

Population Development in Finland — A Challenge for Planning?

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Population is the basis for all social activities. Without population there is no need for social policy. All social activity and planning attempts, ultimately, to improve the living conditions of the population. Besides being the target, population is also the basis for social planning. Population development and changes in the structure of population always mean challenges for planning. The follow-up as well as the anticipation of population development are essential tasks in social planning.

According to Ricardo's classic economic theory the most important factors of production are land, population, and capital. In theoretical studies of economics, population has received little attention so far. This is probably because population has been considered self-reproductive and therefore a factor which does not create problems of scarcity. When contraceptive methods became more common, the situation changed. In all industrialized countries low fertility had endangered the reproduction of the population at a level preserving its present size and structure.

In Finland fertility has been very low since the end of the 1960s.

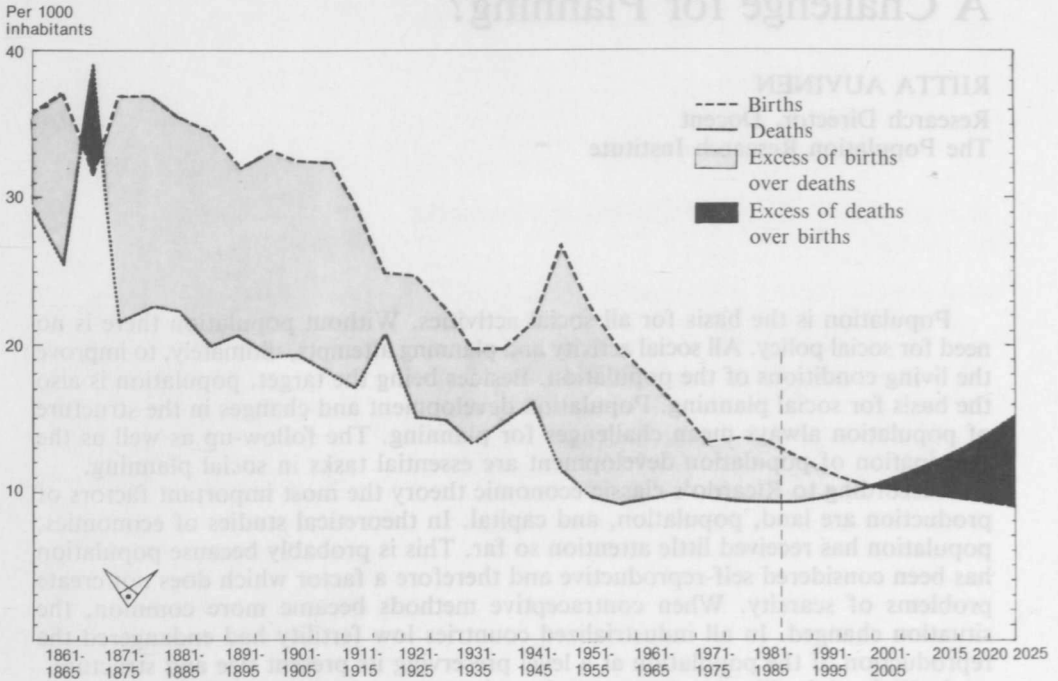
In 1973 the smallest cohort since the famine years of the 1860s was born. There has not been any considerable improvement in the situation in the 1980s. The net reproduction rate of the population in Finland has already been below 1.0 for the last twenty years, about 0.8. According to the population projections based on present fertility and mortality rates, Finland with its 4.9 million population will reach the limit of about 5 million by the turn of the 21st century. After that the size of our population will clearly decrease.

In the long run low fertility means an aging of the population and will change its structure. There will be plenty of old people and a rather low number of children. It is often felt that low fertility means some kind of social stagnation on the social activity level. This stagnation will appear noticeably in the cultural life but potentially also in the economic life. There are fewer challenges than before for building up society, because investments are limited only to replacing the old, already existing infrastructure with a new one. It has even been said that Finland has already been built.

Making projections is always uncertain. However, projections, planning, and control are all aspirations aiming at controlling the uncertainty of the future, even if the philosophy connected with making projections also has to accept the faults and technical shortcomings that inevitably are included in the basis of the projections. In order to formulate the best assessment of the future with its risks, projections are made for possible policy making even if they include a great amount of uncertainty. This philosophy is true also concerning population projections.

Although there are many factors of uncertainty in regard to the future, there is at least one fact which is already known with certainty. With the fertility level which has been prevailing for the last two decades, the increase of our population will stagnate at the turn of the 21st century, provided that mortality and migration rates also follow the projections that have been made. After that a negative growth will begin which will increase in strength during the first decades of the new century. After the year 2000 there will be more deaths than births. Our population structure is going

Figure 1. Fertility and mortality in Finland in 1860—1985 and their projection until 2025.



Sources: Statistical Yearbook of Finland 1985/1986;

Publications of the Social Insurance Institution T9:27, 1986

to change. Every year there will be a larger generation of dying old people and, correspondingly, a smaller generation of children. This is the explanation for the negative growth rate (see Figures 1 and 2).

In Finnish families there are an average of only 1.7 children. In the Helsinki metropolitan area, which represents the most urbanized area in Finland, there are only 1.3 children per family. There are two children, at most, in four out of five Finnish families.

Nowadays Finnish families usually consist of a father, a mother, and two children. A family with three children is an exception in Finland and today represents a large family. At this point it can be noted that the aim raised by the ideologist of «the Greens», Mr. Pentti Linkola, that women ought to give birth to a maximum of two children, has already come true.

It is clear that it is not possible, because of the «law of inertia», to achieve changes in the population structure within a very short term and that must not be the aim either. According to demographers, the stable population development which they usually consider ideal requires a quite long-range, stable social policy. The needs of different population groups should be taken into consideration equally.

In a situation where low fertility and negative growth prevail, the «law of inertia» makes it difficult to change the course of development. When fertility remains low, smaller and smaller female generations give birth to less and less children. The phenomenon of organic growth affects depopulation and population growth similarly. To maintain the reproduction of the population, i.e. at least zero population growth, women should give birth to a greater number of children than the previous generations have. To maintain the reproduction level, fertility should increase considerably,

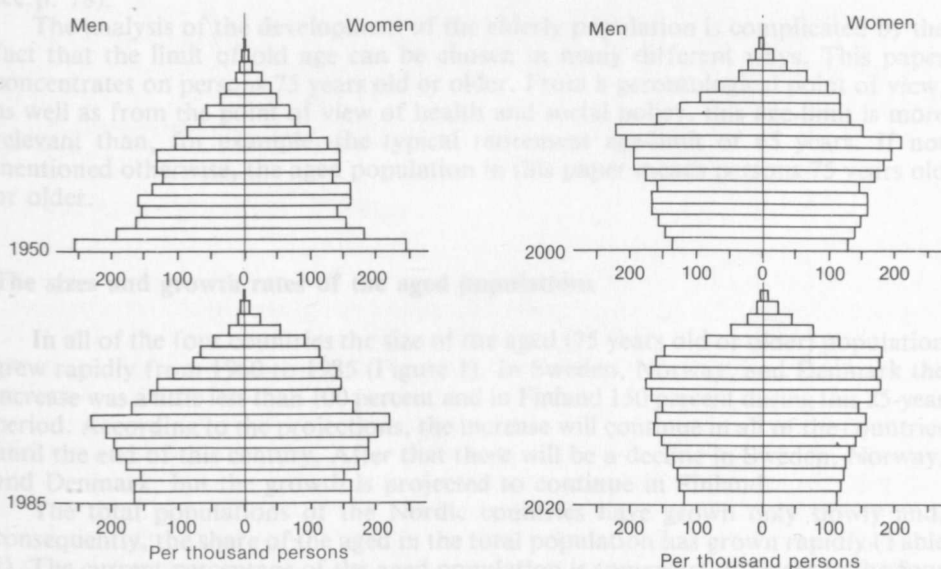
i.e. a total fertility of 2.1 children per woman is not enough in the future to keep population size at the zero-growth level.

The same depopulation phenomenon caused by low fertility is also being faced by some European countries which became industrialized earlier than Finland. In some European countries the total fertility per woman is as low as 1.3—1.4. The situation is so new that I have not yet seen any concrete official opinions on the negative growth. However, in many European countries family policy has obviously been intensified in reply to the challenge of depopulation. It can be noted here that for example highly industrialized countries such as France and Czechoslovakia, which have consciously and persistently practiced effective family policy, will not be facing negative growth in the immediate future.

In many European countries fertility is already below the reproduction level and according to the specialists there are no factors in view which would change the direction. Under these socioeconomic and cultural circumstances any spontaneous return to the reproduction level is not to be expected. It has been estimated that the consequences of the prevailing nuptiality, today's ideal size of a family, decreased fertility, and other life circumstances imply that, in the near future, 15 percent of the women in industrialized Europe will remain childless, 20 percent will have only one child, and 5 percent will give birth to four or more children. In this case 50 percent of women should have three children and 10 percent two children to assure the long-term replacement of the population. However, in more and more countries the proportions of women who have two and three children are changing to just the opposite (Cliquet, 1986, XIII—XIV).

As a matter of fact, those who want to be sure that the size of the Finnish population would remain at approximately five million in the future also, should know how to make every Finnish woman give birth to at least two children. Because some women will, at any rate, remain childless, a good general rule for preserving the present population would be that every other family have two children and every other three. Altogether, the most balanced situation as far as social planning and social policy are concerned would be a stable population without great fluctuations, i.e. without »baby-boom» generations or exceptionally low birth rates.

Figure 2. Population pyramids.



Source: Publications of the Social Insurance Institution T9:27, 1986;

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The very low fertility of the post-industrialized societies obviously foretells new challenges in social planning and social policy. A socially difficult population structure is a problem not only in the developing countries but it can also turn out to be a problem in the developed countries. The highly industrialized societies must make a conscious decision concerning the kind of demographic future they want to have. The choice can be crystallized in a statement made in a discussion on fertility.

»If society does not succeed in conciliating women's emancipation with the possibility for women to have several children, replacement fertility levels will be unreachable.» (Council of Europe, 1985)

Reflecting on this we have to ask ourselves whether we want to meet the continuing aging of our population age structure in the near future and with it the planning problems caused by a decreasing population.

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