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# **Middle East-South Asia: Population Problems and Political Stability**



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**An Intelligence Assessment**

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February 1984*

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# Middle East-South Asia: Population Problems and Political Stability

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**An Intelligence Assessment**

This paper was prepared by [redacted]  
[redacted] Office of Near Eastern  
and South Asian Analysis. It was coordinated with  
the Directorate of Operations. [redacted]

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Comments and queries are welcome and may be  
directed to the Chief, South Asia Division, NESAs, on  
[redacted]

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**Middle East-South Asia:  
Population Problems and  
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**Key Judgments***Information available  
as of 1 February 1984  
was used in this report.*

Rapid population growth, which will continue in the Middle East and South Asia at least for the rest of the century, will impede economic growth and contribute to social and political instability in countries vital to US interests such as Egypt and Pakistan:

- The growing ranks of politically volatile youth, frustrated by unmet expectations for jobs, education, housing, and other services, will crowd the already overburdened cities, where they will be ready recruits for opposition political causes.
- Rapidly growing cities such as Cairo, Karachi, and Bombay, already overcrowded by the influx of rural migrants, will increasingly strain government resources and management.
- Expatriate workers in the oil-exporting states, including Palestinians, will continue to be essential for economic development, at least for the rest of the century. Tensions between the expatriates, who number about 6 million, and nationals in the host states will mount and could eventually threaten political stability.
- The economies of key labor-sending countries such as Pakistan and Egypt will be vulnerable to reductions in remittances from their overseas workers in the Middle East if the economies of the oil-exporting countries worsen.
- Continued presence of Afghan refugees in Pakistan and Palestinian refugees in the Middle East will threaten political stability by upsetting ethnic balances, overtaxing the job market, and overburdening government services.
- Changing ethnic and sectarian balances in countries such as Lebanon, Israel, and Iraq, caused by disparate growth and immigration/emigration rates among the groups, will increasingly aggravate ethnic and sectarian tensions if governments are not politically responsive to the changes.

Countries friendly to the United States in the Middle East and South Asia are likely to turn to Washington for greater financial and development assistance to cope with these demographic pressures.

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The recent wave of unrest in Tunisia and Morocco indicates that social tensions based on demographic factors, as well as economic frustrations, can flare up and spread quickly. Instability triggered by failure of national governments to cope with population problems could invite intervention by neighbors concerned for their own stability or meddling by troublemakers such as Libya, Iran, or the Soviet Union.



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### Middle East-South Asia: Population Problems and Political Stability

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We expect population dynamics, driven by continued rapid growth, to be an increasingly important underlying determinant of political instability in the Middle East and South Asia. Population growth rates, around 3 percent annually, typify most countries in the region (see figure 7 at end of text). Such rapid growth will double the region's population by shortly after the turn of the century. According to UN estimates, population growth in the Middle East and South Asia will account for about one-third of the 1.4-billion increase that will push the world's population total to 6.1 billion by the end of this century.

We believe that four elements of population dynamics will complicate efforts by political leaders in the Middle East and South Asia to consolidate popular support and advance economic development:

- The numbers of youth requiring jobs and government services will grow faster than most economies can absorb them, resulting in mounting dissatisfaction and political opposition.
- International migration triggered by political turmoil and rising unemployment will threaten the capacity of host governments to limit the influence of refugees and expatriates on their economic and political stability. The labor-exporting countries' growing reliance on worker remittances will increase their vulnerability to economic fluctuations in the oil-exporting countries.
- Differing population growth and migration rates among sectarian and ethnic groups will aggravate rivalries and force changes in government institutions that broker political and economic power.
- Rapid urbanization will make effective management of large cities increasingly difficult, siphon off money needed for rural development, and challenge the competence and authority of central governments.

### Rapid Growth: The Crux of the Problem

We expect rapid growth to continue throughout the Middle East and South Asia at least for the rest of the century. According to UN estimates, all countries in the region except Lebanon, Israel, Afghanistan, and Sri Lanka are growing faster than the 2.04 percent LDC average (figure 1). By the year 2000 India's population will approach the 1 billion mark, Pakistan and Bangladesh will each approach 150 million, and Egypt and Iran will each total about 65 million, despite indications that population growth rates have leveled off or declined slightly in each of these countries (table 1).

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Rapid population growth, particularly in already overpopulated countries such as Egypt, Bangladesh, and Pakistan, in our view, will:

- Limit government options to meet popular demands.
- Retard economic development.
- Heighten the dissatisfaction of youth and minority groups with the government.
- Increase the likelihood of internal disorder by thwarting youth's aspirations.

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We do not believe that family planning programs alone will significantly slow the growth rates. Arab and South Asian leaders see little political profit and, in many cases, considerable political risk in advocating reductions in family size and endorsing family planning programs. According to US Embassy reports, even when leaders such as India's Gandhi, Egypt's Mubarak, or Pakistan's Zia address the issue, the gap is wide between their stated goals and the ability of their governments to formulate and effectively implement such programs.

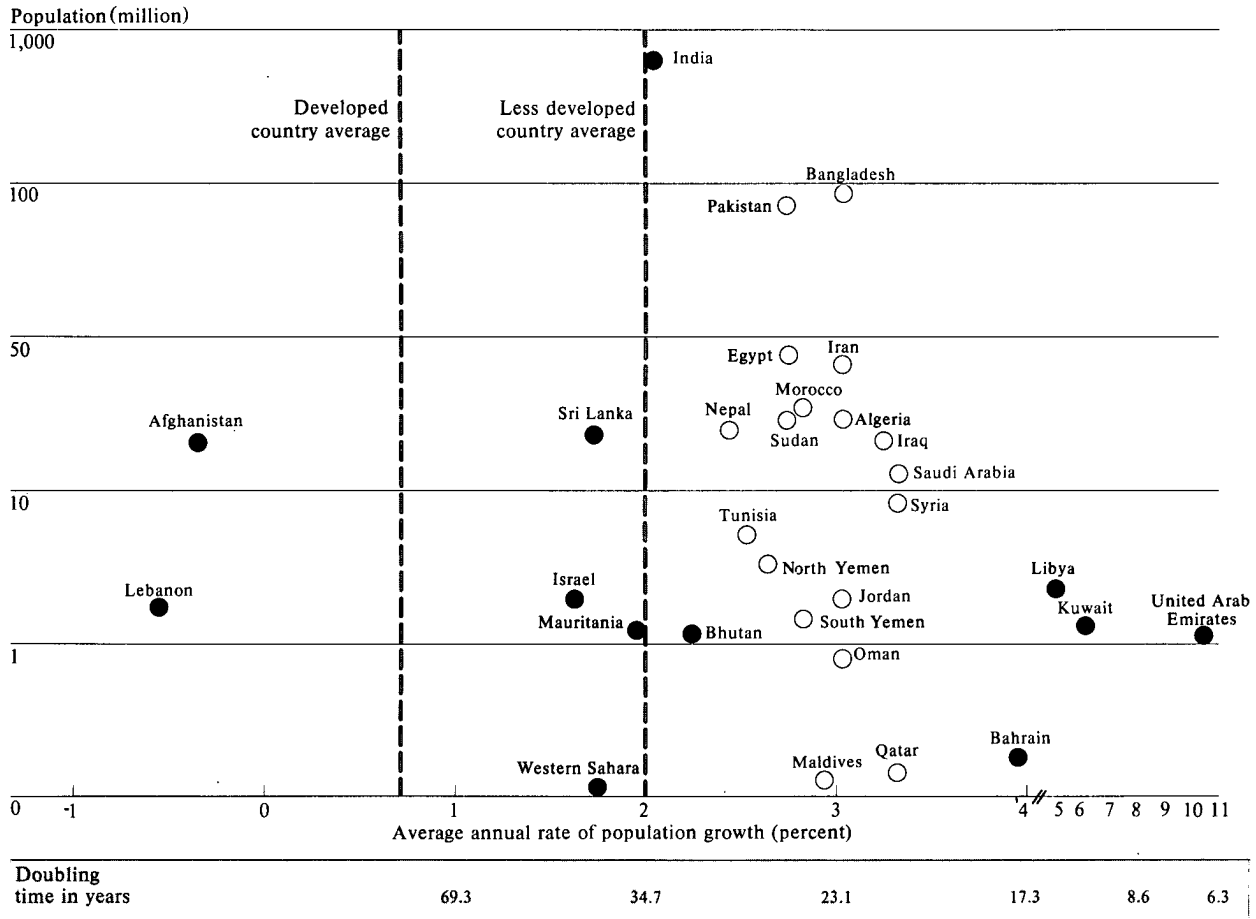
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Most social scientists believe that the strength of traditional views regarding women's role in society and the need for sons is a greater barrier to fertility reduction and family planning implementation than

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**Figure 1  
Middle East/South Asia: Countries by Population Size  
and Growth Rates, 1983**



Note: Red dots denote populations growing at or near three percent annually.

[Redacted]

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are the teachings of Islam. Even Islamic scholars acknowledge that no Islamic tenets directly prohibit the use of modern contraception. Rather, we believe that Muslim objections to family planning stem from traditional family values and from the view that family planning programs are a Western intrusion.

**Youth Population To Swell Ranks of Political Activists**

With the likely exception of the oil-rich states, we believe that governments are unlikely to meet the economic and social expectations of their growing youth populations. As a result, we expect that they

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**Table 1**  
**Middle East and South Asia:**  
**Population Estimates, 1984 and 2000**

*In thousands*

	1984	2000
<b>South Asia</b>		
Afghanistan	14,149	26,528
Bangladesh	99,579	148,361
Bhutan	1,417	2,030
India	746,076	960,611
Maldives	173	254
Nepal	16,578	22,493
Pakistan	97,471	139,987
Sri Lanka	15,931	21,076
<b>North Africa</b>		
Algeria	21,309	37,041
Egypt	47,153	64,421
Libya	3,677	6,077
Mauritania	1,834	3,022
Morocco	23,563	36,509
Sudan	21,122	32,328
Tunisia	7,205	9,556
Western Sahara	151	229
<b>Middle East</b>		
Bahrain	409	515
Iran	43,828	64,916
Iraq	14,996	24,198
Israel	4,028	5,619
Jordan	2,754	4,772
Kuwait	1,662	2,936
Lebanon	2,585	3,992
Oman	1,008	1,651
Qatar	276	425
Saudi Arabia <sup>a</sup>	10,804	17,804
Syria	10,076	18,677
United Arab Emirates	883	1,286
North Yemen	5,901	9,828
South Yemen	2,147	3,312

<sup>a</sup> Estimates for Saudi Arabia vary widely.

will be increasingly vulnerable to youthful political activism. According to US Census Bureau figures, one-fourth to one-third of the populations of all Middle Eastern and South Asian countries is in the

politically volatile 15 to 24 age group, a consequence of high population growth rates during the 1950s and 1960s (figure 2). In Egypt, for example, 4.6 million young men in this age bracket were ready for jobs or advanced training in 1980. By 2000, despite the anticipated downturn in Egypt's population growth rate because of the trend toward higher age at marriage and lower fertility, we know that 7 million young men will be in this age group because most of them have already been born (figure 3). Many of the youth in this group have at least a primary school education, are politically aware, and have middle-class aspirations. Middle East scholars report that educated youths are highly frustrated because their salaries do not exceed the wages earned by skilled laborers or foreigners. According to US Embassy reports, even a college degree has diminishing value in the overcrowded job markets of Egypt, India, Pakistan, Jordan, and other countries.

Frustrated and disappointed youths will be ready recruits for opposition causes. We believe that Islamic fundamentalism, which currently offers the principal ideological haven for Muslim youth, will remain an attractive alternative for those whose material and modern-sector employment goals go unmet. In India and Sri Lanka, we also expect opposition groups stressing strengthened ethnic identity and religious revivalism to attract young recruits as expectations are dashed and belts tightened.

#### Refugees and Migrant Workers: Millions on the Move

International migration, whether voluntary or involuntary, will touch political sensitivities in both sending and receiving countries. According to our analysis based on US Embassy reporting and national and international data, roughly 12 million refugees or migrant workers currently live in Middle Eastern or South Asian countries other than their own. About half of them are migrant workers employed in the oil-exporting states of the Persian Gulf and Libya; the other half are Palestinian or Afghan refugees (see figure 8 at end of text).

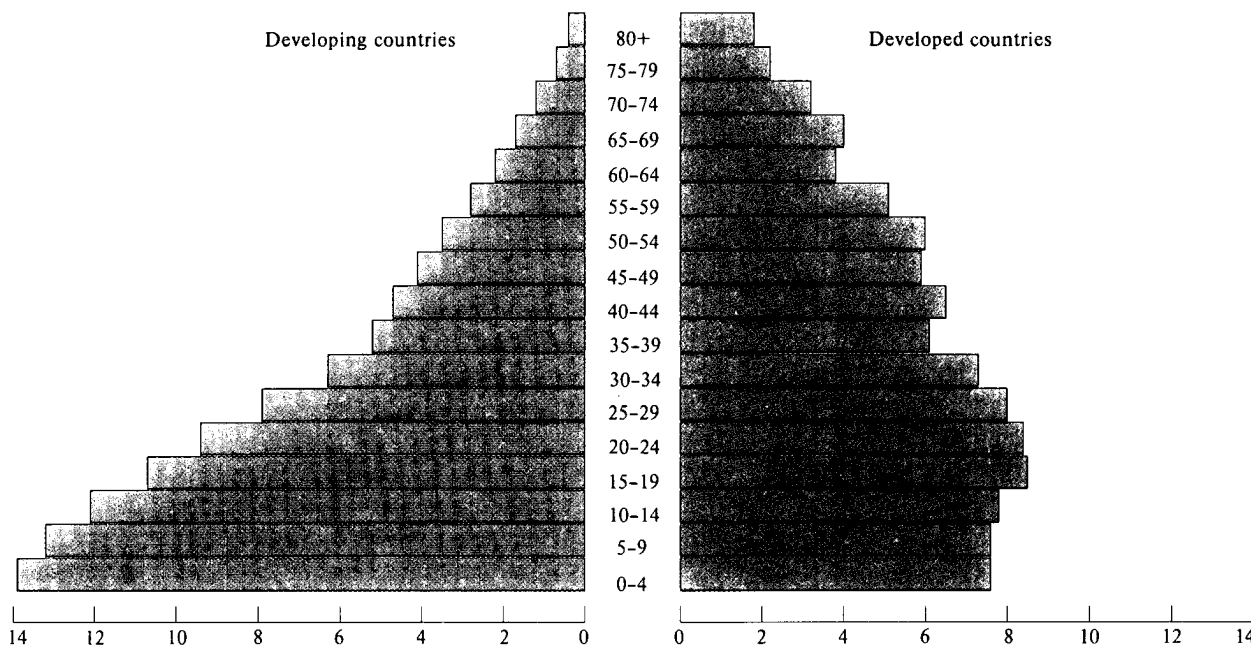
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**Figure 2**  
**World Population Distribution by Age, 1980**

Percent



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**Effects on the Host Governments**

**Migrant Workers.** We believe that expatriate workers will threaten long-term political stability in the oil-rich states even as they remain essential to their economic development. According to Embassy reports, host governments worry that political activists among the expatriates will commit terrorist acts or stir opposition to their regimes. According to press reports, host societies fear that large numbers of expatriates will dilute traditional culture and cause increases in crime and disease.

In order to limit the perceived political threat from the expatriates, the labor-importing governments try to isolate the foreign workers from the indigenous population and encourage frequent rotations back home. US Embassy officials report that, while the

host governments consider the assimilation of expatriates unacceptable, growing numbers of foreigners—including the Palestinians who have many years of service in the Gulf states—would like to see their children granted opportunities comparable to those of the indigenous population.

We believe that expatriate workers themselves are unlikely to destabilize host country regimes, but their pervasive presence is increasingly likely to provoke nationals, particularly those who are competing for jobs in fields dominated by foreigners. In contrast to most other countries in the region, demographic and economic projections by the World Bank show that

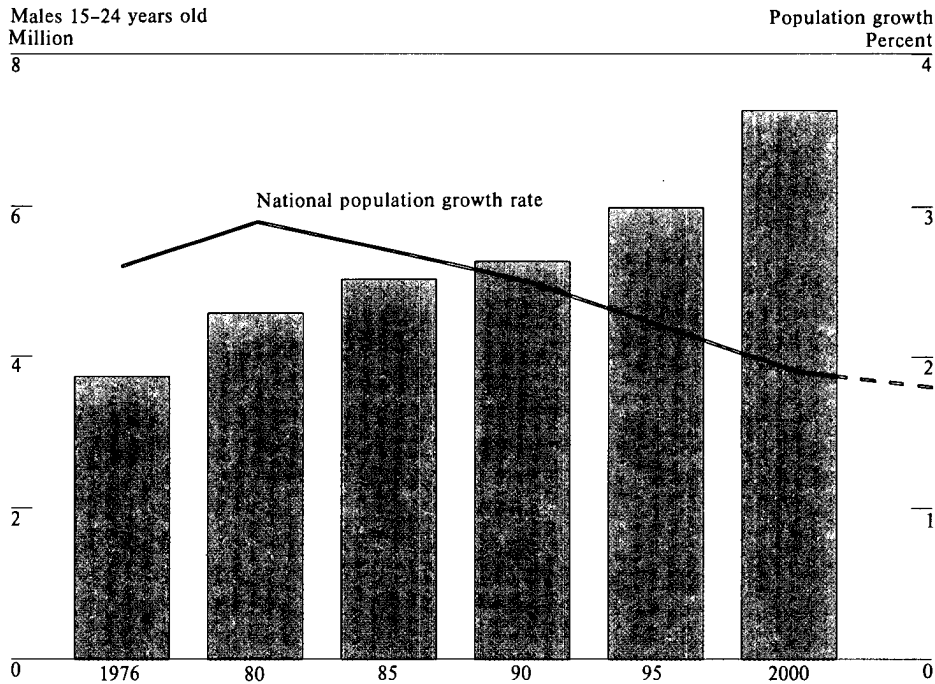
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**Figure 3**  
**Egypt: Youth Growth Persists Despite Slowed**  
**Growth Rate, 1976-2000**



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the oil-exporting states will continue to have manpower shortages and will rely heavily on foreign workers to realize their economic development plans. Nationals in the oil-rich states, while too few in numbers and unwilling or unable to do many of the jobs held by expatriates, still object to their presence. According to US Embassy reports, host governments have appointed their own university graduates—even those with inadequate training and experience—to professional and managerial positions already held by expatriates. In order to avoid even greater inefficiency, many employers are retaining rather than replacing their expatriate professionals even though this may place two persons in one job.

**Refugees.** Politically, governments receiving refugee populations will be drawn into the refugees' sometimes violent internecine conflicts as well as into their

international disputes. Pakistan, as host to more than 2.5 million Afghan refugees, is experiencing heightened ethnic tensions in its North-West Frontier Province and Baluchistan while it serves as a base for insurgents fighting the Soviets and the Soviet-controlled Afghan Government. Middle East governments admitting Palestinians have, without exception, been pressed to some extent by the refugee communities to support Palestinian political goals.

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On the economic side, refugees will continue to drain host country financial coffers. Official Pakistani statistics show that Afghan refugees cost Islamabad more than \$250 million in scarce financial resources over and above the \$240 million in international aid it

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received for refugee assistance in 1983. Arab host governments claim that they contribute \$300-500 million to Palestinian organizations. [redacted]

**Effects on the Sending Governments**

*Migrant Workers.* We believe that major labor-exporting countries such as Egypt, Pakistan, and Jordan will become increasingly vulnerable to reductions in the number of overseas jobs as a result of the worldwide reduction of oil prices and the declines in construction in the oil states—a development already reported by US Embassy officials in the UAE, Bahrain, and Qatar. Official statistics confirm, moreover, that the sending country economies have become, to varying degrees, dependent on the \$12 billion in remittances from the emigrant workers. [redacted]

According to US Embassy, World Bank, and press reports, the sending countries continue to support labor emigration because the advantages to the government, as well as to the migrants, continue to outweigh the drawbacks:

- Remittances from overseas workers are equivalent to or exceed export earnings for Pakistan, Jordan, Lebanon, and Egypt.
- The migrants' earnings, which are three to 10 times what they would be at home, raise notably the standard of living of their families left behind. [redacted]

*Refugees.* Countries such as Afghanistan that lose large populations to refugee flows, including a majority of the educated elite, will be impeded in their efforts to revitalize the economy and to reestablish services at the level that existed before the refugee exodus. [redacted]

**Ethnic and Sectarian Rivalries**

Governments that are not sensitive to shifts in their country's ethnic and sectarian composition caused by changing demographics will risk outbreaks of communal violence and rising political opposition from politically underrepresented groups. Differential growth and migration rates among key groups in countries such as Israel, Lebanon, and Iraq change not only the relative sizes of the groups but, more importantly, their real or perceived political strength:

- In Israel, according to official Israeli data, the politically dominant European-American Jewish

population is a demographic minority (38 percent) and growing at a slower annual rate than both the oriental Jewish and Arab populations. More rapid growth of the non-Jewish population (3.2 percent annually or about twice the rate for the Jewish population), if combined with the annexation of territories with predominantly Arab populations, could eventually put the non-Jewish population in the majority and, in turn, threaten the idea of a Jewish, democratic state.

- In Lebanon, according to US Census Bureau and UN estimates, higher growth rates for Muslim confessional groups (Sunnis at 3 percent and Shias at 3.7 percent annually) than for Christians (1.7 percent) and an annual average emigration of an estimated 65,000 Christians between 1975 and the present have rendered the 40-year-old agreement for the sectarian division of governmental power increasingly unrepresentative (figure 4).

- In Iraq, Baghdad has on two occasions forcibly moved politically troublesome populations to neutralize political opposition. According to press reports, some Sunni Kurds were moved out of the northern mountains to Shia-dominated southern Iraq after their defeat in 1975, and, according to an academic study, more than 15,000 Shias of Iranian ethnic origin were forced to leave Iraq for Iran after the start of the Iran-Iraq conflict. Baghdad allowed some Kurds to drift back to their mountain homes during the late 1970s. We believe the deported Shias are unwelcome in Iran, which views them as yet another burdensome refugee group and as potential Iraqi sympathizers. We expect the return of this group of Shias to be a contentious issue in any settlement of the Iran-Iraq war. [redacted]

Immigration policies will reflect government concerns with the ethnic and sectarian makeup of the population. In our judgment, Gulf state governments turned to Asian labor, for example, to reduce their reliance on fellow Arabs whom they considered to be a greater political risk. In some instances, governments will have little choice but to accommodate the sudden arrival or departure of large numbers of migrants and

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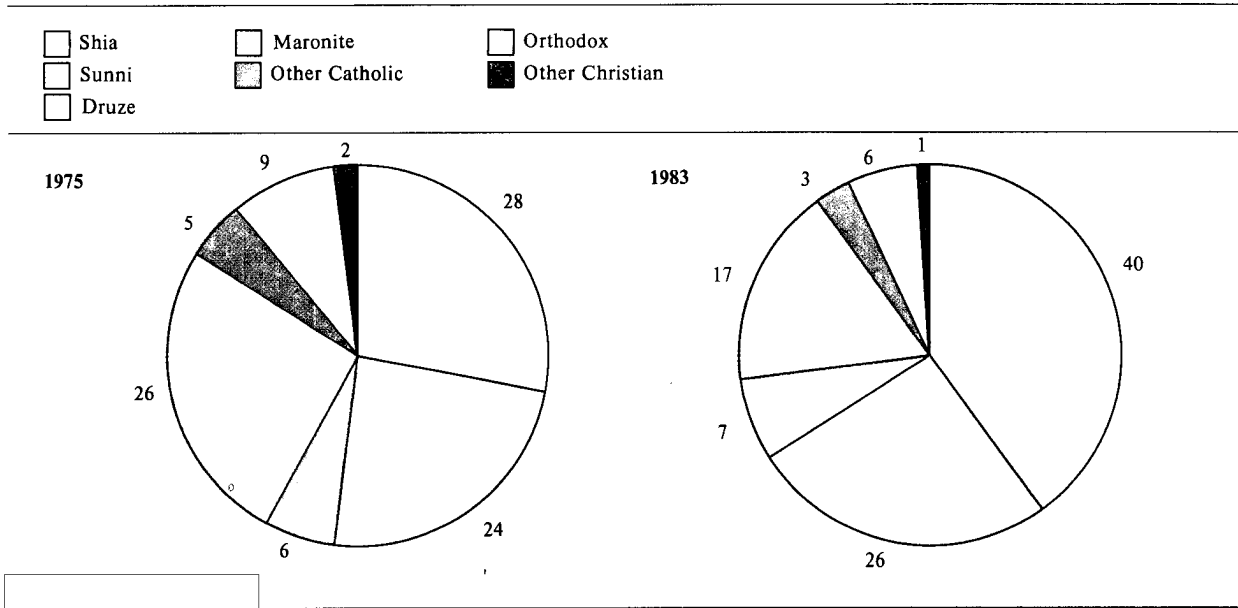
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**Figure 4**  
**Lebanon: Estimated Distribution of Confessional Groups, 1979 and 1983**



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refugees. Pakistan, for example, has had to wrestle with the heightened political tensions created by the changes in its ethnic balance from both the influx of Pushtun refugees from Afghanistan into the North-West Frontier Province and the dominance of Punjabis in overseas employment (figure 5). According to Pakistani researchers, Punjabis win 70 percent of the 1.5 million overseas jobs bringing \$2.25 billion into Punjabi households—thereby reinforcing Sindhi perceptions of their disadvantaged economic and political status.

**Explosive City Growth**

We believe that the cities will become increasingly fertile grounds for political opposition to national regimes. Unmet expectations for housing and jobs and the competition between ethnic, religious, and educational groups are a volatile political mix subject to manipulation by opposition elements. For example:

- In Tunis, violence in early January 1984—the culmination of widespread rioting throughout the country—was brought on primarily by the poor and

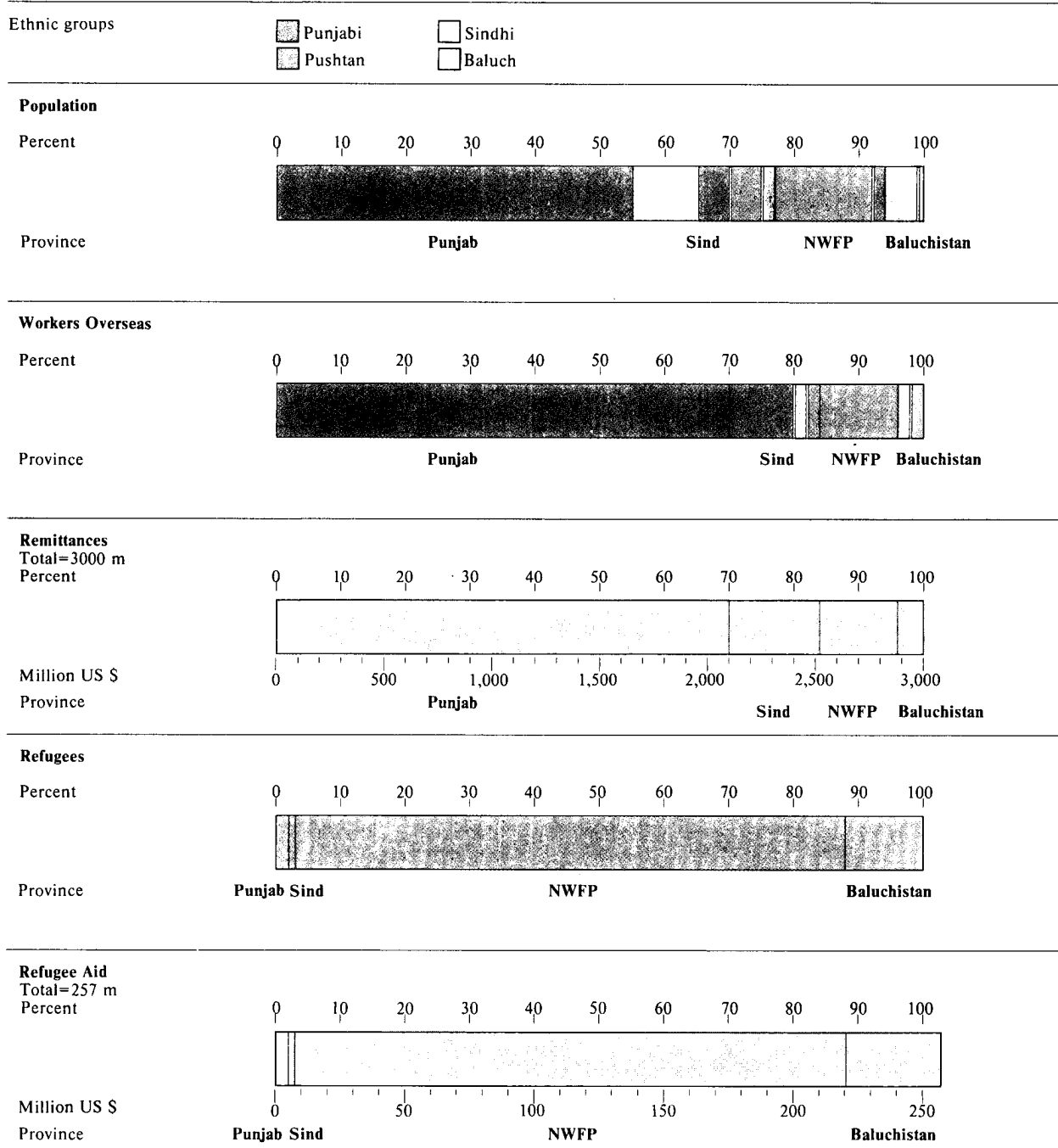
unemployed who believe they have little stake in the government or society. Their actions forced the government to rescind price increases that had sparked the riots, a move that—albeit expedient—has damaged government authority, encouraged ideological dissidents, and left the regime with even more serious economic problems.

- In Morocco, rioting instigated primarily by students broke out in northern cities in mid-January over austerity measures involving food and fuel price increases and hikes in school fees. As in Tunisia, the government was compelled to set aside its austerity program in order to restore calm. Islamic fundamentalist agitators and radicalized students no doubt were encouraged by their contribution to spreading and escalating the violence among restive and disadvantaged workers in poorer urban areas.

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**Figure 5**  
**Pakistan: Population, Workers Overseas and Refugees**  
**by Province, 1983**



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- In Cairo, the recent urban unrest in Tunisia and Morocco, as well as memories of local bread riots in January 1977, make the government wary of price hikes—whether for food, bus fares, or electricity—and nervous about public service failures. Government security forces were detailed to an older section of the city in July 1982 when a broken sewer main that flooded the neighborhood caused angry public demonstrations.
- In Karachi, Sunni-Shia sectarian tensions, aggravated by the frustrations of life in that overcrowded and poorly managed city, erupted sporadically during 1983 in antigovernment demonstrations, burning of property, stonings, and loss of life. Zia's martial law government restored order to the strife-torn neighborhoods, but we believe further disturbances are in store as the government will be unable to improve social and economic conditions or allay sectarian hostilities. [redacted]

We expect the rapid growth of cities in the Middle East and South Asia over the past three decades will continue at least through the rest of the century, increasing the stress on government resources and management. According to national data reported to the United Nations, urban populations as a share of total country populations have risen during this period to a level of about 50 percent for the Middle East and just under 25 percent for South Asia. According to UN projections, nine of the world's 30 largest cities will be in the Middle East and South Asia by the end of the century. Bombay and Calcutta will have populations of over 16 million; Cairo and Madras, nearly 13 million; Karachi, Delhi, Tehran, and Baghdad, over 11 million; and Dhaka, over 10.5 million (figure 6 and table 2). [redacted]

In our judgment, the cities, where governmental investment is higher, will continue to attract migrants from the countryside. Investment in urban food subsidies, piped water, and social services and the protection of urban wages accelerate rural-to-urban migration, which, in turn, necessitates even more urban investment to keep up with the growth. [redacted]

Urban-biased policies, especially subsidies on food and utilities, have also created serious social and

economic problems for several Middle Eastern governments. We believe that the recent rioting in Tunisia, which started in the rural south and spread quickly to urban poor and unemployed, indicates the tensions inherent in a dualistic society that favors the urban well-to-do and middle class. In Morocco and Egypt, subsidies on basic foods, fuel, and utilities have been maintained while budget deficits mount; these governments now face the difficult problem of keeping a lid on popular unrest while correcting pricing structures in order to improve their balance-of-payments situation and to qualify for international financing. [redacted]

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We do not believe that efforts by national governments to stem the tide of rural migrants to the cities through urban controls or rural development will succeed. In Egypt, for example, successive governments have only experimented with restrictive policies to curb immigration from the countryside. Other measures in other countries have had limited success at best: raising rural incomes; investing in rural areas; creating labor-intensive industries; investing in the growth of smaller cities; and creating new towns such as Jubail and Yanbu in Saudi Arabia and 10th of Ramadan and 15 May in Egypt. [redacted]

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### Government Policy Outlook

Although we expect those Middle Eastern and South Asian governments concerned with rapid population growth to continue their efforts to reduce growth rates in order to reduce the drain on resources and dampen political unrest, we do not expect dramatic results from those efforts. In traditional societies suspicious of central government and in places where populations divide along ethnic or sectarian lines, the introduction of family planning programs will cause political difficulties. We expect governments in countries such as Afghanistan, Iraq, Sudan, and Pakistan to face particularly strong resistance to family planning programs from all sides: those in the majority ethnic or sectarian group who fear that if they take the lead they may lose political or economic power and those in the minority who fear that their tenuous claims to power may be further eroded. [redacted]

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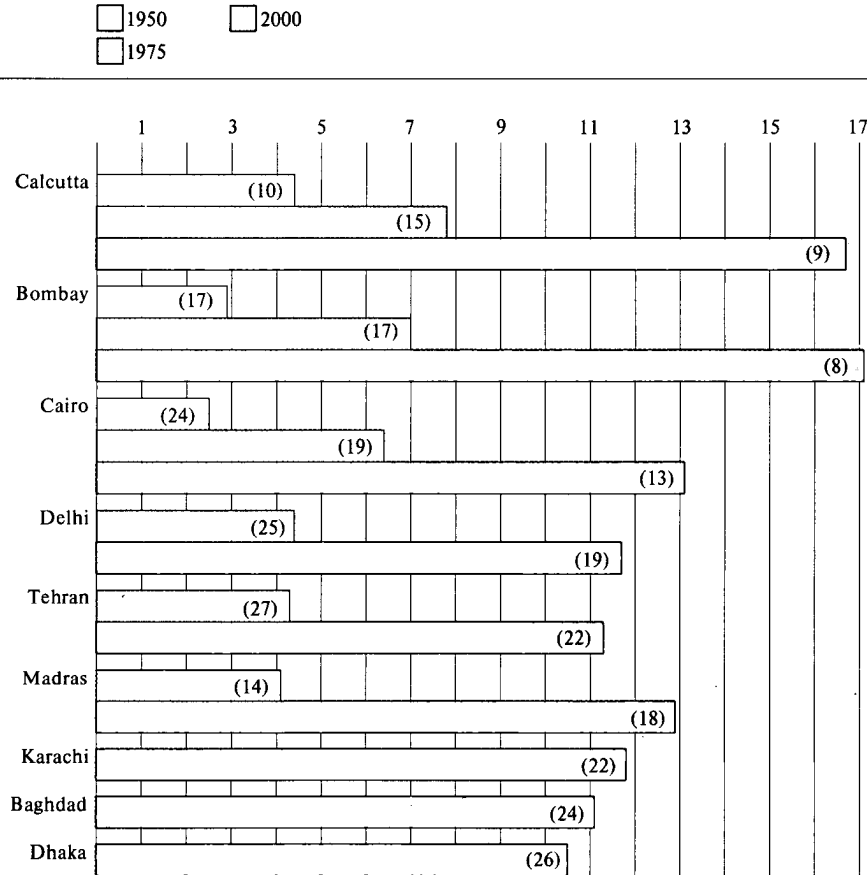
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**Figure 6**  
**Middle East/South Asia: Share of World's 30 Largest Cities**

Greater metro area population (million)



Note: Numbers in parentheses denote rank within the 30 largest cities; (1) being the largest.

[Redacted]

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We believe that governments of oil-exporting Persian Gulf countries will be increasingly hard pressed to maintain labor practices that require frequent rotations and isolation of expatriates from the indigenous population because we expect the expatriates to push for permanent residence or enhanced legal standing. Pakistan and the Persian Gulf states will continue to be parties to the political affairs of their respective

refugee populations—Pakistan as a participant in negotiations for the withdrawal of Soviet forces from Afghanistan and Persian Gulf states as bankrollers of the Palestinian cause. [Redacted]

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**Table 2**  
**Middle East and South Asia: Population Estimates**  
**for Capital Cities and Cities of 2 Million**  
**or More Inhabitants, 1984 and 2000 <sup>a</sup>**

*In thousands*

	1984	2000		1984	2000
<b>South Asia</b>			<b>North Africa (continued)</b>		
Afghanistan: Kabul	773	1,270	Morocco: Rabat	1,136	2,283
Bangladesh: Dhaka	4,021	10,526	Casablanca	2,505	4,499
Bhutan: Thimphu	NA	NA	Sudan: Khartoum	1,801	4,072
India: Delhi	6,344	11,496	Tunisia: Tunis	1,133	1,734
Ahmedabad	2,839	5,113	Western Sahara: El Aaiun	NA	NA
Bangalore	2,546	4,509	<b>Middle East</b>		
Calcutta	9,853	16,410	Bahrain: Manama	131	213
Bombay	9,621	16,782	Iran: Tehran	6,426	11,120
Hyderabad	2,899	5,218	Iraq: Baghdad	6,269	11,037
Madras	6,594	12,675	Israel: Tel Aviv	1,359	1,763
Maldives: Male	NA	NA	Jordan: Amman	793	1,485
Nepal: Kathmandu	221	495	Kuwait: Kuwait City	442	826
Pakistan: Islamabad	1,046	2,116	Lebanon: Beirut	2,197	3,363
Karachi	5,945	11,574	Oman: Muscat	66	191
Lahore	3,439	6,592	Qatar: Doha	228	396
Sri Lanka: Colombo	660	1,021	Saudi Arabia: Riyadh	1,284	2,513
<b>North Africa</b>			Syria: Damascus	1,668	3,109
Algeria: Algiers	1,502	2,588	United Arab Emirates: Abu Dhabi	542	864
Egypt: Cairo	8,288	12,858	North Yemen: Sanaa	191	474
Libya: Tripoli	1,310	2,722	South Yemen: Aden	390	736
Mauritania: Nouakchott	379	1,118			

<sup>a</sup> These estimates have been developed from survey and census data. Because of migration associated with current and future conflict, the population of cities like Kabul, Beirut, and Tehran could vary widely from these figures.

We expect governments in countries sending workers to the oil-exporting states to continue policies to maximize their share of that lucrative labor market both as an outlet for domestic unemployment and as a source of hard currency from remittances. According to US Embassy and press reports, government ministries of sending countries are streamlining exit formalities for those headed to jobs in Saudi Arabia and the Gulf states and, in the case of South Asian countries, establishing training programs to qualify additional nationals for employment abroad.

We do not believe that any Middle Eastern or South Asian government will both formulate and implement a comprehensive urban policy. At best, piecemeal measures will address only some of the problems caused by high rates of city growth; at worst, measures taken will compound urban inefficiencies or waste public funds. Egypt and India face critical situations in the near term as the aging infrastructures of Cairo, Calcutta, and Bombay will be compelled to serve additional millions of people within the decade.

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**Implications for the United States**

**Key Friends To Face Political Unrest**

We believe that the buildup of demographic pressures may combine with other destabilizing factors to cause regime-threatening social and economic unrest in countries vital to US interests in the region. Rapid increases in the numbers of youth whose expectations exceed those of their parents will expose the inability of governments to satisfy their hopes for education, training, jobs, and housing. We expect population dynamics to work against efforts by the Pakistani and Jordanian Governments to achieve national integration and economic prosperity:

- In Pakistan, Sindhi-Punjabi ethnic conflict and Sunni-Shia rivalry guarantee grist for opposition political interests. With unemployment of educated young men concentrated in the cities persistently running above 40 percent according to World Bank researchers, we believe Zia will be unable to attract the support of these disgruntled elites.
- In Jordan, we expect the regionwide economic downturn and the net return of Jordanian workers from jobs in the oil-exporting states will weaken the economic prosperity on which Hussein depends for internal political support. Rapid rates of natural increase for Palestinians and the prospects for additional Palestinian immigration will, in our view, complicate Hussein's efforts to balance East Bank residents' interests against the increasing demands of Palestinians.

We expect the activities of Afghan and Palestinian refugees to strain host countries' economic and political capacities to cope with them. We believe that Pakistan has benefited economically from additional US security, humanitarian, and development assistance to cope with the Afghan refugees but risks politically divisive internal unrest as the Afghans lengthen their stay and compete with local people for jobs and land. Moderate Arab governments that admit Palestinians may be pressed to increase financial support to increasingly militant Palestinian organizations while simultaneously upgrading the legal status of those resident Palestinians who would prefer not to return to Jordan, Syria, Lebanon, or the West Bank.

For the most part, international labor migration within the Middle East and South Asia serves US interests well. For example, Egypt, Pakistan, and Jordan—major labor exporters and important friends of the United States—have used emigrant workers' remittances to ease their way through potentially destabilizing balance-of-payments difficulties during the late 1970s and early 1980s.

If worker remittances continue to be a key element in the economies of the labor-sending countries, however, their growing economic dependence on the Middle Eastern oil-exporting states may create political difficulties for the United States. In order to protect their economic interests, Asian labor-sending states are likely to support publicly Arab positions on Middle East issues—occasionally at the expense of support for US positions.

Demographic changes over both the short and long term are likely to aggravate ethnic and sectarian rivalries that could force changes in the distribution of political and economic power within and between key friends of the United States.

**Key Friends To Demand Increased Financial Support**

The United States will be faced with increased demands for financial assistance from its key friends in the region. If, for example, a persistent soft oil market causes a reduction in worker remittances from the oil-exporting states, Egypt, Pakistan, Jordan, and other labor-sending states are likely to ask the United States for financial support to cover their projected foreign exchange deficits.

The United States probably will be called upon to provide more financial aid for the cities and assistance in urban policy formulation as Arab and South Asian leaders are increasingly confronted by the economic and political drawbacks of rapid urban growth. We expect Egypt, Pakistan, and Morocco—countries that already have major aid relationships with the United States—to be high on the list of those countries requesting additional urban aid. In many situations the involvement of US assistance in urban areas will

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become politicized. Although US aid to cities could garner some good will, highly visible US urban aid will increase the risk that Washington will be blamed either for failing to solve immense urban problems or for exerting too much influence over domestic policies.

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The recent wave of urban unrest in North Africa indicates that social tensions based on demographic problems can erupt suddenly and spread quickly. Fear of contagion could lead neighbors to intervene, and demographic pressures that are allowed to build could provide an easy target for external troublemakers to exploit, complicating US efforts to maintain regional stability in either case.

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Figure 7  
Near East/South Asia Midyear 1983 Population

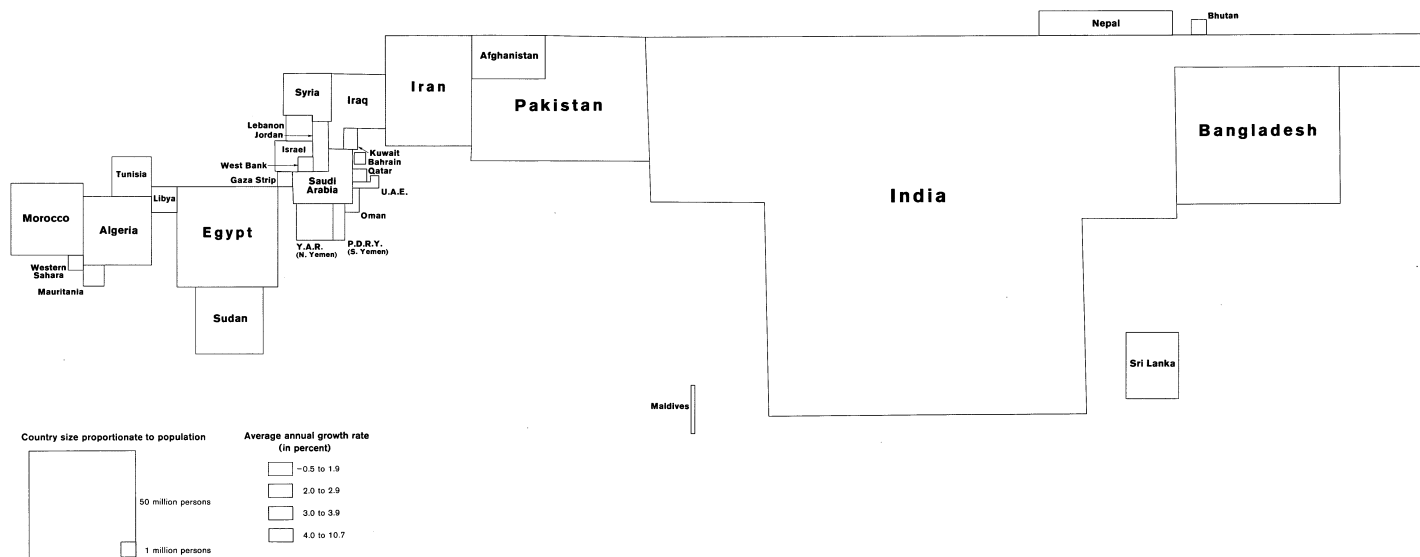
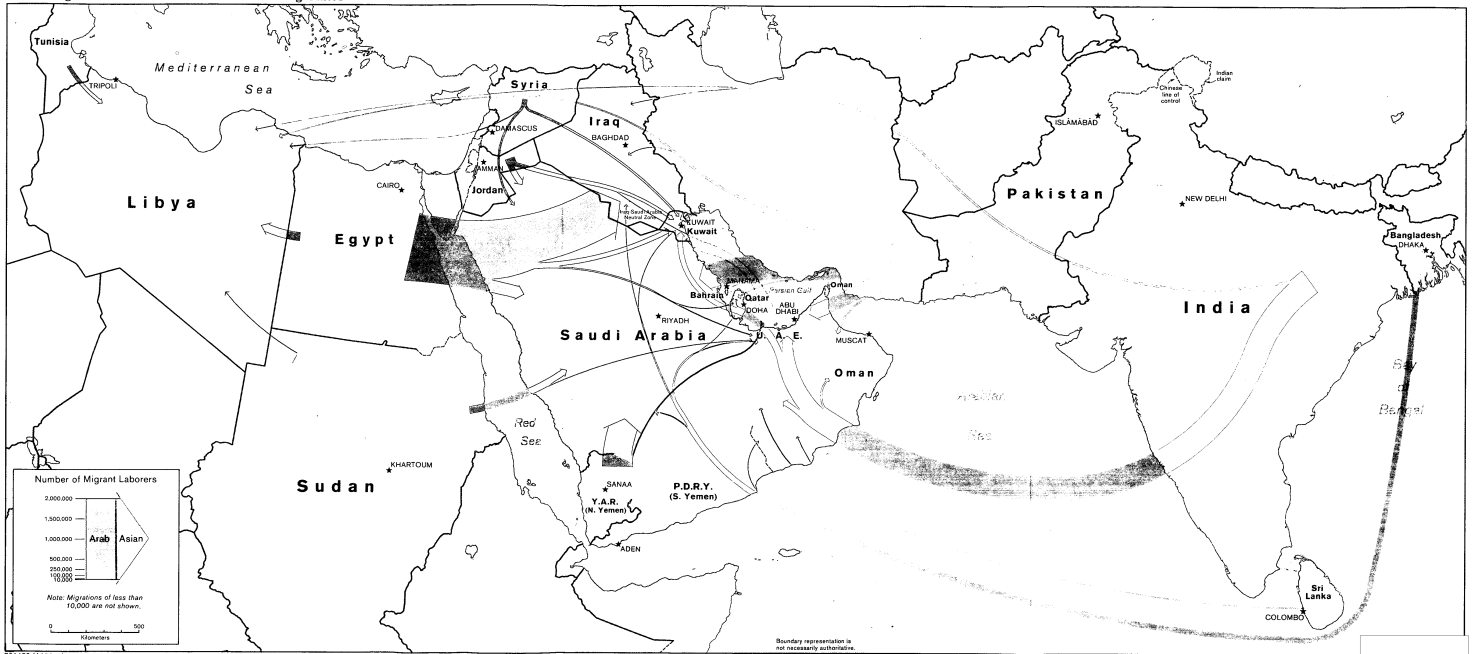


Figure 8  
Labor Migration to the Near East Oil-Producing States



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