YA/WA) ratio in Iran, 2000-2025

	2000	2005	2010	2015	2020	2025
YA/WA	52.9%	52.1%	47.3%	38.3%	30.4%	27.5%

In other words, as pointed out above, the extremely high YA/WA ratio between 2005 and 2009 may have prompted the Iranian society to support authoritarian tendencies during that period in order to avoid large scale social disturbances. Ahmadinejad’s ability to suppress the political protests in 2009 through the massive utilization of state security forces and the resulting public tolerance may have been due to such social dynamics.

Another social aspect that influenced the political struggle in Iran is class differences and the urban-rural divide. The 1979 Revolution identified the poor as its main source of social support and invested heavily in raising their living standards. The war with Iraq was an event that integrated the rural areas with the revolutionary ideas, and the government felt compelled to improve conditions on the ground. Since 1979, poverty rates have been falling significantly in both urban and rural areas. However, the trend has been much more dramatic in the rural areas where the number of individuals living on a less than US \$2 a day fell from 60 percent in 1979 to less than 10 percent in 2005.³¹ Also significant was the improvement of services to rural residents. In 1977, only 16.2 percent of rural homes had electricity, while in 2004 that number grew to 98.3 percent. In the same period, the ownership of refrigerators and televisions increased from 7.6 and 3.2 percent to 92.4 and 89.1 percent respectively (Table 9).

Table 9: Access to services in rural areas of Iran, 1977-2004³²

Percent rural homes with	1977	2004
Electricity	16.2	98.3
Refrigerators	7.6	92.4
TVs	3.2	89.1
Running water	11.7	89.0
Natural gas line	0	14.1
Fixed telephone line	<1.0	50.0

As a result of improved health and education, fertility rates in the countryside fell from 8 births per woman in 1984 to about 2 currently, while educational attainment for women has doubled. Nevertheless, the levels of inequality have not changed significantly in the last two decades. The oil wealth of the last decade was distributed to a much greater degree to the upper and middle

³¹ Source: Djavad Salehi-Isfahani , “Revolution and Redistribution in Iran: Poverty and Inequality 25 years later,” Unpublished working paper, 19.

³² Source: Ibid., 34.

classes than to the lower classes. For example, inequality rates, based individual earnings, have increased sharply since the end of the Iran-Iraq war and have declined minimally since then.³³ Compared to other MENA nations, in 2009, the income distribution in Iran showed much greater polarization between the top and the bottom deciles of the population with the richer deciles not too far from the income levels of the comparable social groups in some developed western countries.³⁴

In other words, in the eyes of the rural and urban poor, the Revolution was worth preserving, but at the same time they saw significant room for social equality and social justice. The populism of Ahmadinejad, therefore, still appealed among the lower classes and is one of the reasons for continuous mass support behind the ultraconservatives. It is worth mentioning that on June 12, 2009, Ahmadinejad's website referred to the elections as the beginning of the "Third Revolution."³⁵ That can be taken as much as a statement of the new guard's triumph over the moderates, as a claim over the revolutionary principles of 1979, in order to ensure the support of the lower classes and the hard-line clerics. Just a few days after that, according to observers, a demonstration of the Green movement, passing by Tehran's central bazaar, failed to attract the support of the lower class workers working there.³⁶

A third factor that could impact the Iranian political system and an important indicator of the risks of political instability in the country is the level of ethnic/sectarian tensions and grievances. Such tensions are a demographic stress factor that applies additional pressure on a country's political system because it could limit government's choices in dealing with social and economic challenges. In Iran, more than 50 percent of the population has a mother tongue other than Farsi, and indeed, ethnic/sectarian unrest has reached quite severe levels in the past. However, in 2009, minority tensions were not significant and thus did not play an important part in the political struggle at the top. For example, some of the election results from primarily ethnic areas, where other presidential candidates were expected to do better, in fact, favoured the incumbent. One explanation for the lack of post-election unrest in these areas indicates that the results may not have been entirely fraudulent. The Green Movement, as primarily an urban and middle class based phenomenon, did not find much common ground with the minorities.

THE ECONOMIC CONTEXT

Despite much deserved criticism about its inefficiency, aging infrastructure and over-reliance on oil revenues, and the significant brain-drain, the Iranian economy has been growing steadily since mid 1990s, both in terms of nominal GDP and GDP per capita. Its GDP (estimated at between \$330-\$350 billion for 2009) placed Iran among the top thirty economies in the world. As mentioned earlier, the lower classes have received their share of the growth. However it was

³³ Ibid., 32.

³⁴ Djavad Salehi-Isfahani, "Iran's place in the world distribution of income," Tyranny of Numbers (at <http://djavad.wordpress.com/>)

³⁵ Arjomand, "Iran's Islamic Revolution," 137.

³⁶ Kevan Harris, "The End of Iran's Revolutionary Social Compact? Informal Labor and the Politics of State Subsidies in the Islamic Republic," Paper prepared for the XXVI International Sociological Association World Congress of Sociology, Gothenburg, Sweden, July 11-17, 2010, 14.

the upper stratum that benefited most. Since 1979, the ruling clerics have amassed enormous wealth through their ties to the merchant class and the religious foundations (bonyads).³⁷ Rafsanjani and the Supreme Leader, for example, are among the wealthiest men in Iran. The 21st century saw the emergence of new economic elite. Since 2000 and especially after 2004, the military-security nomenklatura have gradually acquired a significant share of the Iranian economy through the patronage extended by Ahmadinejad.³⁸ On the other side, significant part of the middle class³⁹ feel disenfranchised from the current political and economic networks and prefers a political system that would impose a greater transparency in the redistribution of wealth. Another group that considers itself an economic outcast in Iran is the estimated 4.5 million unemployed young people in their twenties. In other words, the struggle is as much about economic influence and a share of national wealth as it is about political power.

The global economic crisis has brought these competing economic interests into an open conflict. Although Iran was not as severely affected, its growth has slowed significantly. The World Bank estimated that real GDP growth fell from 6.5 percent in 2007 to 2.5 percent in 2008 and one percent in 2009.⁴⁰ At the top, the diminished economic benefits have intensified the competition between the established financial elite and the new economic power of the IRGC. The June 2009 elections were most likely seen by the military-security establishment as a must-win situation in order to preserve and further expand its economic fortunes. On the other hand, the deteriorating economic situation likely affected the young unemployed the most, and contributed to a greater feeling of discontent among them, that found its expression in the post-election outrage and demonstrations.

As acknowledged earlier, the youth bulge has been exerting extreme pressure on the Iranian political system until recently. Large youth bulges, however, do not bring about civil unrest automatically. In fact, the Iranian YA/WA ratio has not fallen under 51 percent since the 1979 Revolution, but political unrest has only been sporadic. In order for the demographic pressure to translate into political violence, a continuous high degree of economic degradation needs to occur as well. For example, at the time of the 1979 Revolution, the GDP per capita (PPP) fell from a high of \$12,558⁴¹ in 1976 to \$9,699 in 1978 – a 25 percent decrease – and declined further to \$8,366 in 1979 – a 33 percent decrease (see Graph 1). In 2009, the youth unemployment rate was likely high enough to keep the risk of political violence elevated as well (see Table 5). Nevertheless, there was no such sharp decline in the living standards as it happened in 1979. In 2009, GDP per capita (PPP) was \$10,622, which was just slightly lower than in 2008 (\$10,648), but still higher than that of 2007 (\$10,062).

³⁷ See David E. Thaler, Alireza Nader, Shahrnam Chubin, Jerrold D. Green, Charlotte Lynch, Frederic Wehrey, “Mullahs, Guards and Bonyads: An Exploration of Iranian Leadership dynamics,” RAND Corporation Report (February 2010), 56-58.

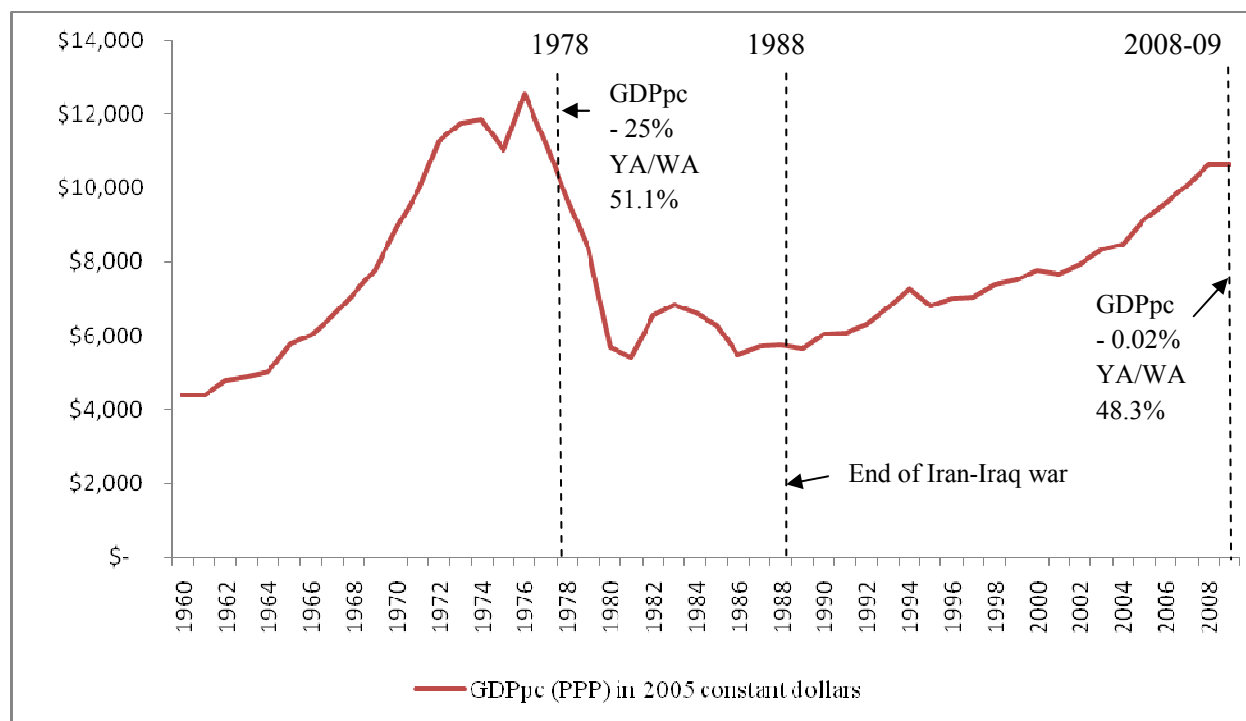
³⁸ See on the issue Ali Alfoneh, “How Intertwined are the Revolutionary Guards in the Iranian Economy?” Middle Eastern Outlook, No 3 (American Enterprise Institute for Public Policy Research: October 2007).

³⁹ It should be pointed out that IRGC members come largely from the middle class as well.

⁴⁰ The World Bank, *Global Economic Prospects: Crisis, Finance and Growth* (January 2010).

⁴¹ The GDP figures are in constant 2005 dollars.

Graph 5: Demographic stress factors and political volatility in Iran, 1960-2009⁴²



The government of Ahmadinejad has also taken measures to curtail inflation which was seriously affecting nominal incomes in the years prior to 2009. The less severe economic downturn, combined with the fast dropping YA/WA ratio – from 52.1 percent in 2005, to 48.3 percent in 2009 have contributed to the protests quickly dissipating from hundreds of thousands to a few thousands, and even hundreds.⁴³ A fact that remained almost unnoticed by analysts was that at the height of the protests, the main preoccupation of 1.3 million Iranian families was the university entrance exam of their high school children.

The cornerstone of Ahmadinejad’s strategy is to reform the energy and food subsidy system that gradually came into being after 1979. On one side, by consuming as much as \$100 billion or 30 percent of Iran’s GDP, the subsidies program is extremely burdensome to state finances.⁴⁴ Furthermore, blanket subsidies cannot achieve the revolutionary objectives of providing social justice, because, in fact, they benefit the upper classes in society that as a rule consume greater quantity of subsidized goods.⁴⁵ Previous reformist governments have also tried to change the system, but ultimately failed because they could not bring all political groups to consensus on the

⁴² Source: Alan Heston, Robert Summers and Bettina Aten, “Penn World Table Version 7.0,” Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania (May 2011), and *World Population Prospects 2010*.

⁴³ See protests statistics at irantracker.org.

⁴⁴ See Charlie Szrom, “Structural Patronage in Iran: Implications of Subsidies Reform for Iran and U.S. Policy,” Report by the Critical Threats Project of the American Enterprise Institute (January 2010).

⁴⁵ Official Iranian figures put at 70 percent the subsidies portion used by the wealthy.

issue. By pushing his political rivals outside the decision-making process, Ahmadinejad is in the unique position to gradually reduce and eventually completely eliminate the subsidies program.

The plan calls for the gradual replacement (by 2015) of blanket subsidies with targeted subsidies to the lower classes (in the form of cash rebates) and the affected industries. It is estimated that 46.5 million or 70 percent of the population will qualify for the rebates. According to a series of bills passed since January 2010, 50 percent of the savings from the canceled subsidies would go to such rebates. An additional 30 percent would go to direct compensation of agricultural and industrial companies also affected by the higher energy prices. It was the remaining 20 percent that generated the most arguments and bickering between the government and the lawmakers. Ahmadinejad asked for complete control over this portion of the subsidies, while the *mejlis* insisted on folding it into the state budget accounts. Ultimately, the government won control over the funds; however, parliament was able to impose a ceiling of \$20 billion on it.⁴⁶

Despite dire predictions of hyperinflation, labour strikes and street riots, so far the removal of the subsidies has not led to major unrest. Despite these uncertainties and risks, there is a clear logic for the hard-liners to pursue this line in the economic reforms. The subsidies law would allow Ahmadinejad to finally fulfill his 2005 election slogan of bringing the oil money to the people and continue staking his legitimacy on social equality and justice, thereby maintaining a measure of popularity among the masses. Having direct control over a substantial sum of money and indirect control over the industry grants,⁴⁷ Ahmadinejad and his supporters have gained the upper hand in the struggle with the old guard for control of the Iranian economy. Partisan-style distributions of the industry grants can be used to help IRGC dominated enterprises and punish opposition-controlled companies. Finally, the population segment poised to lose the most from the subsidies law is the urban middle class, which is behind the Green Movement.

CONCLUSION: IRANIAN OUTCOMES

The 2009 political crisis coincided with one of the largest youth cohorts in modern Iranian history. The combination of economic downturn and a large discontented young population has presented significant challenge to the regime. Nevertheless, it has adapted well by executing changes in the political and the economic sphere.

Ironically, the street protests may have increased the support among Iranian society in general for a strong hand that would prevent a significant escalation of civil unrest. At the same time, it appeared that Ahmadinejad's populism and social justice still resonated among large segments of the Iranian population. That has enabled the military-security stratum, led by the president, to rise to the challenge and squash the opposition. In addition, while suppressing the Green

⁴⁶ See, Szome, "Structural Patronage," and Djavad Salehi-Isfahani, "A Good Time to Say Goodbye to Subsidies," (January 2010), Tyranny of Numbers (at <http://djavad.wordpress.com/>). Incidentally, the government controlled savings provide the regime in Tehran with a cushion that can be used to soften the effects of further international sanctions, carry Iran through the economic crisis, and enable it to pursue its nuclear and regional foreign policy objectives with greater vigour.

⁴⁷ This is accomplished through the political control of the grants administering body. Many of its board members are Ahmadinejad's loyalists or tied to the military-security apparatus.

Movement, the ultraconservatives were able to marginalize their political rivals at the top. In other words, the 2009 socio-economic situation in Iran favoured a strong, authoritarian regime in Tehran. However, the exploitation of 1979 Revolution principles and ideas of its reformist opponents suggested that the regime, besides expounding greater authoritarian tendencies, was multidimensional and was an actor of change in the Iranian political system.

Representatives of the old guard, such as the Supreme Leader, have cast their lot with the IRGC circles as a means of political survival and of preserving the system as intact as possible. Consequently, despite losing some legitimacy as a result of the elections, Ahmadinejad, and the office of the President in general, have gained a new degree of political power that, by itself, is an evolution of the Iranian political system.

On the economic side, the removal of energy and food subsidies currently underway is also a significant change for Iran, but one that also plays well into the IRGC elite's objective of becoming a preeminent political power.

What can influence Iranian political dynamics in the short term depends on the correlation between the youth bulge and its prosperity, thus, the economy will be the primary battlefield in Iranian domestic affairs. As economic power often translates into political power, the ability of the old "reformist" establishment and its middle-class supporters to retain economic resources will determine their political fortunes. In order for Ahmadinejad to consolidate his political gains, he needs to reward his support base and at the same time weaken the opposition. As a result, the Iranian president appears poised not only to reshape the political status quo, but restructure the Iranian economy as well. Unless seriously mismanaged, the Iranian economic reforms, combined with the improving global economic situation and fast declining youth bulge, would further strengthen the regime and destabilize the political opposition.

As the youth cohort transitions into the labour market (unemployment rate of adults above 30 is only 5 percent), the political pressure on the regime from below is likely to be further reduced in the coming years. The likelihood of political liberalization will increase significantly after 2015 when the youth bulge would become much smaller than at present. As a result, in the following decade, we may likely see the regime further evolve and become less authoritarian than at present.

CONCLUSION: IMPLICATIONS FOR MENA

The examination of the 2009 Iranian political crisis demonstrates that demographic and socio-economic pressure is the most probable cause of the Arab Spring of 2011. Although in Iran president Ahmadinejad was able to remain in power, while this has not been the case in some Middle East countries, it could be argued that he is a representative of the new generation of elite's leadership. Thus, his survival signals a change rather than a continuation of the status quo. In other words, the changes we currently witness in the MENA countries, although stimulated by the popular unrest, are more likely to result in shifts at the top of leadership, with greater participation of the military-security apparatus, instead of succumbing to the protestors' demands for greater political representation and liberal reforms. Notwithstanding such a conclusion, given

the primacy of improving economic conditions in order to reduce the current political pressure, the new leaderships is likely embark on economic reforms (or redistributive policies)⁴⁸ that could distance them sufficiently from the previous rulers.

A more detailed inquiry into the socio-economic factors underpinning the Arab Spring can solidify the evidence from contemporary Iran that the impact of these factors has not been so significant to prompt in 2009, and now in 2011, a social and political shift on the scale it occurred during the 1979 Iranian Revolution.

DISCALIMER

The reported results, their interpretation, and any opinions expressed therein, remain those of the author and do not represent, or otherwise reflect, any official opinion or position of DND or the Government of Canada.

⁴⁸ It has been pointed out that the social composition of a particular society is instrumental for favouring economic reform or income redistribution, i.e., the poor classes prefer the latter, while middle classes prefer the former – see Djavad Salehi-Isfahani, “The Poor and the Middle Class,” Tyranny of Numbers (at <http://djavad.wordpress.com/>) .