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DEMOGRAPHY IN THE MIDDLE EAST: IMPLICATIONS AND RISKS

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Demographic change is a slow, steady process, its outcomes fairly certain. By following trends in mortality and fertility, as well as net migration, one can easily predict long-term changes in populations. In this regard, the study of demography has been described as akin to watching the grass grow; however, this simile does not adequately express the powerful impact that demographic changes can have on populations and the pressures that they can impose on issues related to human welfare and security. It also fails to capture how demographic changes seem to catch us—as policy makers and researchers—off guard. We seem always to be reacting to the pressures that arise with changes in demography rather than anticipating them and creating viable policy solutions to these challenges before they arise.

In the context of the study of challenges related to demographic change, the Middle East provides an interesting case. The region has undergone tremendous demographic changes over the past half century, particularly changes in mortality and fertility. These changes initially led to enormous increases in population growth and heavy child-dependency burdens. In recent decades, however, the region has seen a decline in fertility and a subsequent maturation of its population. The region is currently in the midst of a youth bulge, wherein young adults make up a large part of the population. This factor is driving social, economic, and political outcomes in the region. In addition, the region has maintained substantial population migration over time—both within countries and internationally—which has played an important role in shaping regional societies.

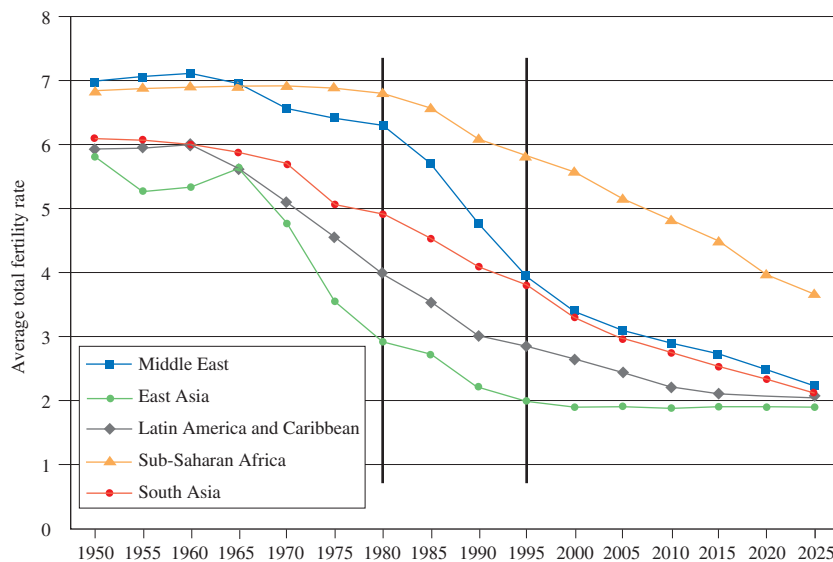
This paper is intended as an overview of the demographic trends witnessed in the Middle East over the past 50 years. It focuses on life-cycle changes, changing age structures, and migration patterns, emphasizing recent trends in these areas. The paper also reviews the economic, social, and political issues that have driven or been exacerbated by these demographic developments. It serves to underline the important implications for security in the region, both with respect to traditional security concerns and when viewed through the wider lens of soft security issues. In this regard, it should be noted that the intention is to highlight a broad array of implications and issues, often at the expense of in-depth analysis of crucial issues and dependent, in some cases, on generalizations that may not necessarily apply to the region as a whole.

THE DEMOGRAPHIC TRANSITION IN THE MIDDLE EAST

The population of the Middle East is currently estimated at nearly 258 million people, up from 59 million in 1950.* This population increase represents an average annual growth of some 2.7 percent a year, among the highest rates of population growth observed around the world over this time period. These high rates of growth are the result of the rapid, early decline of mortality in the region, coupled with a delayed decline in the region's fertility rates. As late as 1975, fertility rates in the Middle East averaged some 6.4 children per woman. No country in the region was immune from high rates of fertility: the lowest reported fertility rate in 1975 was in Lebanon (4.3 children per woman), while the highest was in Yemen (8.5 children per woman).

Just as researchers and policy makers were turning their attention to the region's high population growth, however, fertility rates in the region plummeted. The average total fertility rate for the Middle East fell to 4.7 children in 1990 and nearly 3.4 children in 2000 (see Figure 1). Currently, total fertility in the region is estimated at less than 3.2 children per woman, and the region as a whole will reach

Figure 1: The Fertility Decline in the Middle East and Other Developing Regions



Source: United Nations, 2006.

* In this paper, calculations referring to the Middle East include the following countries: Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, the United Arab Emirates, the West Bank and Gaza, and Yemen. Neighboring countries and regions, however, are referred to as necessary to emphasize the transnational nature of demographic changes. Population estimates and demographic indicators reported herein are drawn from the United Nations (2006).

replacement rates by 2035.* This decline in fertility has ushered in a decline in the region's high rates of population growth, ending long-held fears of a regional "population explosion." It has also effected a dramatic change in the underlying age structure of the region's population and a bold rise in the share of the working-age population.

By and large, this acceleration of the fertility decline has been experienced across the region since the 1980s (see Table 1). Lebanon and Egypt stand out as early leaders in the fertility decline, having seen significant declines in fertility as early as 1970. Similarly, the Gulf countries of Bahrain, Kuwait, Qatar, and the United Arab Emirates (UAE) witnessed fairly early declines.‡ The majority of countries

Table 1: Fertility Rates by Country, 1975–2005

Country	1950	1975	2000	2005	1950–1975	1975–2000
Bahrain	6.97	5.23	2.47	2.26	-1.74	-2.76
Egypt	6.56	5.50	3.29	2.99	-1.06	-2.21
Iran	7.00	6.50	2.12	2.04	-0.50	-4.38
Iraq	7.30	6.80	4.83	4.24	-0.50	-1.97
Jordan	7.38	7.38	3.53	3.13	0.00	-3.85
Kuwait	7.21	5.89	2.38	2.26	-1.32	-3.51
Lebanon	5.74	4.31	2.32	2.21	-1.43	-1.99
Oman	7.20	7.20	3.78	3.22	0.00	-3.42
Qatar	6.97	6.11	3.03	2.79	-0.86	-3.08
Saudi Arabia	7.18	7.28	4.09	3.58	0.10	-3.19
Syria	7.20	7.45	3.47	3.08	0.25	-3.98
United Arab Emirates	6.97	5.66	2.53	2.36	-1.31	-3.13
West Bank and Gaza	7.38	7.39	5.57	5.00	0.01	-1.82
Yemen	8.20	8.50	6.20	5.65	0.30	-2.30
Middle East	6.95	6.39	3.44	3.15	-0.57	-2.95

* The replacement rate of fertility is considered to be 2.1 children per woman. Below this, without immigration, populations begin to decline in size.

‡ Importantly, while some of the lower fertility rates in the Gulf countries are attributable to the large expatriate communities resident therein, evidence suggests that the fertility rates of nationals did begin to decline early and are generally aligned with, if slightly higher than, the total fertility rates presented in Table 1.

in the Middle East witnessed substantial declines much later than these early leaders, with an accelerated pace of decline after 1980. Iran stands out in this regard. Following the end of the Iran-Iraq War, the country initiated a comprehensive strategy to reduce fertility rates. Total fertility in Iran fell from 6.6 children per woman in 1980 to 4.3 children in 1990. Currently, the fertility rate in Iran is nearly 2.0 children per woman, the lowest in the region and below replacement rates. Similarly, Syria has seen its fertility rate fall from nearly 7.3 children per woman in 1980 to 4.6 children in 1990 to a current 3.1 children.

The highest current rates of fertility in the Middle East are seen in Iraq (4.2 children per woman), the West Bank and Gaza (5.0 children), and most notably Yemen (5.7 children). Fertility rates in Saudi Arabia and Oman are also quite high, considering their relatively high incomes per capita, advances in health, and economic stability; however, these countries have seen substantial declines over the past decade. For these five countries in particular, it is important to note that while fertility rates are declining, the delay in bringing down fertility has led to a delay in the rise of the working-age population and a prolonged youth bulge, issues described in detail below.

Determinants of the Middle East's Delayed Fertility Decline

The demographic transition experienced in the Middle East reflects general mortality and fertility trends seen across the developing world since 1950. The factors determining the initiation and rate of the fertility decline correspond with those underlying the global fertility decline seen over the past 50 years. The bulk of the fertility decline in the region and internationally is associated with increased female education, rising female labor force participation, economic growth, increased urbanization, and the changing economic role of children.¹ However, the transition in the Middle East has been marked by a much delayed decline in the fertility rate, as well as a distinctive acceleration of the fertility decline since the 1980s. This raises questions as to the drivers of this unique pattern of the fertility decline in the Middle East.

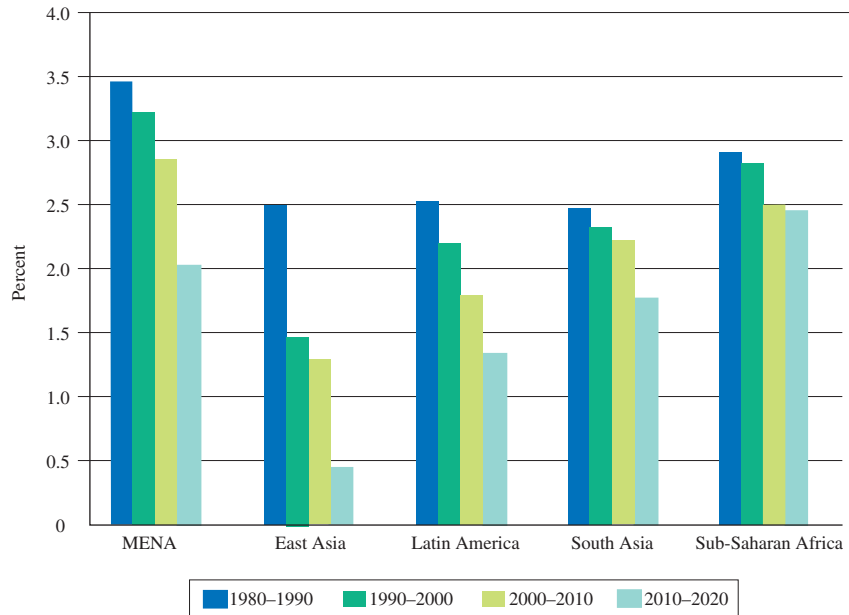
Many explanations have been put forward in this regard, arguing that Islamic cultures have a uniquely pro-natal nature or that patriarchal cultural norms in the Middle East drive a preference for large families. Statistical evidence for these factors is weak. One factor worthy of note is the role of the rentier economy, which has served as the dominant economic model for many regional states. As argued by Courbage (1999), the dominant role of oil in the Middle Eastern economies, along with related workers' remittances and grants in non-oil countries of the region, allowed governments to establish heavy subsidies that reduced the costs associated with children and reinforced preferences for large families.² The collapse of oil prices in the mid-1980s altered these effects, leading states to cut back on subsidies and increasing the costs associated with raising children. Importantly, the collapse of oil prices and the decline of subsidies in the region coincided with the acceleration of the fertility decline.

It should also be noted that prior to the 1980s, most states in the region maintained pro-natal population policies in order to strengthen their strategic positions and to develop their future labor forces. Governments limited access to contraceptives, set low legal marriage ages, and provided economic incentives for large families. By the 1980s, however, many states had realized the high costs of population growth (with respect to both budgetary constraints and rising social and political costs) and reversed their population growth targets. They established programs targeted at reducing population growth, including the free provision of contraceptives and maternal health care at government clinics, education programs for promoting modern family planning practices, a rise in the legal age of marriage, and a reduction of pro-natal salary benefits and subsidies. Importantly, many governments began actively encouraging female labor force participation through public sector hiring and protective legislation.

Changing Age Structure and the Working-Age Population in the Middle East

The gradual maturation of the Middle Eastern population following the initiation of the fertility decline means that dependency ratios (the share of youth and elderly in total population) have fallen and that the working-age population (calculated as the population between ages 15 and 64) is taking on a larger share of the overall population. Given the sustained fertility decline in the region, the child population in the Middle East has begun to decline, in terms of both growth rates and population shares. In 1980, those ages 0–14 made up more than 44 percent of the regional population. This figure had declined to less than 35 percent by 2005. At the same time, the working-age population of the Middle East has seen high, sustained rates of growth (see Figure 2). Its share of the total population has risen from 52 percent of the total population in 1980 to a current 62 percent. This share will continue to climb until 2035, at which point the working-age population is expected to make up 68 percent of the total population.

This rise of the working-age population inherently presents the region with new economic opportunities. Past research has drawn connections between a decrease in dependency ratios and per capita income growth.³ In theory, the decline in dependency ratios—or the transition out of a demographic burden—increases labor inputs per capita, boosts savings accumulation, and bolsters domestic investment while reducing a country's dependence on foreign investment. This so-called demographic gift, however, is far from a guaranteed course of events. It depends largely on each economy's ability to provide market instruments for savings and investment and, more importantly, to create jobs for the growing labor force. In this regard, in particular, the early stage of this transition—in which the growing working-age population is dominated by younger cohorts—often produces more challenges than it does economic benefits.

Figure 2: Working-Age Population Growth in Developing Regions

Source: United Nations, 2006.

Youth in the Middle East

The Middle East is in the midst of a “youth bulge,” a factor that is much discussed in policy circles of late, particularly in the context of the Middle East and the post-9/11 context. However, the youth bulge in the Middle East is not a new phenomenon. In fact, regionwide, the scale of the youth bulge in terms of share of the total adult population is declining, having peaked in 1980 at 35 percent. Still, youth hold a dominant position in the regional population. Those ages 15–24 currently make up 33 percent of the Middle East working-age population, and currently total nearly 58 million. Over the next ten years, the youth population will decline as a share of the adult population (to an estimated 26 percent in 2015; see Table 2); however, its presence in terms of numbers will remain high.

Trends with respect to the youth population differ in various countries within the region, just as fertility rates have declined at different paces. In Lebanon, an early leader in the fertility decline, the youth share of the adult population peaked in 1975 at 34 percent. Egypt experienced a similar peak to the youth bulge, but it continues to experience a youth share of the adult population of nearly 31 percent (while Lebanon’s is now at 25 percent). Countries with later fertility declines have only recently started to see their youth bulges peak. In Iran, youth now make up

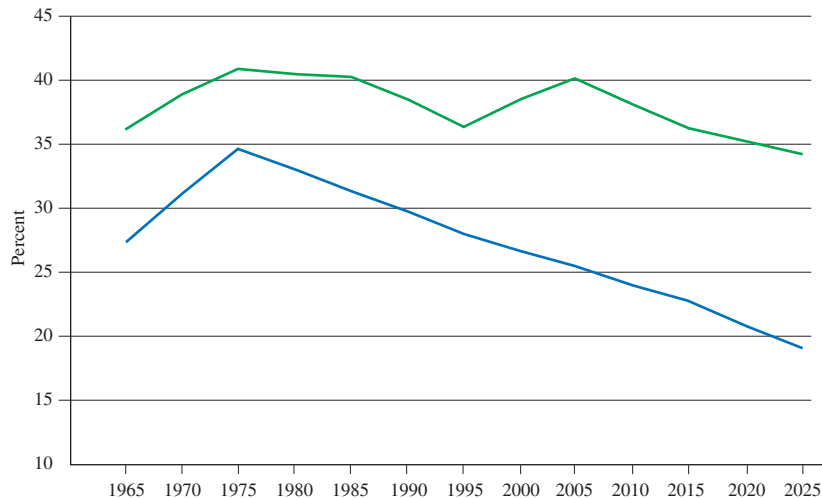
Table 2: Youth Population as a Percentage of the Adult Population in the Middle East

Country	1965	1975	1985	1995	2005	2015	2025
Bahrain	34.0	41.9	23.8	23.1	20.8	20.8	16.8
Egypt	30.0	34.3	32.2	31.7	31.4	25.7	24.4
Iran	32.5	34.2	34.5	33.9	35.6	23.0	18.8
Iraq	32.2	35.3	37.8	36.5	34.2	32.2	28.7
Jordan	36.1	34.1	38.9	38.4	31.8	29.1	24.6
Kuwait	33.0	31.6	27.4	22.3	20.4	17.6	17.5
Lebanon	27.3	34.1	32.2	28.0	25.7	23.2	19.0
Oman	36.2	36.9	31.3	28.0	32.0	26.6	23.0
Qatar	31.1	29.8	21.0	19.2	17.6	16.6	16.7
Saudi Arabia	32.9	33.8	33.6	28.7	29.5	28.5	24.4
Syria	33.6	37.6	38.7	38.6	36.3	28.2	25.6
United Arab Emirates	34.8	28.3	20.8	22.2	22.3	18.9	16.5
West Bank and Gaza	36.0	33.5	37.6	36.0	35.7	36.2	32.5
Yemen	36.1	41.1	40.3	36.6	40.0	36.8	33.8
Middle East	31.9	34.9	34.3	33.1	33.2	26.8	24.1

35 percent of the adult population (having peaked at nearly 37 percent in 2000). In Syria, youth now make up 37 percent of the adult population, a share that peaked in 2000 at nearly 39 percent. Countries that have lagged behind in the region in terms of the fertility decline—including Iraq, Jordan, the West Bank and Gaza, and Yemen—have experienced more drawn-out youth bulges and will continue to see youth dominate the adult population for the foreseeable future. In Yemen, for example, the share of youth within the adult population has remained at over 38 percent since 1970. This figure is currently at 40 percent and will not fall below 35 percent until after 2020 (see Figure 3).

It is also important to note that country population aggregates obscure some of the variety seen between groups (rural-urban, religious, economic classes) within the region, especially in those countries that have—by and large—weathered the youth bulge. The current situation in Lebanon poses some interesting questions in this regard. While Lebanon as an aggregate has passed through the youth bulge,

Figure 3: Comparison of the Youth Bulge in Lebanon (Blue) and Yemen (Green)



Source: United Nations, 2006.

there are significant differences between its various confessional groups. In the 1990s, Christian women in Lebanon had an average fertility rate of 2.4 children; at the same time, Shia Muslim women maintained a total fertility rate of nearly 6.0 children.⁴ These children are now coming of age, meaning that confessional attributes of Lebanon's youth population are quite different from those of their parents' generation, with Shias in particular making up a large share of youth. In the context of Lebanon's traditional confessional balance, and unequal economic and political prospects for these youth, this differential is a potential source of conflict and social unrest.

DOMESTIC AND INTERNATIONAL MIGRATION IN THE MIDDLE EAST

While migration, both internal and international, is a global phenomenon, it has played a unique role in the economies of the Middle East historically. In the countries of the region, the past 50 years in particular have witnessed significant flows of labor migration. This is the case domestically, particularly regarding migration from rural areas to urban areas; however, perhaps more profound has been the role of international migration out of labor-abundant countries to labor-importing countries. Conflict in the region has played an additional role as a push factor for emigrants seeking greater security. These factors, in turn, have created large diaspora populations that continue to play an important role economically and politically, both in their adopted countries of residence and in their countries of origin.

Urbanization and Internal Migration

Like most developing regions, the Middle East has experienced a rapid and profound urbanization of its population. On average, by 2005, more than 58 percent of the regional population could be found in cities.⁵ In 1990, this figure was 55 percent, up from 43 percent in 1970. Rates of urbanization are particularly high in Lebanon (87 percent), Jordan (82 percent), and Iran (67 percent). Despite extensive migration into Cairo, Egypt remains a largely agricultural society, with only 43 percent of the populace living in cities. In Yemen, only 27 percent of the population is urban, but this rate has risen from 21 percent in the past 15 years alone.

Urbanization represents an important aspect of economic development, as it marks a move away from agricultural work to a greater expansion of industry and services. However, there are important challenges posed by urbanization. The rapid urbanization seen across the Middle East has created intense pressures on urban infrastructure and its ability to keep up with the demands of the rising urban population. This is particularly the case in older, established cities like Cairo. Road networks are constrained, the environmental situation is often perilous, and services such as health care and education are overburdened. Much of the housing created to meet the demand of the region's growing urban population has been built outside of the formal, regulated housing market. As a result, many cities in the region have seen a rise in slums and housing not built to code. This has resulted in dangerous living conditions and the unplanned, cluttered growth of cities. This unregulated sprawl has been accompanied by rising levels of unemployment, income insecurity, and the growth of informal labor markets.

The urbanization of the Middle East, however, is not entirely a story of overburdened, deteriorating cities. New urban areas, particularly in the Gulf (but also in new projects and developments around the region), represent a growing dynamism found in regional economies and populations. In the context of the new oil boom, these cities are drawing young, talented people seeking new opportunities. Dubai, in particular, has captured a place in the imaginations of youth across the region: it is seen by many as a city in which they can go to work hard and build their dreams, largely independent of their connections to patronage networks and their economic class.

International Migration

International migration, driven by workers in labor-abundant countries in the region seeking opportunities abroad, has long played an important role in regional economic development, providing an important vent for domestic labor market pressures. This applies both to migration between countries in the region and to migration out of the region altogether. Furthermore, migration is tied directly to the youth issue in the region, as youth make up most of those willing to migrate, whether legally or illegally, given that they face fewer opportunity costs in doing

so. Migration to particular countries is also reinforced by the establishment over time of larger migrant populations from particular countries. These diaspora populations help foster migration networks that ease the transition for new migrants.⁶

Many migrants from the Middle East have sought out opportunities in North America, Europe, and other developed economies. But much of regional migration occurs between countries in the region. Palestinian workers have long crossed into Israel to secure jobs. Unskilled Syrian labor provides much of the labor class in Lebanon, while Egyptian workers have migrated in large numbers to Iraq, Jordan, and Libya. As Turks migrate in growing numbers to Europe, job opportunities have opened up for an increasing number of Arabs in Turkey.

Worthy of specific note as destinations for the region's emigrants are the oil economies of the Persian Gulf. These states have served as the primary destination for Middle Eastern migrant populations over the past 40 years. Between 1975 and 1985, during the first oil boom, the overall foreign labor force in the countries of the Gulf Cooperation Council (GCC) grew from some 1.1 million to 4.1 million, increasing the share of the foreign labor force from 40 percent to almost 70 percent.⁷ Today, there are an estimated 13 million foreigners working or living in the countries of the GCC.⁸

The original influx of migrants to the Gulf was drawn from the Arab countries, primarily from Egypt, Yemen, Jordan, Syria, and the West Bank and Gaza. Arabs (and to a lesser extent Iranians) continue to have a large presence in the Gulf. Notably, of the 2.8 million Egyptians estimated to be living outside of Egypt, 1.9 million are in the Gulf. Increasingly, however, expatriate workers in the Gulf, particularly lower skilled workers, come not from within the Middle East but from the Indian subcontinent and from countries farther abroad in Asia, notably the Philippines.

Migration and Conflict

Migration between countries in the region and out of the region has been largely impacted by conflict in modern times. Somalian and Eritrean refugees regularly cross into Yemen (and often find their way to Saudi Arabia). Conflict in Sudan has created a large number of refugees seeking protection in Egypt, and conflict in Afghanistan drove many refugees into Iran. However, three refugee populations in the region deserve specific comment: the Palestinians, Lebanese, and Iraqis.

Palestinians

During the establishment of the state of Israel and the 1948 war, some 711,000 Palestinians fled their homeland as refugees.⁹ Today, this event lives in the Arab social and political discourse as *An-Nakba* (the Catastrophe), and the number of Palestinians registered as refugees with the UN has since grown to over 4 million. Palestinian refugees are a rare exception to international norms of refugee status in that their descendants have retained refugee status. Out of fear that the permanent

settlement of Palestinian refugees would undermine Palestinian efforts to regain their homeland, the Arab League forbade Arab countries from offering Palestinian refugees citizenship. The status of these Palestinian refugees marks one of the most sensitive barriers to resolving the Israeli-Palestinian conflict.

The Palestinian refugee population has had major impacts on regional economies and populations. On one hand, the Palestinians have benefited regional economies in terms of labor inputs and skills, especially since Palestinians have represented some of the most educated people in the Arab world. The Gulf has long served as a destination for young Palestinian men seeking employment, and Saudi Arabia alone is now home to more than 500,000 Palestinians. Jordan, the only country to have given citizenship to many of its Palestinian refugees, has benefited quite broadly in terms of economic development from its Palestinian population (Jordanians of Palestinian origin represent more than half of the Jordanian population). On the other hand, the majority of Palestinians remaining in refugee camps represent a young population mired in poverty and open to ideologues promoting violent resistance. In Lebanon, for example, some 390,000 Palestinian refugees are registered with the UN High Commissioner for Refugees. They are largely limited to refugee camps notable for their poverty and outbreaks of political violence.

Iraq and Its Neighbors: The Human Dimension

More than 2 million Iraqis have left their country and have found varying degrees of welcome elsewhere in the Middle East. There is no realistic expectation that they will be able to return to Iraq in the foreseeable future. Almost 2.5 million Iraqis have been displaced within Iraq, and those who have returned to their homes have encountered security, housing, and livelihood problems. Iraqi refugees are therefore unlikely to seek repatriation and international organizations that will support it.

Iraq's professionals (doctors, engineers, and university professors from Iraq's Sunni community) have gravitated to the Gulf. Iraq's business community has favored Jordan, because Iraq's economy has long been closely tied to Jordan's. Iraqi Christians have chosen Syria and Lebanon because of the large Christian communities and tradition of multi-confessional coexistence there.

Poor Iraqis have gone to Syria, which is host to 1.5 million. The economic burden associated with Iraqi refugees has, however, proven enormous: rent and price inflation and the costs of government subsidies, health, and education have increased dramatically. The Syrian government recently adopted restrictive entry measures, but limited attempts at repatriation that were started in late 2007 have ended.

Jordan is host to as many as 750,000 Iraqis. The demographic, environmental, economic, and infrastructure impacts of the refugee influx have created a sense of crisis there. Jordan has long struck a delicate balance with its fragile natural environment, such as strict policies on use of water tables, and has struggled with the demographic challenges of a long-term Palestinian refugee population. It was already in

Lebanese

The Lebanese (particularly the Christian population) have been migrating out of Lebanon in relatively large numbers since the collapse of the Ottoman Empire, driven mostly by population pressures and pulled by trading and business opportunities (and family networks) abroad. However, conflict in recent decades has served as a decided push mechanism for Lebanese migrants. In particular, the Lebanese civil war (1975–1990) witnessed, besides the loss of some 144,000 lives, the displacement of 800,000 persons both inside and outside of the country. An estimated 250,000 persons emigrated from the country permanently as a result of the war.

Violence has returned to Lebanon in recent years. The assassination of Rafik Hariri in 2005 escalated tensions between Syria and anti-Syrian parties in Lebanon; as a result, Lebanon experienced heightened internal political violence. Then, as hostilities between Israel and Hizbullah began in 2006, the Lebanese population braced for a renewal of conflict in the country of a scope similar to that of the civil war. More than a million persons were displaced by the fighting. While many have since been resettled, a large number of Lebanese have fled the country seeking greater economic and political security.

the process of dealing with the impact of remittances from expatriate Jordanians, which had led to a boom in the construction of large houses and the settlement of fragile arid or semiarid environments, creating stresses on the environment, infrastructure, and economy. Jordan now finds itself dealing with additional stress, with few resources either to support the refugees or to generate livelihoods sufficient to allow them to support themselves.

Observers have noted the political implications of Iraqi refugee movements into neighboring countries. In Lebanon, whose delicate balance of confessional politics is already under stress and a source of its security challenges, a disproportionate number of the estimated 50,000 Iraqi refugees are Christians. In Bahrain, where the government has been praised for an enlightened and welcoming policy that includes provision of housing for as many as 50,000 Iraqi refugees per year, it is believed in some quarters that Sunnis have been welcomed more readily than Shias and that ex-Baathists have been recruited as police, because the state fears the consequences of a Shia majority.

Jordan's long experience with the Palestinian diaspora gives rise to a concern that radicals will use refugee populations as a cover for subverting the state or that closed settlements will act as hothouses for the radicalization of frustrated and alienated populations, particularly youth.

Sources: UN High Commissioner for Refugees; International Organization for Migration; *Financial Times*; International Consortium for Arid Regions and Desert Agriculture (Syria); Inter-Islamic Network for Water Resources Development and Management (Jordan).

Iraqis

Iraq's modern history is scarred by conflict: the Iran-Iraq War (1980–1988), the First Gulf War (1991), and the Second Gulf War (2003) mark only the most open conflicts. Conflict in Iraq has led to substantial movements of refugees, both within and outside of the country. The First Gulf War also effected population movement external to the country. During the lead-up to the war, Saudi Arabia, Kuwait, and other neighboring countries forcibly repatriated many of the Yemenis and Palestinians resident therein (in response to their governments' positions in the conflict), while many among the large population of Egyptian workers in Iraq fled that country. In all, some 2 million foreign residents returned to their countries of origin from Iraq, Kuwait, and Saudi Arabia during this period.¹⁰

The current Iraqi conflict has seen the displacement of nearly 4 million Iraqis since 2003, according to the UN. While many of these have sought out safer locations within Iraq, nearly 1.5 million have fled to Syria, between 500,000 to 800,000 are resident in Jordan, and significant numbers have migrated to other countries in the region, most notably Egypt, Iran, Lebanon, the UAE, Yemen, and Turkey. It has been suggested that the majority seek to migrate further to the West; for now, they are taxing the limits of their neighboring countries' ability to provide for them.

As refugees, the majority of these migrants cannot legally work in their host countries, and neighboring countries are beginning to increase restrictions on their movement. In fact, Jordan has ceased accepting refugees from Iraq unless they can prove economic self-sufficiency, and nearly 50 percent of Iraqis are being turned away at its borders.¹¹ These restrictions mean that the poorest and hardest hit Iraqis remain within the country, while the wealthier and middle class flee the country. Some 40 percent of Iraq's middle class has fled the country, and many have no plans to ever return to the country.¹² At a minimum, this represents a crippling of Iraq's economic and political future, in terms of lost skills and knowledge, lost capital, and lost future leaders. In the long term, such a movement of people out of the country could presage the country's political and economic collapse.

THE SOCIOECONOMIC AND POLITICAL IMPLICATIONS OF THE REGION'S DEMOGRAPHY

Demography in the Middle East over the past 50 years has had an important and often underestimated impact on the social, economic, and political structures governing the region. The dynamic demographic changes in recent decades, in particular, coupled with the influences of migration in the region, have redefined traditional social structures and the economic and political options open to the region's political actors. In the long term, these changes suggest the potential for a new era of stability and prosperity; however, the demographic transition to date is one marked by substantial socioeconomic and political frictions.

These are best understood in the context of the decline of the overarching economic and political framework that evolved in the region during its peak years of demographic dependency.

Between 1950 and 1980, the average family in the Middle East had more than six children and the majority of the population was under 14. This demographic burden drove early economic policy in the region, which emphasized economic equity through the provision of heavy economic subsidies, job creation, and worker protection. State-driven industrialization of the economy and an expanding governmental structure provided the bulk of new jobs, and the state invested heavily in health care and education. In turn, the state came to dominate the economy, a position strengthened by high oil revenues (in the oil-producing states) and related grants and returns from workers' remittances (in the non-oil-producing states). Its dominant economic role also allowed the state to monopolize the political sphere—an implicit “authoritarian bargain” was struck between the population and the state.¹³

This model of economic and political development in the region initially yielded positive results. The overall welfare of the population improved rapidly during the 1960s and 1970s. However, conditions changed remarkably beginning in the mid-1980s, when oil prices collapsed and states found their budgets under strain. The decline of the oil boom coincided with the rise of the youth bulge described above. In turn, the normative social, economic, and political structures of the region came under increasing strain. Today, the region as a whole remains in a position in which those with vested interests in the status quo struggle to retain the state's monopoly over the political and economic spheres while, in the face of overwhelming demographic change, the state is increasingly unable to fulfill popular expectations and needs. This dynamic seems to have been only slightly altered by the recent rise in oil revenues. The following section highlights the primary areas of social, economic, and political life that have been most affected by changes in demography.

An Increasingly Educated Population

The growing working-age population is increasingly educated and skilled, a result of the region's investment in human capital since the 1950s. In the 1960s, average educational attainment in the Middle East was among the lowest in the world, with less than a year of education per adult (over 15 years of age) on average. By 1980, the region had begun to close the educational gap with other developing regions, and in the past 20 years, the educational attainment of the adult population has increased by more than 150 percent. By 2000, adults in the Middle East had on average 5.3 years of schooling, placing the region higher than South Asia and sub-Saharan Africa and about a year, on average, behind Latin America and East Asia.¹⁴ These outcomes are especially impressive when one looks at the growth and sheer numbers of school-age children in the region over this period.

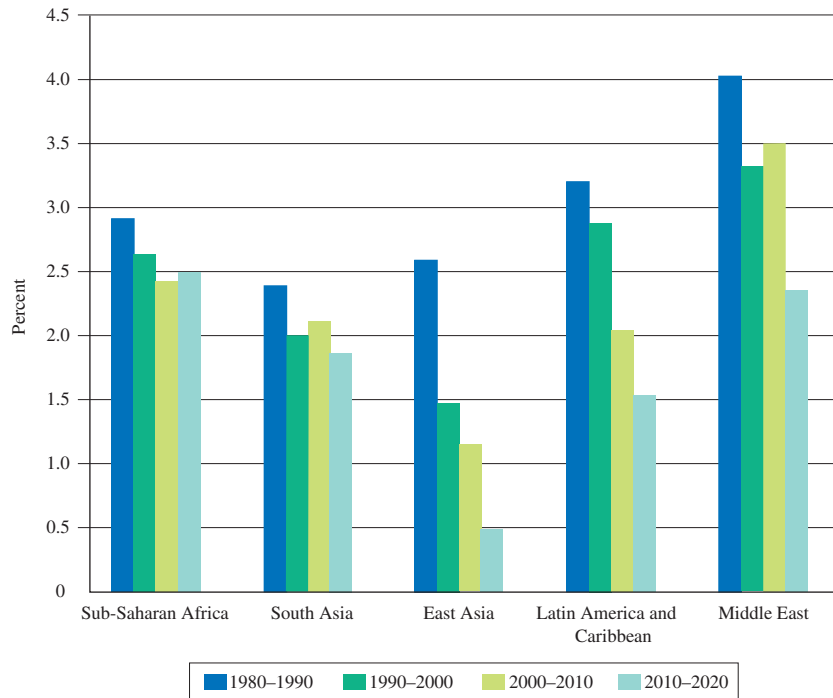
Currently, enrollment rates for primary school are nearly universal across the region, and enrollment on the secondary and tertiary level has increased substantially. Secondary enrollment in the region, as of 2006, was estimated at nearly 72 percent (ranging from a low of 31 percent in Iraq to a high of 90 percent in Bahrain and Kuwait). Furthermore, gender gaps in terms of educational outcomes have declined (or even reversed in some countries). The ratio of male-to-female years of schooling fell from 2.5 in 1960 to 1.4 in 2000. In terms of enrollment, primary and secondary enrollment rates for girls are roughly equal to those of boys (and are substantially higher for girls in some Gulf states). Importantly, educational spending is quite high, averaging nearly 5 percent of GDP within the Middle East, higher than in any other developing region.

This increase in education has bolstered the region's human capital significantly. It has increased the skill level of young workers, placing them in a more competitive position against their global counterparts. Improved women's education has played an important role in the region's economies and helped empower women on an individual and political level. However, rising educational attainment among young people, both men and women, has also increased their expectations with respect to job quality and wages at a time when the state can no longer guarantee their employment. Furthermore, increased education has created a generation of young people who are more engaged with the world as a whole, more aware of their place in the world, and seeking to play a more dynamic role as agents of change in their societies. This has profound implications for the political sphere and the state's ability to dominate it at the expense of alternative political forces.

The Rise in Labor Supply and Poor Labor Market Outcomes

Arguably, the most important economic impact of recent demographic trends has been the growth of labor supply in the region. The timing and pattern of the demographic transition in the region have led to dramatic increases in the labor force (see Figure 4). Following trends in the working-age population, labor force growth in the Middle East has outpaced that of other developing regions over the past three decades. The regional labor force grew by an average annual 3.3 percent during this period.¹⁵ Rates are expected to drop in the next decade, as the youth bulge moves through the population, to 2.4 percent a year. However, rates of growth will remain high between 2010 and 2020 in a number of countries in the region, including Iraq (2.9 percent), Jordan (2.6 percent), the West Bank and Gaza (3.7 percent), and Yemen (3.4 percent).

While rates of labor force growth might be declining in the region, the sheer numbers of new labor market entrants will remain high. Between 2000 and 2005, an estimated 15 million new entrants entered the Middle Eastern labor market. Over the next five years, another 15 million new entrants will have arrived. By 2025, the region will have to have created over 56.5 million jobs (2.8 million a year) to absorb new entrants alone. Given current unemployment rates of nearly 13 percent,

Figure 4: Labor Force Growth in Developing Regions

the total job creation challenge for the Middle East in that time period amounts to nearly 68 million jobs. This compares to a current estimate of the regional labor force of only 89 million.

Growing Labor Force Participation

Labor supply is not the product of demography alone: the impact of demography has been reinforced by rising labor market participation rates in the region. Historically, labor force participation in the region has been low, a factor driven primarily by the extremely low rates of female labor force participation. This, however, is changing rapidly. The regional average of female labor force participation has risen from 19 percent in 1980 to nearly 27 percent in 2000. In 2005, female labor force participation was estimated at nearly 30 percent; it is expected to rise to nearly 33 percent in 2010 and 36 percent in 2020. The female labor force in the region is currently growing at an average annual rate of 4.9 percent, whereas the male labor force is growing at about 3.0 percent. In turn, the total regional labor force participation rate, on average, has risen from below 50 percent of the working-age population in 1980 to 53 percent in 2000 and 55 percent in 2005. It is expected to rise further to 57 percent in 2010 and 59 percent in 2020.

Poor Labor Market Outcomes

The growth of the young working-age population and the rise in participation rates have led to increased pressures on labor markets, with regional economies demonstrating particular difficulties in absorbing new entrants. Job creation has not kept pace with labor force growth over the past two decades. During the 1990s, a period of weak economic growth in the region, unemployment rose to nearly 12 percent,* while real wages and worker productivity stagnated. Employment growth has increased in the context of the current oil boom, but unemployment in the region remains at more than 10 percent.¹⁶

Labor market outcomes have been particularly poor for new entrants to the labor market. Unemployment among women is over 18 percent (while that among men is 9 percent). This means that while women account for only 26 percent of the labor force, they make up nearly half of the total unemployed. Similarly, unemployment rates for youth are nearly 30 percent. In Iran, youth unemployment is nearly 23.2 percent. In Jordan, it is 31.2 percent, and in the West Bank and Gaza, it is nearly 34.2 percent. Importantly, unemployment is highest among those with higher levels of education, particularly those with secondary degrees.

These negative labor market outcomes arose in the region in the context of high labor supply and weak labor demand overall. However, they have been reinforced by institutions and labor market regulations that affect both demand and supply of labor. The most important of these are outlined below.¹⁷

- *The role of the public sector in the region.* The long-standing role of the public sector as the employer of first and last resort (particularly for educated individuals), coupled with relatively high public sector salaries, job security, and benefits, has made public sector employment the first choice for educated young people from the region. Budget constraints have led to a cutback in public sector hiring; however, educated youth have continued to queue for public sector jobs instead of seeking employment in the private sector. For example, in a recent survey, 60 percent of unemployed young people in Syria stated that they were interested only in securing a public sector job.¹⁸
- *Educational attainment.* Educational improvements have bolstered the skill level of young workers. However, rising educational attainment among young people has also increased their expectations with respect to job quality, reinforced preferences for public sector jobs (which provide higher returns on educational attainment), and boosted wage expectations. This has increased their reservation wages, leading them to favor unemployment while waiting out “good jobs.”
- *The skills mismatch.* There is a pronounced mismatch in the region between the skills and expectations of new labor force entrants and the skills de-

* Equivalent to the widely reported World Bank estimate of 15 percent for the Middle East and North Africa.

manded by the private sector. Despite the vast investments in education regionwide, the regional educational system, by and large, has not produced graduates with job-relevant, productive skills for the modern workplace. Rising educational attainment has not translated into marketable skills for many new labor market entrants.

- *Restrictive regulations.* Finally, labor market regulations largely favor the rights of workers at the expense of private sector employers. Dismissal of workers, in particular, is costly and open to uncertain legal procedures, a factor that raises the risk of businesses in hiring new workers. Thus, potential employers have favored capital investments over investments that support job creation.

Future prospects for employment creation are more positive, especially in the context of rising oil prices and increasing revenues for regional governments, as well as a gradual decline in labor force growth rates. In fact, the region has, over the past three decades, demonstrated a high employment growth to economic growth ratio (0.9 between 1999 and 2003), meaning that in today's high economic growth environment, unemployment could be brought down quickly. In fact, given an average annual economic growth of 5 percent, unemployment could drop to less than 6 percent by 2010. However, it is important to note that such job creation would be achieved only with a maintaining or worsening of the region's low worker productivity.

To improve worker productivity and create higher quality jobs for the region's educated youth, the region will have to move beyond a dependence on state employment and state-managed labor promotion policies to meet the needs of new entrants. Importantly, the private sector must serve as the primary engine for future job creation. In this regard, efforts at streamlining business regulations, bolstering opportunities for investment, and reducing trade barriers are vital. Furthermore, regional economies must make gains in introducing greater flexibility into labor market regulations. To date, few changes have been made in this regard.¹⁹

Challenges to the Traditional Family

Marriage and the formation of one's own family is a central pillar of becoming an adult. Particularly in the Middle East, where extended familial ties remain important, marriage opens social networks and allows young people to become adults, as well as permitting socially legitimate sexual relationships. In the region, however, the institution of marriage is coming under strain through a combination of effects. These include longer duration of formal schooling, high unemployment, limited access to housing and the financial mechanisms with which to secure housing, high costs associated with traditional marriages, and the adoption of "modern" cultural norms.²⁰

Evidence from the 1990s suggests that some 63 percent of Middle Eastern men married by their late 20s. Today, the share is just over 50 percent (in Iran, only 38 percent of men are married by their late 20s). In contrast, marriage trends in Asia

show that 77 percent of men ages 25–29 are married. In Latin America, 69 percent are married, while in Africa, 66 percent are married.²¹ Furthermore, 40 percent of women in the Middle East ages 15–49 are single and have never married.²²

Underlying these challenges has been a weakening of traditional family and social networks among populations moving to the cities. To a limited degree, rural family and social structures have been transferred to the cities; as people from a particular rural region move into a city, they tend to cluster together in neighborhoods.* Overall, however, the transition to an urban environment is marked by a move to nuclear families and individuals, with many struggling to build a future in the city and facing problems securing the most basic services (as noted above), largely outside the context of traditional, family-based support networks and in the face of a declining ability by states to substitute for family in this regard.

Also inherent in these changes are a degree of generational tension and a pushing of the boundaries that define legitimate marriage and sexual relationships. An interesting development in this regard is the rise of alternative forms of marriage, some of which are gradually finding legitimization in certain Islamic religious circles. These include *urfi*, *muta'a*, and *misyar* marriages. These forms of marriage—still largely controversial—allow for temporary unions or unions wherein the partners do not necessarily share a residence and have only limited rights over each other. They are often agreed to in secret, without the consent of the bride's parents or the families involved. They provide few protections for women in the case of divorce or if children result from the union. The regularity of these alternative marriage practices should not be overstated; however, their increasing existence does demonstrate the level of pressures that exist.

Changing Roles and Rights of Women

Women in the Middle East have made important strides over recent decades with respect to their legal rights, their education, and their presence in the labor force. The fertility decline has placed women in a position wherein they can expand their roles in the public sphere, outside of the home. In fact, there is an important reinforcing structure inherent in the decline in fertility rates: education, labor force opportunities, and health improvements can effect declines in fertility rates, which in turn allow women the time to pursue options outside of child care, including higher education and labor force opportunities.²³ However, in the region's highly patriarchal society, women still face many cultural and legal obstacles.

* Cairo's Imbaba neighborhood provides an interesting example in this regard, as its residents are drawn largely from middle Egypt. In fact, the neighborhood served as a hotbed of political unrest in the 1990s, led by political groups that had originated in middle Egypt.

With respect to labor force participation and employment, women in the region have received significant help from states, both through public sector employment and through legal empowerment (albeit on a limited scale). Most countries by law grant women maternity leave and restrict companies from firing women due to marriage or pregnancy. However, many countries have yet to pass anti-discrimination laws with respect to hiring women, and there are few proscriptions on wage discrimination. Furthermore, in many countries, women are restricted from working at night or in jobs considered “dangerous” or “unhealthy” to them or their unborn children. Thus, firms resist hiring women or pay them significantly lower wages, seeing women as unproductive and seeing the costs of employing them (in the context of adhering to their legal rights) as prohibitive. If states were to correct these imbalances in the law, the region might see women’s employment rise substantially.

Family and personal status law in the region still poses challenges to women’s rights. Despite recent reforms to family codes in some regional countries, women’s personal rights as they relate to the family remain fairly limited, and the balance of power in the home remains biased in the favor of men.²⁴ Broadly speaking, women have limited rights to divorce and find it difficult to secure custody of children in the event of divorce (or even death of the husband). Women do not have equal rights with respect to inheritance, which is governed by religious law. In most countries, women cannot pass their nationality on to the children, which has important implications for the national identity of a small but growing number of children in the region.

Identity and Political Legitimacy

Since the colonial period, issues of identity have remained at the center of regional political and intellectual discourse. In an effort to reinforce the initial strength of regional states and to bolster popular allegiance to governing systems, politicians and intellectual elites fostered “modern” national identities distinct from traditional religious, tribal, or ethnic identities. Also, in many of the Arab states, pan-Arab ideologies arose in an effort to unite a diverse and fractious population. These movements were supported by many populist regimes, although they were resisted by other regimes (particularly in the Gulf) that saw in them the collapse of their own political legitimacy, built as it was largely on pan-tribal affiliations. While the language of political identity at this time remained largely secular, regional or national political unity was also reinforced with the promotion of Islam (notably an official, largely Sunni interpretation of Islam) as a binding force.

The largely secular nature of political organization at this time was, to a degree, beneficial to some minority groups, both religious and ethnic, and these groups often played unique economic and political roles in the new states of the region. However, the cultivation of the national and regional identity was secured at the long-term expense of minorities, as it emphasized Arab over non-Arab and Mus-

lim over non-Muslim. It also came at the expense of open democratic systems, as the political sphere in the post-colonial period developed as a reflection of national unity instead of a contestable space for political ideas.²⁵

In the context of a state's weakening ability to provide for the welfare of its maturing population (as described above), other ideologies have captured a place in the imagined identities of the population. This is especially the case for those who are among those most marginalized within the crafted national, Arab, and mainstreamed Islamic identities described above. It is also true for those educated youth who, in the old state-dominated economic system, would have been in a position to benefit economically but now find themselves with poor prospects. The region has seen a resurgence in support for and identification with a more diverse array of cultural identities (Kurdish and Shia are perhaps among the most notable). Perhaps more importantly, the region has also seen revitalization of religious affiliations. Mosques and churches of the region are regularly filled, often beyond capacity, and there has been a rise in religious volunteerism and activism among young people.

Youth Exclusion, Alienation, and Resistance

The youth of the Middle East reflect the future of the region: their expectations and actions have shaped and will continue to shape the economic, social, and political landscape of the region. However, youth face deleterious economic and social outcomes. The problems outlined above, of which youth have borne the brunt, have had the combined impact of effecting heightened levels of social exclusion and feelings of alienation among many of the region's large youth cohort. Their personal investments in education have been significant but have largely failed to gain them access to quality employment. Their unemployment (or underemployment) has restricted their abilities to serve as independent economic actors and to begin building their own families. Furthermore, those that find themselves outside of traditional spheres of influence and lacking strong traditional family networks are increasingly powerless to change or redirect their lives. Weak governance structures and opportunities for civic participation render them voiceless, and they are excluded from playing a positive, constructive role in the political process.²⁶

This sense of exclusion has resulted in a high level of frustration among the youth and a rise in destructive behaviors. It has led many of the region's youth to find unhealthy coping mechanisms (e.g., alcohol and drug abuse). On a wider scale, it has led many youth to lash out at those they deem responsible for their state of despair (older generations, the government, and foreign governments). Their palpable sense of frustration has been particularly fruitful for ideological opposition groups (most notably, the Islamist parties), as an increased number of youth have joined the active opposition. As noted by Alan Richards, "Impatience and Manichean thinking are among the burdens of youth politics, whether in Berkeley or Cairo."²⁷

While facing limited success in penetrating regional governmental systems (by force or ballot), the Islamist opposition in the region, whether the more main-

stream groups like Egypt's Muslim Brotherhood or more radicalized elements, has attracted the support of many of the region's youth. This is the case for a broad range of reasons. Outside of the religious identity factor, these ideologies focus on justice and accountability, factors missing from the everyday political reality of many youth. Islamist groups also have been able to fill the economic voids left by a weakening state. They provide social services once fulfilled by the state. They offer employment or at least purposeful volunteer opportunities. Finally, they offer youth a chance to form empowering social networks and even an opportunity to meet potential spouses in a secure, respectable environment. For many youth in the region, this struggle for oppositional voice has been a constructive means by which to move political dialogue and economic goals forward. For a minority of the region's youth, however, frustrations have moved them toward more radicalized groups and political violence (see below).

NEW SOCIOECONOMIC ISSUES RELATED TO MIGRATION

For the countries of the Gulf region, the influx of migrant labor seen over the past four decades allowed for the rapid development of modern infrastructure and the introduction of much needed human capital, in terms of both unskilled and skilled labor. Furthermore, as noted above, migration out of labor-abundant countries in the region to the Gulf has long served as a vent for labor market pressures. However, this mutually beneficial equation has changed dramatically over the past decade or so. Importantly, traditional destinations in the Gulf do not provide the source of new jobs that they once did for young workers from the Middle East. While Arabs continue to make up large shares of the expatriate population in the Gulf, job opportunities open to them are no longer growing to the extent they once did.

Low-skilled workers from the region have largely been priced out of the Gulf labor market by workers from the Indian subcontinent and Asia. On the other hand, the Gulf's own youth bulge means that more skilled Arab workers are facing greater competition in the marketplace from the young nationals of the Gulf. In the GCC over the past decade, labor force growth among nationals has been higher than 4 percent a year. Currently, despite substantial oil incomes and a continued hiring of foreign labor, unemployment among Gulf nationals is quite high, ranging from 9 percent in Saudi Arabia to nearly 19 percent in Bahrain. Governments in the GCC countries have established hiring quotas and economic incentives for firms willing to hire local workers. They have also launched extensive training and job creation programs for young nationals, albeit with limited success. The pressures associated with labor force growth among nationals have continued to rise—even in the context of the oil boom—driven as much by the high expectations of young nationals as by low demand for their skills.

Migration to the Gulf has served as an important source of income for migrants' families (both within the region and abroad) and an important source of foreign exchange earnings for recipient governments. Several countries in the region,

including Egypt, Lebanon, Jordan and Yemen, are among those countries receiving the most workers' remittances on a per capita basis. However, the export of workers' remittances represents a massive loss of wealth and potential investment for the Gulf states. The four highest sources of workers' remittances (on a per capita basis) are Bahrain, Kuwait, Saudi Arabia, and Oman. Workers' remittances from the Gulf countries were estimated in 2006 at \$27 billion and have accounted for some \$500 billion since 1975.²⁸ The flow of remittance monies also provides a potential mask for illicit exchanges and money laundering that is difficult to regulate.

The Gulf states have also experienced a variety of social costs due to their dependency on migration. First and foremost is the widely reported abuse of workers. Regulations on labor migration in the Gulf operate on a sponsorship (*kafala*) system that restricts low- and medium-skilled workers to a sponsor and does not allow them to legally change jobs without the permission of the sponsor. Unscrupulous employers take advantage of these regulations to the disadvantage of workers, making them work long hours for little pay. They often are given substandard housing, have their passports confiscated, or are physically abused. Many arrive in the Gulf heavily indebted to their employers (or agents) and must work for years to repay these debts. Trafficking in persons has become an increasing problem.

A much less recognized social problem is the large population in the Gulf of second- and third-generation expatriates. These young people have grown up in the Gulf, and many have never been to their countries of official citizenship (if they do indeed hold citizenship). They often have grown up within the Gulf social and cultural framework and identify largely with Gulf social norms; however, because of citizenship restrictions, they are not citizens of the Gulf states. This poses significant and increasing challenges in regard to national identity in the Gulf. For those without official papers, it also poses challenges to their ability to secure gainful employment, let alone secure benefits and travel.

Gulf governments are also increasingly concerned about the cultural impact that the large expatriate population has had on their traditional societies. The influx of global culture in general and the establishment of neighborhoods and communities that have distinctive foreign cultural feels have raised concerns for the maintenance of local identity.* Furthermore, the large migrant populations are seen as growing potential security threats. For example, the possibility of an armed conflict between the United States and Iran has some in the UAE concerned about the large Iranian population in the country; if a conflict were to involve the countries

* Notably, the Gulf states have had their own cultural impact on the source countries of many expatriates who return from the Gulf. Muslim migrants often return from the Gulf, particularly Saudi Arabia, having grown more conservative than when they left and having taken on Wahhabi-influenced religious beliefs.

of the GCC in some way, the potential role for the Iranian population is a disconcerting unknown.

Finally and more broadly, recent migration related to conflict, particularly from Iraq and Lebanon, has had an important economic impact on regional countries. Countries like Jordan, Syria, and the Gulf states have been able to draw on the economic inputs and skills of the largely wealthy and middle-class Lebanese and Iraqis leaving their countries. Iraqis in particular, seeking financial havens, have been investing in property (particularly in the Gulf, Egypt, Jordan, and Syria), a factor that has raised property prices to the benefit of local sellers and the detriment of local buyers. Evidence suggests that property prices in Jordan and Syria, for instance, have tripled or quadrupled since 2003, owing largely to the influx of Iraqi money. This rise in property prices has been a boon to real estate developers and land owners in host countries; however, for young local families, it has added heavy financial burdens.

TRADITIONAL SECURITY ISSUES RELATED TO DEMOGRAPHY

The above sections describe some of the issues feeding into a discussion of soft security issues. However, there are direct and important relationships to be drawn between demography and traditional security issues. Perhaps most important in this regard is the relationship between the youth bulge in the Middle East and the rise of political violence and terrorism. There is also a larger strategic issue evident in the region: the shifting of traditional poles of political and economic influence in the region from the Levant to the Persian Gulf region.

A Shift to the East: Changing Poles of Influence in the Region

There has been in recent years a general shift of the Middle East's poles of political and economic influence to the east, a trend noted by many researchers and analysts focusing on the region.²⁹ The traditional centers of cultural, political, and economic power—Egypt and the Levant—have seen themselves gradually replaced in terms of influence by the Gulf states and, increasingly, Iran. Part of this has to do with oil: the rise in oil prices has bolstered the economic power of the countries of the GCC and Iran, while non-oil countries have seen a negative impact on their budgets (especially in states that continue to subsidize oil heavily). It also has to do with regional conflict, particularly with respect to the US presence in Iraq. The fragmentation of Iraq has undermined the traditional balance of power between Iran and Iraq, and Iran has increased its strategic bearing in the region, with respect to both the presence of its operatives in Iraq and the development of its nuclear capability. Besides these two points, however, there is an important underlying role for demography.

With its population of nearly 71 million people, Iran has nearly bypassed Egypt as the region's most populous country and now makes up 26 percent of the regional population. Importantly, given the uniquely rapid but delayed fertility decline in Iran, the youth population in Iran (ages 15–24) makes up 30 percent of the youth population in the region (compared to 27 percent for Egypt). At the peak of its youth bulge, Iran represents a growing cultural and economic power. Its youth are well educated (literacy is over 70 percent) and increasingly connected to the world in terms of telecommunications, culture, and technology.³⁰ Its large diaspora population, albeit largely at odds with the current regime, resides around the world, with particular concentrations in Europe, the United States, and the Gulf oil countries. Despite economic sanctions, Iran's economic growth has been high over the past decade, averaging 4.0 percent in the late 1990s and well above 5.0 percent since 2000.

Since the Islamic Revolution, Iran has provided a potent ideological alternative for many in the region, of both Shia and Sunni persuasions, because of its stance against perceived American hegemony in the region and its vocal, if not vitriolic, resistance to Israel's position in the Occupied Territories. It provides strong ideological and material support to the resistance movements of Hizbullah and Hamas, and in this regard the demography of the Shia population in Lebanon, as detailed above, is an interesting footnote. Furthermore, the rising power of Iran has also made it mandatory for the governments of Bahrain and Saudi Arabia to address the poor economic conditions and social exclusion of their large Shia populations.

Angry Young Men (and Women): The Youth Bulge and Political Violence

The relationship between the youth bulge in the Middle East and the threat or occurrence of political violence, whether in the form of interstate conflict, intrastate conflict, or nonconventional forms of violence such as terrorism, has increasingly drawn the attention of policy makers and analysts. Is there a link between the demography of the region and the significant interstate and intrastate conflicts in the region (Palestinian-Israeli conflict, Lebanese Civil War, Iran-Iraq War, Iraqi invasion of Kuwait)? Perhaps more apropos, given the events of 9/11 and recent conflict in both Lebanon and Iraq, can the rise of non-state actors such as Hizbullah and international terrorist organizations such as al Qaeda (and the strong support such groups have been able to garner among the regional population) be attributed to the large youth cohort? Has the sustained resistance to American forces in Iraq been fostered by Iraq's own youth bulge?

There is a commonsense link between the rise of the youth bulge and political violence: the passion of youth and their frustration with their economic and political situations can mix easily with ideological resistance to prompt violent reactions. Not only do we perceive a natural link between the youth bulge and vi-

olence in the Middle East, but we can read from the West's own experience with regard to violent struggle and youth's place in society. The English and French Revolutions both occurred during these countries' own youth bulges.³¹ More recently, the relatively small youth bulge that occurred in the West during the 1960s brought its own share of political conflict. Although the 1960s live largely in the West's cultural imagination as a period of youth culture and liberation, these years were marked by political tensions, Cold War conflict, and the rise of such domestic and international terrorist groups as the Red Brigades, the Red Army Faction, and the Weatherman Group.

Henrik Urdal has researched extensively the link between the youth bulge and political violence.³² His findings suggest a strong statistical association between the

Yemen—Awash in Arms

Yemen has become a hub of the international arms trade, owing to the entrenched rivalries and violent conflict that mark its internal politics, its proximity to countries undergoing full-scale civil conflict, and its position close to the Arabian Gulf, the Horn of Africa, and the maritime routes through the Suez Canal. Suspected links to transnational terrorist organizations such as al Qaeda, organized crime in the Balkans, and conflicts in Somalia, Sudan, Kenya, and Saudi Arabia have made the arms trade in Yemen a source of international concern. The United States has recognized the threat and has supported the government in a buyback scheme.

Such efforts face daunting challenges. The *2007 Small Arms Survey*, published by the Graduate Institute of International Studies in Geneva, Switzerland, ranks Yemen tenth in the world for the number of civilian-owned firearms (11.5 million). On a per capita basis, Yemen ranks second in the world with 61 small arms per 100 civilians, surpassed only by the United States (90 firearms per 100 civilians).

The central government's inability to control much of the country and the corruption of ruling elites have made arms trading both lucrative and relatively risk-free. Suggestions that the military is involved in fueling the arms trade highlight the problem the international community faces if it wishes to restrict the flow of weapons through the country.

Yemen's long and under-patrolled coasts and land borders make it vulnerable to the import and export of weapons. The effects on Yemen itself are severe: 2,000 revenge killings in a year. The trade has also destabilized fragile regional environments. Despite the UN Security Council's repeatedly criticizing arms smuggling into Somalia by private individuals based in Yemen, the government itself broke the arms embargo when it transferred over 5,000 weapons to the Somali government. Yemen is also believed to be a primary supplier for the Bakaraaha Arms Market in Mogadishu. In late 2006, Yemeni security officials arrested eight foreigners living in Yemen for attempting to smuggle weapons to supply Islamist rebels in Somalia.

The shoulder-to-air missiles used in a 2002 attack on an Israeli airliner in Mombasa, Kenya and the weapons used in the 2005 attack on the American Embassy in Jeddah are believed to have originated in Yemen.

Sources: Yemen Times, Khaleej Times; The Jamestown Foundation; 2007 Small Arms Survey.

presence of the youth bulge in societies and the occurrence of political violence, particularly intrastate armed conflict, terrorism, and rioting.³³ In fact, he finds, “For each percentage-point increase of youth in the adult population, the risk of conflict increases by more than 4 percent. When youth make up more than 35 percent of the adult population, which they do in many developing countries, the risk of armed conflict is 150 percent higher than in countries with an age structure similar to most developed countries.”³⁴

Why are young societies more prone to conflict than other societies? First and foremost, young people, particularly young men, have lower opportunity costs for engaging in violent behavior than older members of society. When young people are part of a youth bulge, in which the cohort size is relatively high compared to that of cohorts born in previous years, they generally suffer from a decline in economic and social outcomes. In short, if the economic pie remains the same size, there is more competition to secure a piece. Therefore, more young people end up excluded. This means that for members of the youth bulge, opportunity costs are even lower than they would otherwise be, and youth are thus more prone to opt for violence. This is particularly the case during economic recessions or periods of high unemployment, as occurred in the Middle East during the 1990s.

Notably, while higher education reduces the threat of armed conflict, there is a strong statistical association between youth bulges and terrorist activity when educational attainment is relatively high. Perhaps this should not come as a surprise. As noted by Richards, “The presence of widespread socio-economic dislocation de-legitimizes regimes in the eyes of those who spend much of their time thinking about what they see, such as intellectuals, journalists, and students.”³⁵ In the Middle East, it may also be driven by a greater awareness of the past futility of securing change in the region through peaceful or conventional means. Either way, with the Middle East’s growing educational attainment rates, this relationship between educated youth bulges and terror strikes a particular chord.

It is important to note that youth violence in the Middle East is not fated by demography. Pro-employment economic growth would reduce youth grievances, and recent developments in the regional economy suggest positive gains in this regard. Securing employment for the Middle East’s increasingly educated youth population might be the best guarantor of future domestic stability. It is also important to note that when youth are given political voice, the violent response is much weaker. Movements toward democratization or at least greater political participation would greatly reduce the potential for violence in these societies.

DRAWING CONCLUSIONS AND LOOKING AHEAD

Demographic changes in the Middle East and the rise of a particularly strong youth bulge have had profound impacts on the region’s economic, social, and political systems. The growth of the working-age population has fueled intense labor market

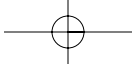
pressures, resulting, in the absence of a dynamic economic response, in high levels of unemployment. The region has also experienced significant sociopolitical tensions as a growing number of youth struggle with the transition to adulthood and as vested interests struggle to resist needed reform efforts. The probability that these tensions will be sorted out through violent means remains high.

For most countries in the Middle East region, however, the pressures associated with the youth bulge have peaked and, going forward, will gradually be reduced. Available projections suggest that the share of youth in the adult population will fall—regionwide—to 29.4 percent by 2010 and 23.5 percent by 2020. This suggests that the negative pressures associated with negative labor market outcomes and political conflict will abate, particularly in those states that led the fertility decline in the region. In turn, these states should see a rise in per capita economic outcomes. In the absence of youth-driven instability and a burgeoning middle class, these countries may also experience a wider political opening.

For a select number of countries, the youth bulge—along with its associated economic and social outcomes—will remain a real and foreboding challenge for the foreseeable future. As noted above, Iraq, the West Bank and Gaza, Saudi Arabia, and—in particular—Yemen still maintain high fertility rates and face high long-term youth bulges. Yemen will continue to see labor force growth rates of 4.0 percent over the next decade, and the total labor force will nearly double in size in the next 15 years. Furthermore, any pressures coming out of these countries will affect their neighbors—in terms of political security, rising migration pressures, and economic security. Also, the countries of Southwest Asia and sub-Saharan Africa bordering the Middle East are in the midst of their own youth bulges, the results of which will certainly impact the countries of the region.

Thus, the youth bulge remains the policy priority facing all the countries of the region in the future. Governments in the region must come up with viable means of addressing the concerns and challenges of their young populations. The greatest need is the creation of quality jobs that meet the expectations and needs of the region's educated young people. This will require a broad range of economic reforms, particularly with respect to labor market regulations, but also reforms that enhance the standing of the private sector by decreasing the costs of adhering to regulations, fostering an improved investment climate, and decreasing barriers to trade. This will also require significant investments in improving the quality of the education that young people receive. Policies that help people get started as young, independent economic actors also must be put in place: effective credit lending is virtually nonexistent in the region.³⁶

Changing demography also means that those countries that have progressed past the youth bulge will soon begin to face other challenges related distinctly to aging populations. Just as the policy window in the Middle East has shifted from providing for young, dependent populations to finding jobs for new entrants, the window will begin to gradually shift toward providing services for aging populations. This



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is already beginning to have an impact on the state-dominated health systems (and budgets) of the region, particularly the Gulf, where we have seen a rise in age-related and chronic illnesses. Just as policy makers are getting a hold on youth-related issues, demography will continue to change the policy environment and effect a new set of policy issues.

