



# Demographic Dividend: challenges and opportunities in the context of Iran

3-4 September 2019

Dr. Leila Joudane  
UNFPA Representative

## Content

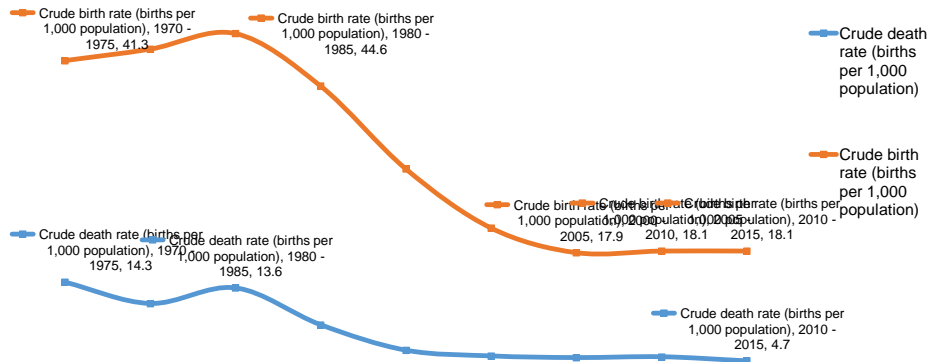
- Rapid population transition in Iran
- Demographic window of opportunity and realization of demographic dividend
- Challenges to harness the demographic dividend in Iran
- Policy options and the way forward





## Population Transition in Iran

What has happened in Iran in term of demographic change?

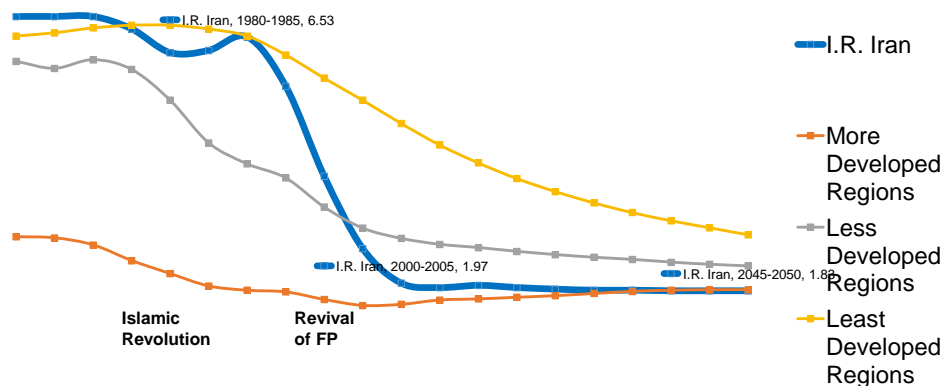


Source: United Nations, Department of Economic and Social Affairs, Population Division (2015).  
World Population Prospects: The 2015 Revision



## Population Transition in Iran

Iran is among the countries in the Middle East and West Asia which has completed its demographic transition due to sharp decline in fertility and mortality rates



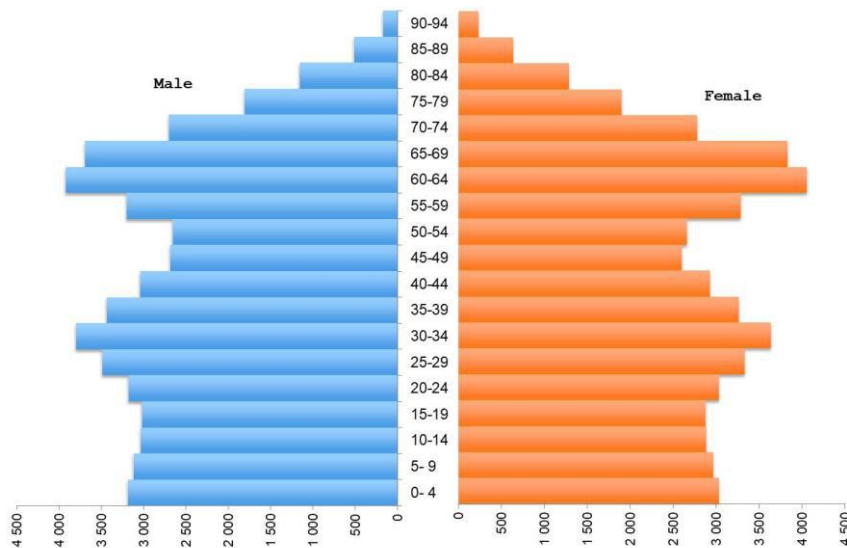
Source: World Population Prospects: 2017 Revision, Medium variant, <http://esa.un.org/unpd/wpp/index.htm>

## Main determinants of low fertility in Iran



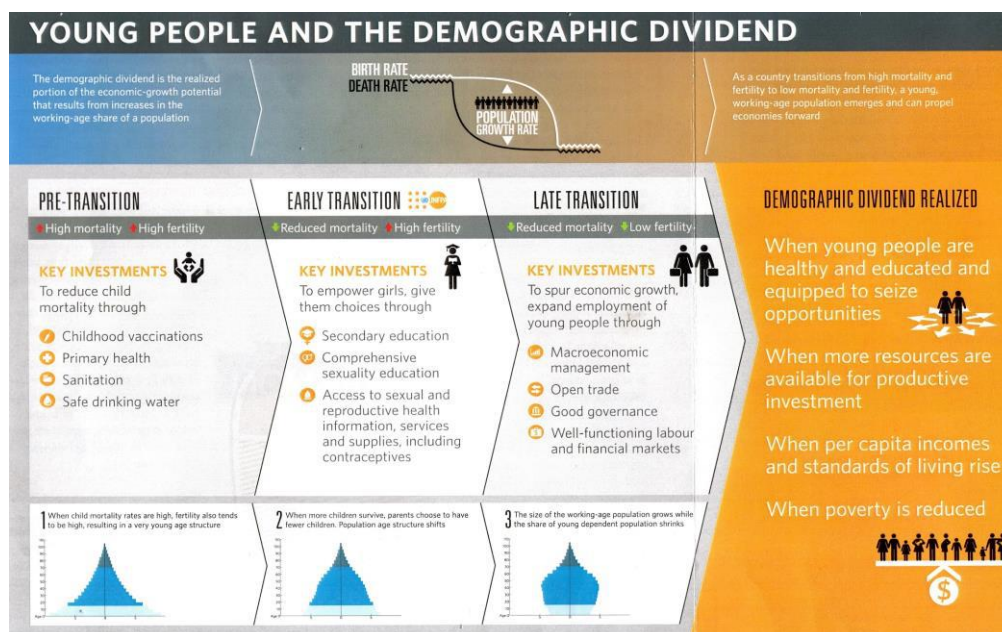
- Significant increase in child survival - decrease in infant mortality (from 26.1 to 18/1000 in 2011)
- Integration of FP services into PHC (*CPR - all FP methods 79%, DHS 2010*)
- Increase in female literacy (from 35.6 in 1976 to 84.2 percent in 2015)
- Socio-economic determinants and Change in social values and life style:

## Age Structure Transformation in Iran: 1980-2050

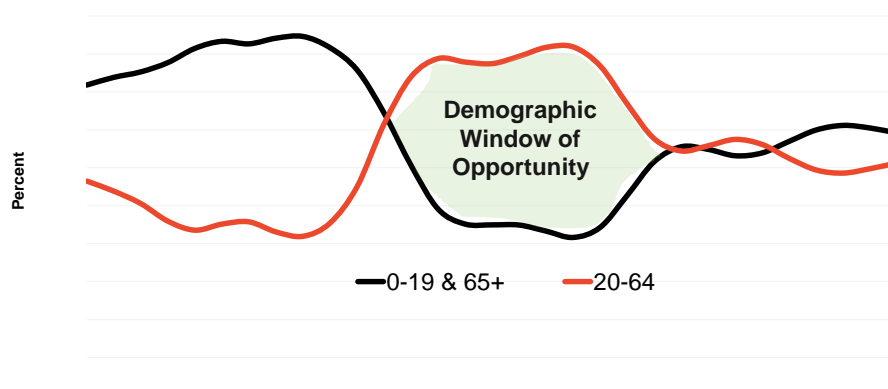


United Nations, World Population Prospects 2019, custom data acquired via website.

## DD in the late transition countries



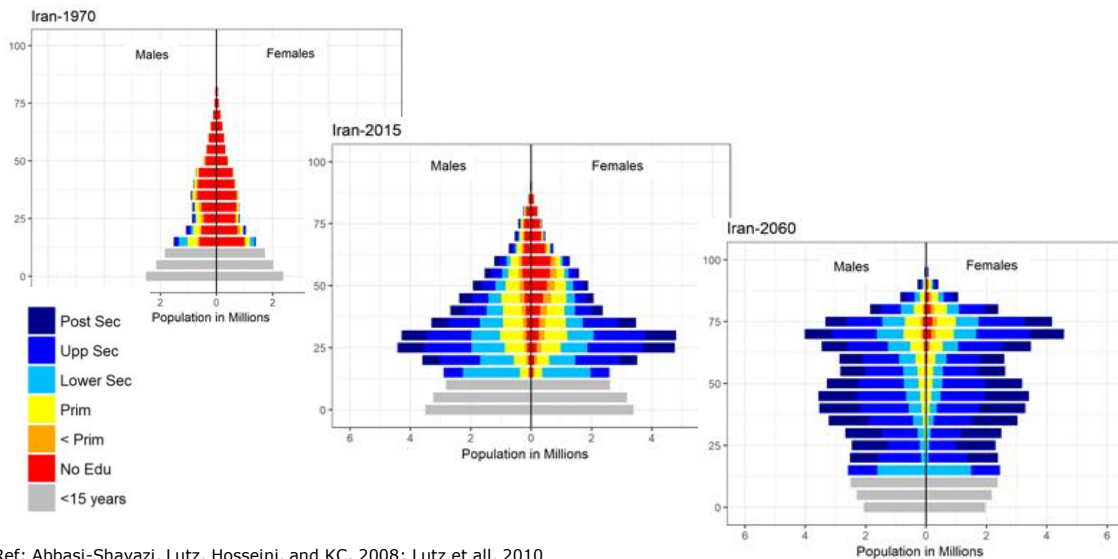
## Demographic window of opportunity in Iran



Source: Prof. Jalal Abbasi Shavazi, Age Structural Change and Demographic Window in Iran, presentation, 2017

**While the creation of this demographic window of opportunity is an automatic outcome of fertility transition, the realization of this opportunity required a health and qualified labour force and ample opportunities for them to be productive**

## Iran is now benefiting from sizeable educated youth as a human capital for reaping DD



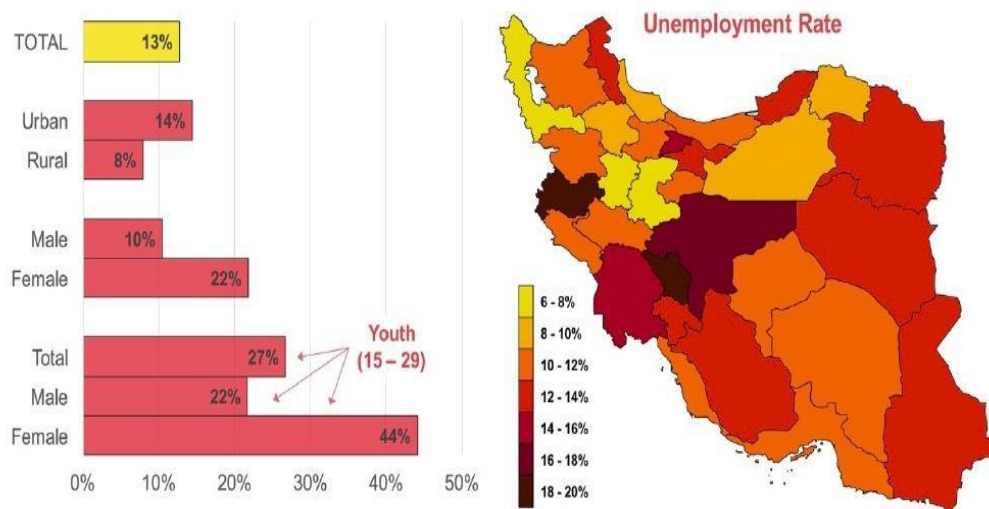
Ref: Abbasi-Shavazi, Lutz, Hosseini, and KC, 2008; Lutz et al. 2010

## Challenges toward harnessing 1<sup>st</sup> and 2<sup>nd</sup> DD in Iran



- Low economic participation and high unemployment rate among youth especially educated young women
- Labour market needs, education and vocational systems
- Economic recessions and implications of international sanctions on the most vulnerable populations (FHHs and older persons)

## Challenges toward harnessing 1<sup>st</sup> and 2<sup>nd</sup> DD in Iran

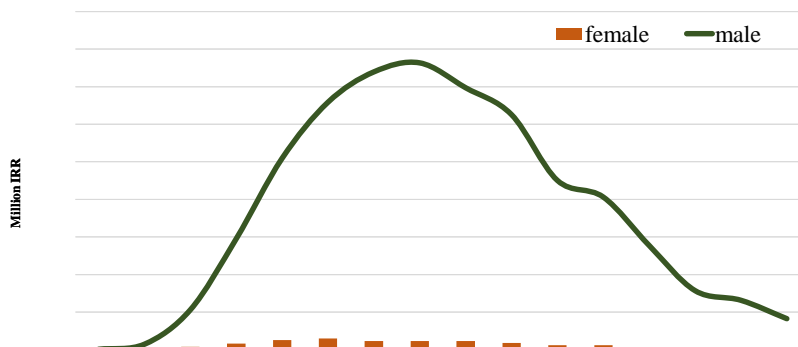


Source: Selected from Labour Force Survey 2017, Statistical Center of Iran

## Challenges toward harnessing 1<sup>st</sup> and 2<sup>nd</sup> DD in Iran



### Per-capita Labour Income by five-year age group and sex, Iran, 2016



Source: Iran's NTA data, 2016

Income inequality between men and women has always been considered an important reason for women's frustration and withdrawal from the labor market.

## Policy Priorities to harness 1<sup>st</sup> Gender and 2<sup>nd</sup> DD in Iran & UNFPA Interventions



- **Empowering Youth and Women by:**
  - Promoting Life skills including vocational trainings and financial literacy
  - Promoting youth social participation, entrepreneurship networks
  - Sustaining SRHR
  - Reducing GBV and harmful practices (early marriage), and promote stability of family
  - Encouraging saving and channelling into productive investment on human and physical capital to facilitate 2<sup>nd</sup> Demographic dividend
- **Fine-tuning labour market by:**
  - Innovative solutions to absorb workers in productive jobs / lowering gender gaps in Labour market (gender dividend)
  - Flexibility in labour market and tax exemptions for young owners of small business/startups



---

**Thank you for your attention**

