



JOURNAL FOR IRANIAN STUDIES

Specialized Studies

A Peer-Reviewed Biannual Periodical Journal

Year 5, Issue 13, April 2021

ISSUED BY



RASANA
المعهد الدولي للدراسات الإيرانية
International Institute for Iranian Studies

IRAN'S POPULATION POLICY: BETWEEN DEVELOPMENT CHALLENGES AND GEOPOLITICAL CONSIDERATIONS

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Abstract

Iran's population policy has witnessed dramatic changes over the past 40 years. After the Shah's fall in 1979, and during the Iran-Iraq war, the revolutionary government revoked the Shah's family planning program and adopted a new policy aiming to increase population growth under the pretext that Iran needed millions of soldiers to defend the newly established republic. Following the sanctions imposed after the end of the Iran-Iraq war, Iran adopted a comprehensive family planning program to control birth and fertility rates. Accordingly, Iran's population growth declined dramatically. Over the last 10 years, Iran's population policy has shifted towards stimulating population growth in light of rising government concerns over the diminishing population size and an increasingly aging population. These shifts in population policy confirm that the issue of population in Iran is not limited to mere social and demographic dimensions; it is also related to geopolitical objectives and the aims of the Iranian government at home and abroad. The present study investigates one main question: what has been the impact of Iran's population policy — whether at home or abroad — in light of ongoing development challenges, the orientations of Iran's political system, and the country's geopolitical considerations?

Keywords: *Iran's population policy, development challenges, geopolitical impacts.*

Introduction

Population is a vital national asset and constitutes a significant variable in the balance of power equation between states. The development potential of any state is related to the size of its population and the economic resources that it has available. Its military capabilities, especially the size of its armed forces, are related to its population size and its age structure. Therefore, population size presents opportunities and challenges for any state against the backdrop of its goals, interests and ambitions. It provides a state with as much opportunities as it does dilemmas. In the case of Iran, its political goals and ambitions exceed its actual capabilities, and transcend its geographical borders since it strives to expand its regional presence and influence. Therefore, population is a key factor when evaluating Iran's capabilities, national assets and regional geopolitical influence. That is why Iran's population policy has always been subject to remarkable changes in light of the aforementioned considerations. This policy has witnessed radical, as well as contradictory transformations over the past 40 years. After the fall of the Shah's government in 1979, and with the onset of the war with Iraq, the revolutionary government abolished the country's birth control program which was put in place by the previous ruling system. The revolutionary government adopted a different policy intending to increase the rate of population growth under the pretext that Iran needs millions of soldiers to defend the new republic. With the end of the war, and under economic and developmental pressures, Iran adopted a comprehensive birth control program which led to a remarkable decline in the rate of population growth. During the last 10 years, Iran has readopted programs to increase the rate of population growth due to government leaders fearing a declining and ageing population, which would negatively impact Tehran's role and influence in the region. These changes in population policy confirm that Iran's demographic issue is not limited to purely social and demographic dimensions, but rather is linked to geopolitical considerations in the context of the Iranian government's goals and interests internally and externally. As a result, these changes need to be studied in light of Iran's regional environment and to determine their impact on Iran. The aforementioned is covered by this study. The research problem is based on one major question: what are the internal and external impacts of Iran's population policy in light of Iran's development dilemmas, the orientations of the current political system, and its geopolitical considerations?

Based on the previous question, this study aims to explore the internal and external impacts of Iran's population policy by trying to answer the following sub-questions:

What are the characteristics of Iran's population policy, and what have been the most prominent changes to it?

What is the nature of the development opportunities and what are the challenges that the demographic issue raises for the Iranian government?

What are the impacts of Iran's population policy on the Iranian government and its future?

What are the potential implications of Iran's population policy on its regional scale?

1. The General Characteristics of Iran's Population Policy and Its Most Prominent Changes

Unlike its regional counterparts, such as Turkey and Egypt, Iran began to take an interest in population issues relatively late. The first government birth control program was implemented in 1967 during the reign of the former monarchy. This program was accompanied by the enactment of some laws, especially the so-called family protection laws, with amendments made to marriage and divorce laws, such as limiting the practice of polygamy and restricting the right of men to divorce unilaterally.⁽¹⁾ This program was not comprehensive. It mainly targeted urban areas and major cities. It was limited and largely ineffective, and failed to achieve the goal of reducing population growth rates by reducing total fertility rates in Iran, which remained above six children per woman until the late 1970s.⁽²⁾

This birth control program and the subsequent amendments to the marriage and divorce laws resulted in many conservative figures and some religious leaders criticizing and condemning it on the basis that it was part of an imperialist conspiracy to reduce the number of Muslims in the world and to strengthen the hegemony of the West over Islamic countries and the Third World countries in general. Therefore, the program was suspended due to the outbreak of the revolution in 1979 and the establishment of the republic. Its trained cadres and workers were transferred to the health sectors. The new government, however, did not develop a comprehensive population policy. Instead, it pursued policies to promote childbearing. Many Iranian political leaders considered a large population as an important indicator of a state's strength. As a result, the government encouraged early marriage not only as a means to boost population growth, but also as an important means to end moral vices and tackle other social ills. Laws that limited early marriage and childbearing, such as the family protection law and restrictions on polygamy and temporary marriage were abolished; in addition, the minimum age for marriage decreased.⁽³⁾

As Iran engaged in a long and costly war with Iraq between 1980-1988, the narrative calling for the country's population to increase became much more prominent. The leader of the revolution, Ayatollah Khomeini, called on the Iranian people to increase childbearing to form an "army of 20 million men" to support the defense of the new republic. The state enhanced child subsidy

programs provided to poor families. Iranian families responded to such incentives, which resulted in the fertility rate increasing to its highest levels, with about seven children per woman near the middle of the war.⁽⁴⁾

In 1986, a significant turning point occurred regarding Iran's demographic history. In that year, the price of oil fell dramatically which led to a decline in government revenues as the war continued and entered its sixth year. Iran's first census revealed the country's significant population growth and its high fertility rates. The annual population growth rate was approximately 4 percent.⁽⁵⁾ This increase in the rate of population growth was rapid despite hindering factors such as the Iran-Iraq War's large human toll, the increasing number of Iranians emigrating, and economic uncertainty. In 1986, the population reached 50 million, an increase of 14 million in one decade.⁽⁶⁾

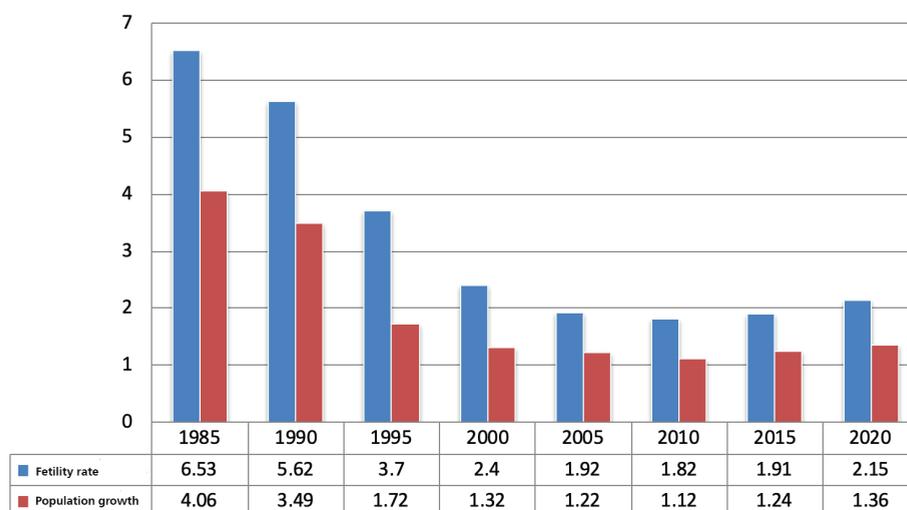
This large and rapid increase in population size impacted the thinking of many political leaders, as they realized that it would place a great burden on the country's limited resources. They also expected that the end of the Iran-Iraq War would increase the government's financial burden as it would have to reconstruct the areas that were destroyed during the war, and popular pressure on the government would also grow, particularly to meet promises which were sidelined during the war. The provision of healthcare and free education as well as job opportunities were pledged to the Iranian people by the government since it claimed to represent the oppressed and vulnerable. These provisions were included in the new Iranian Constitution to transform Iran into a just society, where everyone has equal opportunities.⁽⁷⁾ As a result, the national birth control program was re-implemented with the support of Iran's religious leaders and Khomeini, the supreme leader of the revolution.⁽⁸⁾

To bring about this radical shift in population policy without undermining the role of the government or religious leaders, the family planning program was handled under the umbrella of crisis management, and not as part of the government's development policy. A comprehensive strategy was also adopted to mobilize popular support for birth and fertility control programs. Public debates were raised in the media by experts to highlight the costs and the ramifications of a rapid rise in population size on education, health, agriculture, food supply, housing and public utilities. The discussion raised focused on the imbalance between the size of the population and public resources. The government to kick start the family planning policy established an independent body to oversee its implementation, which was the High Council on Family and Planning. It worked in concert with other relevant bodies to provide free and comprehensive birth control services to all urban and rural regions.⁽⁹⁾ In addition, a family planning law was enacted in 1989. It abolished the economic incentives offered to large families.⁽¹⁰⁾

Unexpectedly, the new policy to curb population growth achieved

considerable and remarkable success. The total fertility rate in Iran declined significantly as of 1989. However, the desired goal of family planning was to reduce the total fertility rate to 2.3 children per mother until 2010. This goal was actually achieved a decade earlier ahead of the scheduled time. The fertility rate in 2000 was very close to the replacement level (the amount of fertility needed to keep the population the same from generation to generation) and was estimated at 2.2 children per woman.⁽¹¹⁾ Consequently, the population growth rate decreased from 4 percent in 1986 to 1.4 percent in 1996.⁽¹²⁾ It was also estimated at 1.3 percent in 2011.⁽¹³⁾ This rate has continued to be low over the subsequent years as evident from Figure 1.

Figure 1: Total Fertility Rate and Population Growth in Iran (1985-2020)



Source: UN Department of Economic and Social Affairs, <https://cutt.us/2BCJE>

This significant and rapid decline in fertility and population growth rates raised concerns among government officials about a trend towards ageing and a possible decrease in population size during the coming decades, and they were concerned about the impact of this on Iran's power and influence in the region. Therefore, the government increasingly warned that population growth rates would be negative once again, leading to a decrease in the size of the population in the future. Once again, Iran's population policy radically shifted. The birth control program was abandoned, and Iran's official discourse encouraged childbearing to increase population growth rates.

In this regard, the former conservative President Ahmadinejad criticized the birth control policy as an evil Western policy. He called for increasing Iran's population to 150 million. In 2010, a new policy was launched to increase

population growth by providing financial incentives to encourage families to have many children.⁽¹⁴⁾

The Supreme Leader Ali Khamenei stated in October 2012 that “one of our mistakes was the birth control program. The population control policy was necessary at first, but it had to be stopped by the mid-1990s.”⁽¹⁵⁾ He stated again in 2019 that “reproduction is a very important and priority issue. The statistics now indicate that our fertility rate is below the replacement level, meaning that we will have an ageing society after 30 years. It is a great danger. This requires effort and action. Of course,, there are ways to fix that, and we have to figure them out.”⁽¹⁶⁾

Overall, it is noted that Iran’s population policy lacks a comprehensive and multidimensional vision regarding population issues. It is also characterized by confusion and improvisation because it lacks a stable, effective and long-term strategy to deal with Iran’s demographic situation and its problems. It can be said that this policy is mostly a set of measures, actions and temporary decisions to deal with the population issue as determined by circumstances, in accordance with the immediate interests of the ruling government and the directions of its leaders. They tend to view population size from a radical traditional angle, sometimes population size is a key element in the state’s balance of power, and at other times it is a huge burden or a causation of development crises. However, they ignore the fact that these crises are not because of a large population, but the outcome of limited and ineffective government policies.

2. The Development Opportunities and Challenges Arising From Iran’s Population Policy

Population policy is closely related to development theory. According to this theory, it is evaluated whether population size offers an advantage or opportunity for development, or whether it impedes it. There is an interrelationship between population policies and development. The effectiveness of population policies is thought to reflect positively on development. Also, the latter is supposed to positively impact population affairs. Any population policy must consider the correlation between population on the one hand, and the availability of resources and prospective opportunities for economic growth and development on the other hand.

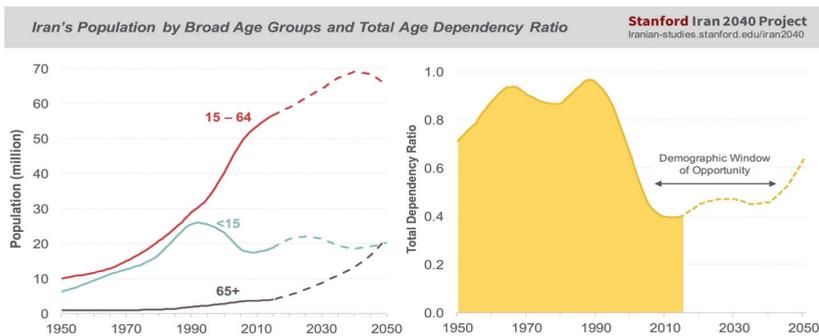
In the case of Iran, its population policy offers opportunities as well as dilemmas and challenges. This policy lowered total fertility rates, thus reducing overall population growth. This has led Iran to enter a new phase since 2005 known as the “demographic window of opportunity” for growth, where the working age population exceeds the number of dependents and elderly (as shown in Figure 2). If this demographic opportunity is managed effectively and successfully, it could have a positive impact on Iran’s economic situation

and development. If this opportunity fails to be properly managed, it will have a negative impact, turn into a crisis and will represent a major impediment to development.

As a result of the sharp decline in fertility, the percentage of the population under the age of 15 decreased, while the population aged 65 years and over remained relatively stable. Consequently, the age dependency ratio decreased from 93 percent in 1990 to 46 percent in 2005 and reached its lowest levels to 40 percent in 2010. It is expected to be around the same rate for about four decades. Then, the constant increase in the relative share of the elderly population will lead to a steady increase in the total dependency rate in 2030 to 58 percent in the middle of the 21st century.⁽¹⁷⁾

During the window of demographic opportunity which Iran is currently experiencing, the working age population between 15-64 years is expected to peak at around 65 million in the mid-2030s before it begins to decline later. With fewer dependents (children and elderly) who require investment in basic needs, education and healthcare, the government can allocate more resources for investment in economic development. It will be able to achieve rapid economic growth rates if it can obtain sufficient capital from domestic and international sources in the future to finance the creation of a relatively large number of well-paying jobs, so that its large and well-educated workforce is employed as soon as possible. Therefore, Iran can benefit from this demographic opportunity if appropriate economic policies are adopted to address the current high unemployment rate, and if it is able to improve governance, increase investment, and adopt appropriate and effective social and economic policies. This will allow Iran to accommodate a large percentage of its working-age population, employ their skills and help them to raise their standard of living, so that they can contribute to the economy through work, investments and savings.⁽¹⁸⁾

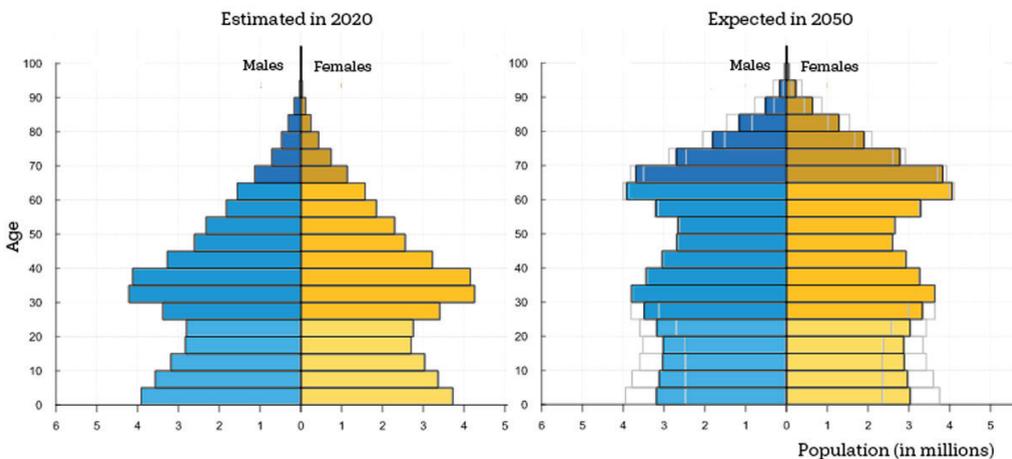
Figure 2: Iran's Population by Broad Age Groups and Total Age Dependency Ratio



Source: Farzaneh Roudi, Pooya Azadi and Mohsen Mesgaran, "Iran's Population Dynamics and Demographic Window of Opportunity," *Stanford Iran 2040 Project*, Stanford University, October 2017, <https://stanford.io/3uqnwsv>

However, the possibility of Iran taking advantage of this demographic opportunity is thwarted by many challenges and obstacles. While the favorable demographic conditions at this stage can possibly lead in the future to increased productivity and reduce the government's welfare obligations, they will begin to reverse as Iran's population grows over the coming decades. This makes it necessary for Iran to increasingly take full advantage of its workforce and to work on creating favorable financial conditions. Meanwhile, it will have to revamp its healthcare and public pension systems to cope with an ageing population in the future. The rapid pace of age-structural shifts indicates the urgent need to reform the pension and social insurance system which is poorly designed and managed and unsustainable. With the trend towards ageing, Iran's social security system will be under severe stress. In this context, a World Bank report issued in 2003 predicted that Iran's social security system would become insolvent, and that its liabilities would rapidly increase within three to 10 years as has happened. Of the 22 public and occupational investment funds of the insurance system, only two funds currently generate sufficient returns to pay due pensions. The remaining monthly obligations are currently covered by the government, which pays 76 percent of all pension payments.⁽¹⁹⁾ This situation is expected to worsen during the coming decades, especially if the demographic window is not properly leveraged, as it is expected that the percentage of elderly, especially those who are retired, is to increase. This is illustrated in Figure 3.

Figure 3: Iran's Population Pyramids



Source: United Nations, DESA, Population Division. Licensed under Creative Commons licenses CC by 3.0. IGO. United Nations, DESA, Population Division, *World Population Prospects 2019*, <https://cutt.us/RRBrm>

Another challenge relates to investment prospects and obtaining sufficient capital from local and international sources to create employment opportunities that are commensurate with Iran's increasing working population. However, the overall climate in Iran is not conducive to investment. Iran's security institutions often view foreign investment, local businessmen, and multinational corporations with suspicion. The leaders of the government consider foreign investment as a pretext for overthrowing the regime. The IRGC also tends to perceive local entrepreneurs and multinational corporations as competitors if not a threat. This situation has hindered economic prosperity, exacerbated the shortage of economic opportunities for citizens, and has increased unemployment rates, especially among the youth, therefore increasing the Iranian brain drain. A report issued by the International Monetary Fund in 2009 ranked Iran first in brain drain out of 91 countries. The Iranian minister of science, research and technology estimated in 2014 the number of educated citizens who emigrate abroad each year at nearly 150,000, which caused Iran an annual loss of \$150 billion.⁽²⁰⁾

In addition to the aforementioned challenges regarding Iran's ability to manage the demographic window, there are other development challenges and dilemmas facing the country. Their difficulty and danger will be further exacerbated in the future if Iran's population size increases as the leaders of Iran's ruling system desire. Although it is a comparative advantage for Iran and compatible with its wide geographical expansion, and contributes in one way or another to upholding its regional influence, a large population size could lead to very difficult challenges in regard to the availability of economic resources. This will also strain the government's capabilities to meet growing demands which will put a tremendous burden amid the government's limited and ineffective economic policies and the imbalance between development needs and available resources. Perhaps the most significant challenge is the one that is related to dealing with the shortage of fresh water and the provision of adequate housing.

If the government's current policies related to encouraging childbearing lead to a rise in population size, this will further complicate the water crisis that Iran is facing at the present time in a way that negatively impacts livelihoods and development. A rising population rate will place tremendous pressure on existing insufficient water resources, in a way that reduces water per capita and reduces the quantity of water needed for agriculture, which in turn may cause serious challenges regarding food security.

Iran suffers severely from a scarcity of fresh water because of frequent droughts, which have lowered surface and ground water volumes, and have decreased the water reserves of dams. This presents the country with a very difficult challenge, especially regarding how to balance between limited water

resources and a growing population. The amount of water that was available for 30 million and 35 million people is now similar (or less) for a population of about 84 million. Government officials, however, are demanding to increase it to 120 million or 150 million. The growing challenge reveals that the water shortage crisis in Iran, if it is not managed properly, will force 50 million people to leave the country. Some forecasts also indicate that if the level of water consumption in the agricultural sector continues at the current rate, eastern and southern Iran will be completely deserted in less than 25 years.⁽²¹⁾

Moreover, in light of the current population size, providing adequate housing is another difficult challenge for Iran, which will worsen as the population increases in the future, especially as the government lacks a comprehensive and effective strategy to balance between population size and the growing demand for adequate housing units. The results of some studies indicate that demographic developments have been neglected in crafting policies and housing plans. The failure to take demographic issues and changes into account is a major factor contributing to Iran's inadequate housing policies.⁽²²⁾ The rise of slums is the most prominent indicator of the government's ineffective housing policies. In 2017, some reports indicated that the rise of slums and social marginalization in Iran are directly related to rising levels of migration from rural to urban areas, in addition, to the government's inability to address this dangerous phenomenon. 19 million people, nearly a quarter of the population, live in ramshackle slums that lack adequate sanitation and facilities.⁽²³⁾ If the situation is this bad under the current demographic reality, it will be catastrophic if the population size increases.

3. The Impacts of Iran's Population Policy on the Political System and Its Future

Population policies, and their correlation with development have always had an important and decisive influence on successive governments in Iran. The extent of government legitimacy and stability in Iran is related to the following: the effectiveness of government plans and public policies; government success in tackling demographic shifts and their challenges, which in turn is related to ensuring appropriate economic satisfaction levels, and government efficiency in responding to political demands, which are generated from demographic shifts, including rising urbanization rates and education needs.

The development during the Shah's reign focused on creating an urban middle class, expanding the urban economy by investing oil revenues, and adopting an agricultural reform program that significantly changed the traditional structure of Iran's rural areas and also brought about rapid urbanization.⁽²⁴⁾ This rapid urbanization and the growing size of the educated middle class, along with high population growth rates, which government

policies were unable to reduce or deal with including the increasing challenges arising from them, contributed to increasing societal demands for political reform and expanding political participation, which finally led to the overthrow of the monarchy.

After the 1979 revolution and the establishment of the republic, the revolutionary government adopted a developmental populist approach, prioritizing the most urgent basic needs, and avoiding the indignation of the less wealthy segments that constituted the main support base of the revolutionary government. As part of the policies implemented after the revolution, the government worked to meet the needs of the less wealthy segments by providing basic food items, and health services. In addition, it established a ration system to ensure the provision of critical food items and fuel at low prices. However, these policies massively drained the budget which made it difficult for the government to continue with providing subsidies for a long period of time. The government also expanded access to education, which created challenges related to the government's ability to continue providing basic education in a comprehensive manner given the continuous increase in the number of school-age people. These realities have drawn attention to the problems caused by population growth rapidly increasing.⁽²⁵⁾ This prompted the government to change its direction and abandon its policy that encouraged childbearing, and to adopt a policy to limit population growth to reduce the burdens on its shoulders before adopting a policy to increase population growth rates once again. These radical changes in population policies impacted the political system, especially its credibility, legitimacy, and stability.

The radical contradictory shifts in the population policies of successive governments have greatly undermined their public credibility. Iranian governments have shown inconsistency because their purported values, principles, slogans, orientations, and policies have changed in accordance with circumstances and their interests. When a large population size served the government's interests and its alignments during its early stages and amid the war with Iraq, government officials in the mid-1980s considered this to be a blessing and a divine gift to Iran. However, when the government recognized the difficult challenges arising from a growing population and was unable to deal with them, its officials proposed fertility control and family planning, and considered this to be a national goal as well as a social and religious duty. When total fertility and population growth rates dropped resulting in a trend towards ageing, and government officials feared that this would negatively impact Iran's position and regional influence in the future, the birth control policy was once again criticized as an evil Western scheme to weaken the country. Iran's political leadership admitted that implementing the birth control policy was a mistake.

The most prominent indicator of the decline of the political system's credibility because of its shifting demographic policies is the Iranian public's failure to respond to its call to increase childbearing to raise the population growth rate. This call, which has been growing for more than 10 years, is not received well in society. Official statistics indicate a continuing decline in Iranians wanting to have children, even though the leader of the republic, Ali Khamenei, has repeatedly called for increasing the country's population size, most recently in February 2021. He mentioned that "marriage and childbearing are two vital needs of the country at the right time, now and in the future." He called on the media to "devise a plan to promote marriage and childbearing at the right time."⁽²⁶⁾ This continuous decline in Iranians wanting to have children is linked to a lack of confidence in the government's performance because of its ineffective policies which have caused various crises, exacerbating the degree of economic uncertainty, resulting in worsened living conditions. This has contributed to the delay in the age of marriage and the increase in older unmarried women, which has resulted in fertility rates decreasing. In this context, there are increasing warnings that many young men and women exceed the age of marriage. In 2016, they were estimated at more than 11 million. The largest proportion of them are females which would lead the number of elderly single women to increase in the future. This could cause many problems in Iranian society.⁽²⁷⁾

On the other hand, the government's population policies have negatively impacted its legitimacy. It became clear over time that the ruling government lacked a comprehensive and long-term strategy to deal with the demographic shifts resulting from its population policies, and its development policies failed to deal with the pressures and challenges resulting from these demographic shifts. The government was unable to meet the basic economic and social needs of the Iranian people. This significantly decreased the legitimacy of the government, as it lost the support of its popular base, the most important source of its legitimacy. It was unable to address crises, achieve success in development, secure social justice and economic wellbeing.

The decline in legitimacy, in turn, impacted stability, which decreased significantly. This is evident by the unrest and frequent popular protests, with popular demands including calls to improve socio-economic conditions and change the political system.

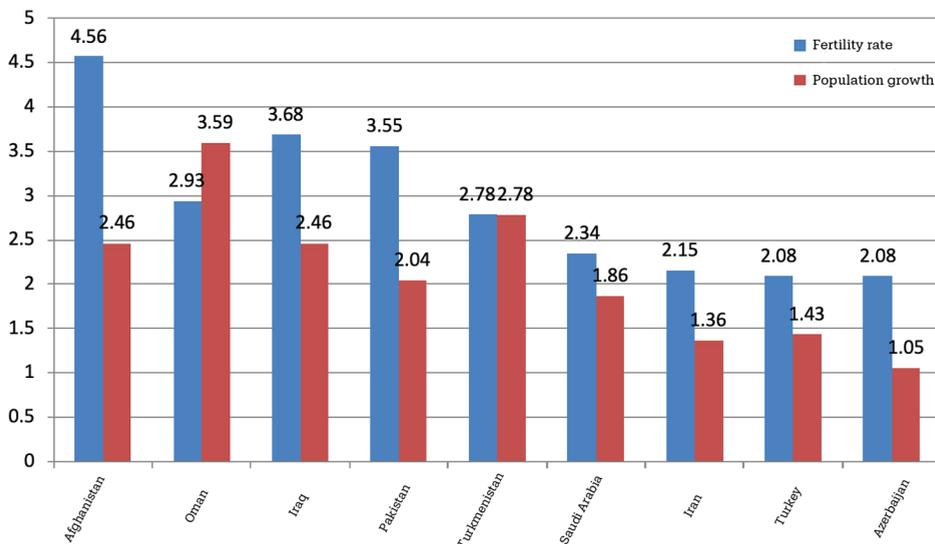
These pressing and critical realities impose difficult choices on the current ruling system. As a result, it may be forced to change some of its convictions and reconsider its positions to prioritize economic interests instead of its revolutionary ideology. This may lead in the medium or long term to fundamental changes in the nature of Iran's political system, leading it to be less closed, radical and authoritarian, and more inclusive, open and

liberal. These changes will be triggered by developments related to increasing demographic shifts, such as rising urbanization rates and education needs, which are expected to lead to greater social demands for political participation. This may lead to the emergence of reformist forces within the political system itself. These forces may redirect the orientation of the political system, moving it slowly and gradually towards more economic and political liberalization, or instigate a radical change through a popular uprising.

4. The Potential Repercussions of Iran's Population Policy at the Regional Level

The leaders of Iran's political system consider population size to be an important and decisive element in regard to the country's national capabilities and geopolitical influence at the regional level. Demographic considerations are intertwined with political and strategic considerations. Iran's leaders are currently calling for an increase in population and have warned against an ageing population. Iran appears to be in demographic competition with its neighboring countries. This competition is closely related to its ongoing political and strategic competition with other regional powers and parties to increase its presence and expand its sphere of influence in the region. Given the demographic situation in the region, it is evident that most of Iran's neighboring countries surpass it in terms of total fertility rates and population growth rates (as shown by Figure 4), and have younger demographic structures compared to Iran (as shown in Figure 5). The leaders of Iran's ruling system realize that their neighborhood, which is very different to Iran both in ethnic and sectarian terms and includes bitter enemies or at least competitors, constitutes an important impediment to Iran's ability to achieve its goals, aspirations and national interests; and poses a threat to its existence, especially against the backdrop of its lower population growth rates, the movement towards an ageing population, and a possible decline in population size in the long run. This may result in Iran's national entity vanishing in light of its human and geographical surroundings. Iran's surrounding states have considerable ethnic groups inside the country. Thus, Iran's population is not merely limited to the country's internal demographics, but it is also connected to its regional surroundings. Iran's population will likely have a significant impact on the balance of power equation and on Iran's regional influence as well as impact regional stability and the nature and areas of competition between regional powers.

Figure 4: Fertility and Population Growth Rates in Iran Compared to Some Neighboring Countries (2020)



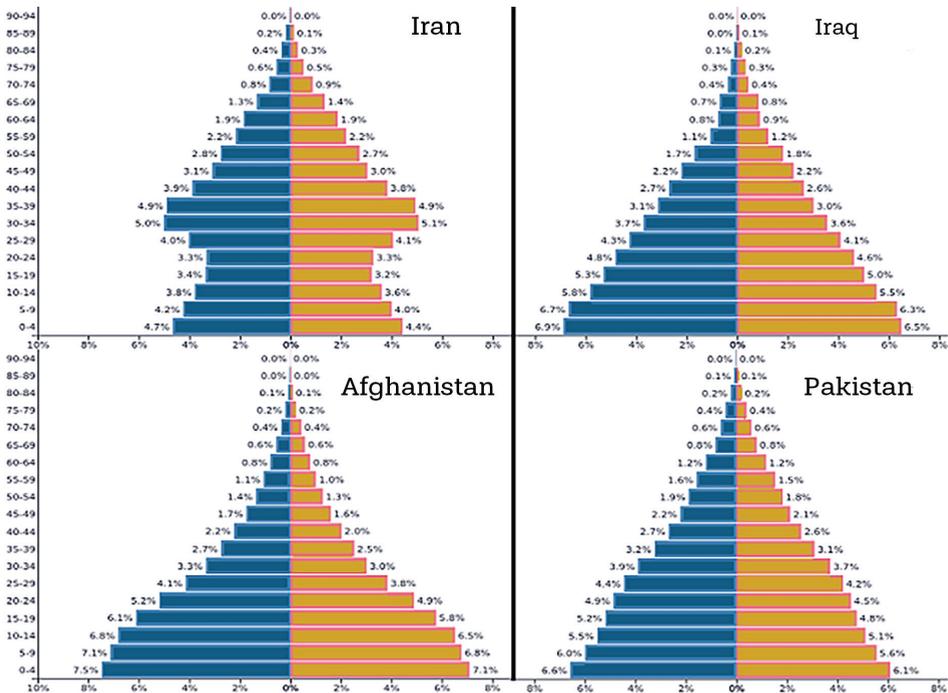
Source: UN Department of Economic and Social Affairs, <https://cutt.us/0Fi9M>

In regard to the impact on Iran’s balance of power and regional influence, it is possible that a declining population size, an ageing population, and a decrease in the number of young people of military age, will reduce the Iranian government’s ability to support the country’s huge military establishment. The latter has various wings: the regular army, the IRGC, internal security forces, and militias operating outside the country. Further, it is expected that the economic pressures—generated from the imbalance between economic and development capabilities/needs and the size of Iran’s current population.— and the country’s increasing financial burdens caused by high dependency rates in the near future as well as the trend towards an ageing population will lead to a relative reduction in the expenditure on Iran’s military (military development programs and arms deals) and foreign militias. This will lead, in the medium and long term, to significant changes in the balance of military forces in the region to the disadvantage of Iran, and in favor of other regional parties. Some of these parties are characterized by relatively high rates of population growth and have younger population structures which offer an opportunity for greater military mobilization, while others have better economic or financial capabilities that offer an opportunity for more weaponization compared to Iran.

This reality is likely to have important repercussions on Iran’s regional

influence. It will place great pressure on the Iranian government, and may force it to reduce its external role and activities to control some neighboring countries, and influence the existing balances in the region to serve its interests. Consequently, Iran will stop, or at least reduce, its financial and military support for its proxy political organizations and militias, especially in Iraq, Syria, Lebanon and Yemen. This could reduce Iranian influence in the region and turn Iran, in the medium or long term, from a regional power that is ambitious and struggles for greater influence beyond its borders, into a normal regional state that works to adapt in order to survive.

Figure 5: Iran's Population Pyramid Compared to Some Neighboring Countries (2020)



Source: Population Pyramids of the World, <https://cutt.us/nG8id>

In terms of influencing regional stability, Iran's demographic reality is likely to have two opposing impacts on regional and political stability. First, the pressures and development problems resulting from demographic shifts; the potential changes in the balance of power against Iran; the decline of Iran's external interventions and expansionist activities — a result of its self-isolation and preoccupation with addressing internal challenges and problems — can solve crises and conflicts that have emerged from Iran's interventions and

de-escalate the political tensions in the region. Second, these developmental pressures also can potentially prompt the Iranian government to change its behavior that generates tension, to remove the international sanctions imposed on Iran, and to avoid further sanctions in the future. This change would be in the interest of regional stability.

On the other hand, it is assumed that the pressures resulting from the discrepancy between available resources, especially water resources, and the current size of the population in Iran, which government officials are wanting to increase, will damage regional stability. The water crisis is likely to exacerbate the economic, social, political and security problems internally due to the possible escalation of the current disputes over the distribution of water to Iranian regions and the possible extension of the impact of these problems to neighboring countries. In addition, this crisis will possibly escalate tensions and conflicts between Iran and its neighbors over water resources, into armed confrontations. The signs of this escalation began to appear years ago, as tensions and disputes increased between Iran and Turkey, Iraq and Afghanistan over the sharing of the waters of the common rivers. It will increase mutual accusations of restricting the flow of rivers.⁽²⁸⁾

In terms of influencing the nature of regional competition, it is possible that demographic shifts in Iran will impact the nature of regional competition by shifting its focus from political and strategic considerations into economic considerations. Under the increasing pressure and developmental challenges resulting from Iran's demographic shifts, and as the government was forced to respond to these pressures, in an attempt to benefit from the demographic window that Iran entered since 2005, it is believed that Iranian attempts will increase to secure the largest possible economic gains to ensure a balance between the size of its population and its financial resources. This is likely to escalate the competition between Iran and its neighboring countries over economic interests. It seems that the shift in the nature of regional competition towards a greater focus on economic considerations has already started recently. This competition was evident over oil and gas pipelines from the Arabian Gulf region to Pakistan and India, and between Iran and Turkey over the oil and gas transportation route from Central Asia to Europe. There is also competition in the land and sea transport routes, such as the North-South Corridor between Central Asia and Iran, up to India through Chabahar port, the Central Corridor through the Caspian Sea, the Pakistan-China Economic Corridor, and the New Silk Road.

Conclusion

Over the past four decades, the Iranian government has adopted a volatile population policy. This policy, at one stage, was able to achieve its goal of reducing fertility levels and population growth rates, but it failed to control this reduction in a way that could achieve a balance between population growth and economic development, and to ensure that Iran's population structure remains balanced in the medium and long term. At this stage, the government appeared to be ineffective in dealing with the demographic shifts and the ensuing challenges and development dilemmas. Therefore, the government was unable to push for increasing population growth rates to avoid an ageing population structure, and its potential future ramifications on dependency rates. In addition, the government was unable to improve economic capabilities and the country's geopolitical standing nor was it able to achieve adequate levels of development that meets the demands of the current size of the total population. Furthermore, it was unable to invest the outcomes of the demographic shifts, known as the "demographic window of opportunity." This reality, in addition to its internal impact on the credibility, legitimacy and stability of the government, also has implications regionally because of its impact on the balance of power, and on the nature of competition in the region. These impacts, as a whole, are against Iran, leading Iran to face two difficult choices: neglecting its developmental and political challenges generated from the population crisis and continuing its regional conflicts, or changing its foreign policy and settling its conflicts so that it can devote itself to dealing with the dilemmas arising from its population shifts and their related development pressures. Of course, the choice that is made will depend on whether government officials will prioritize revolutionary ideological considerations in the future or the economic interests of the Iranian people. The latter requires integration, coexistence and cooperation rather than conflict.

Endnotes

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