



Middle East Youth Initiative

FACT BOX: ECONOMIC DEVELOPMENT AND DEMOGRAPHICS IN IRAN

- **A growing middle class:** In sheer numbers, Iran's middle class is now twice as large as they were in 1997 and now accounts for about half of all voters.
- **Youth share of population:** Whereas in 1986 and 1996, in the aftermath of the last two great economic downturns, youth comprised 26.4 percent (approx. 12.8 million) and 28.4 percent (approx. 17.7 million) of the population respectively, in 2006 they accounted for 35.4 percent of the population (approx. 25.1 million) and 70 percent of the unemployed, both ratios being the highest in the Middle East and among the highest globally.
- **Fertility Rates:** In rural areas the average number of births per woman fell from about eight in the mid-1980s to about two in 2006.
- **Youth unemployment:** Since 1997, unemployment rates for 20 to 24 year old Iranians have increased from 15 to 22 percent for men and from 23 to 44 percent for women.
- **Education:** Average years of schooling for rural women increased from about 40 percent of their male counterparts for women born in the 1960s to about 90 percent for those born in the late 1980s. Urban women have now surpassed urban men in average years of schooling.
- **Oil revenues and the global economic crisis:** The IMF projects Iran's GDP growth will slow to 3.2 percent in 2009, down from 4.5 percent in 2008. Iran's modest trade surplus of about 10 percent of GDP has helped build up the Oil Stabilization Fund, but it is too small (equivalent to less than six months of imports) to smooth expenditures over the medium term.
- **Poverty:** Poverty in Iran has declined steadily in the last ten years. Despite claims to the contrary, poverty fell by more than 2 percentage points each year during the eight years of the Khatami administration (1997-2005). In the first two years of the Ahmadinejad administration, urban poverty appears to have increased by 1.5 percentage points, or about 680,000 individuals.
- **Rural-urban inequality:** The widening rural-urban gap in the last 15 years has contributed significantly to the resilience of measured inequality in Iran. Significantly, during the first two years of the Ahmadinejad administration (2005-06) inequality worsened in both rural and urban areas.
- **Conditions of the poor:** The poor's access to basic services has substantially increased: from 1984 to 2004 access to electricity by the poorest quintile (bottom 25 percent) in rural areas increased from 37 to 94 percent and to piped water from 31 to 79 percent. Remarkably, as a result of the extension of these services, by 2004, 80 percent of these households owned a refrigerator, 77 percent a television, and 76 percent a gas stove.

* Middle class is defined on the basis of \$10 per person per day expenditures in PPP dollars and at least a basic education for the household head. All data cited are pulled from commentary by Djavad Salehi-Isfahani: "[Iran's Presidential Elections: A Surge of Reformists in Politics](#)," (10 Jun 09); "[Tough Times Ahead for the Iranian Economy](#)," (6 Apr 09); "[Iran: Poverty and Inequality Since the Revolution](#)" (24 Feb 09); and Salehi-Isfahani and Daniel Egel, "[Youth Exclusion in Iran: The State of Education, Employment and Family Formation](#)."

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