



Demographic changes

CAUSES,
CONSEQUENCES,
AND SOLUTIONS

The Strategic Research
DEMOGRAPHY-Programme
kick-off 15.8.2022





Images Timo Kuismin

Finland's population is ageing, birth rates are declining, and the working age population is decreasing. Demographic changes are a challenge for societal structures and economic sustainability. These changes will also have major impact on working life and social relations.

The projects in the DEMOGRAPHY-programme, funded by the SRC (Strategic Research Council) study demographic changes and produce concrete solutions to influence and adapt to the challenges they bring. The best experts in the country will produce high quality research to support policymaking connected to demographic changes.

The programme kick-off event on 15 August 2022 brought together researchers and stakeholders in Musiikkitalo, Helsinki to discuss the causes and consequences of demographic changes and to find solutions to the challenges they bring.

Decision-makers need to make decisions in an uncertain situation. Research supports long-term, far-sighted decisions.

Jouni Varanka
Head of Policy Planning Unit
Prime Minister's Office



You need to understand the causes in order to make decisions.

Susan Kuivalainen
Programme Director
DEMOGRAPHY Programme



DISCUSSION 1

Declining birth rates

PROBLEM

Birth rates in Finland have been declining for a long time. There was a brief recovery period between 2020 and 2021, but now numbers have started to fall again. Low birth rates undermine the sustainability of public finances and jeopardise labour supply in the coming decades.

For both men and women, infertility is most common among those with a lower level of education. It is also an issue of inequality: those with good socio-economic positions are more likely to find a spouse and have the number of children they wish. Those in less advantaged positions may not.

The life course of Finns has changed: they are having children at a later age and fewer than before.

Anna Rotkirch
Deputy Director
NetResilience project



Discussants: Professor Mikko Myrskylä (FLUX project), Director Ilkka Oksala (Confederation of Finnish Industries), Deputy Director Anna Rotkirch (NetResilience project) and Director of the Benefits Unit Liisa Siika-aho (Ministry of Social Affairs and Health)

SOLUTION

There is no single solution to increase birth rates, the decision of having children is an individual choice. However, society can create conditions that support family life for those who want it. Widely promoting well-being can also have a positive impact on fertility.

Simply supporting families with children is not enough, because families are not the most vulnerable. Supporting those at risk of exclusion can also contribute to increasing birth rates.

Mikko Myrskylä
Professor
FLUX project



DISCUSSION 2

The number of working-age people is falling

PROBLEM

As the population ages, the number and proportion of people of working age is declining. The decline in the dependency ratio is challenging the economic sustainability of society. Will future societies be able to finance welfare services?

SOLUTION

The most effective way to increase the working age population is immigration — without it, Finland's population will decline. However, people with an immigrant background often find it difficult to find work in Finland. The same problem applies, for example, to people who are partially able to work. People who come to Finland for work do not just come to work: they bring their whole lives with them.



This comes as no surprise to anyone: the decline in the dependency ratio has been a talked about topic for 15 years. Yet we have not been sufficiently prepared. The fundamental question is whether society will be able to generate enough revenue to finance welfare services through taxation. Is the equation sustainable?

Mikko Spolander
Director General
Ministry of Finance



It is important to tackle discriminatory practices in working life so that everyone who is able to work can get a job.

Sari Vanhanen
Researcher
Mobile Futures project



Discussants: Peter Kariuki, Chief Inspector (Advisory Board for Ethnic Relations ETNO, Ministry of Justice), Terhi Ravaska, Researcher (SustAgeable project), Mikko Spolander, Director General (Ministry of Finance) and Sari Vanhanen, Researcher (Mobile Futures project)

DISCUSSION 3

Life expectancy is increasing

PROBLEM

Longer life expectancy is leading to an increasing proportion of older people in the population. This will challenge the organisation and financing of welfare services. Life expectancy has increased across all income groups, but the gap between high- and low-income earners is clear. There is also a difference in how healthy the final years of life are. In addition, the well-off tend to have better social networks and better opportunities to prepare for old age, for example through housing arrangements.

SOLUTION

There is an urgent need to reform the service system for the elderly, and preventive measures are needed. Social networks play a major role in the well-being and activity of old age, and ultimately in determining how many healthy years of life there are left. Social networks and independent living of older people can be supported by building multifunctional housing. Well organised cooperation between welfare regions and municipalities is essential.



The narrative of a longer life is contradictory: we want to live to become old, but on the other hand we talk about the elderly as a burden and a problem.

Anni Lausvaara
Executive Director
Finnish Federation for the Elderly



We need more information about the wishes of older people themselves. What is their vision of a good life? What kind of housing and services do they want?

Antti Parpo
Preparatory Director
Southwest Finland Welfare Region



Discussants: Anni Lausvaara, Executive Director (The Finnish Association for the Welfare of Older People), Mirkka Danielsbacka, Assistant Professor (NetResilience project), Antti Parpo, Preparatory Director (Southwest Finland Welfare Region) and Lasse Tarkiainen, Researcher (LIFECON project)

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on demographic changes!



*Research is more effective
the earlier it is discussed
with the knowledge users.*

Susan Kuivalainen
Programme Director
DEMOGRAPHY Programme



FLUX Family formation in
Flux – Causes, Consequences
and Possible Futures



LIFECON Life course
and economic implications
of demographic change



MOBILEFUTURES
Diversity, Trust, and Two-Way
Integration



NETRESILIENCE
Social networks, fertility
and wellbeing in ageing
populations



SUSTAGEABLE
Economic and social
sustainability across time and
space in an ageing society



DEMOGRAPHY Demographic
change – causes, consequences
and solutions