



PRIME MINISTER'S  
OFFICE

# Population policy guidelines for the 2020s

Executive summary of the Finnish population  
policy report “Recovery of the birth rate and  
longer life expectancy – population policy  
guidelines for the 2020s”

Anna Rotkirch



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# Guidelines for population policy

## Human-centred population policy.

Demographic change affects where and how we live, and with whom we share our everyday lives. Population ageing, the climate crisis and digitalisation are the three megatrends of our time. Modern population policy aims to enhance individual and social wellbeing and sustainable demographic development. Improvements in the demographic knowledge base, data use and monitoring are needed to support tailored policy developments both nationally and regionally.

## Children – of course!

'Children – of course' is a guideline standing for **baby-, child and family-friendliness** and **supporting people's own childbearing goals within a human rights framework**. Every child is welcome and society will invest in everyone.

Society should better provide opportunities for all individuals to have their desired number of children. Supporting families with children is also the best investment in the wellbeing of future generations. The shrinking proportion of families with children in the population should not mean that fewer resources are allocated to them. Raising children is also an important contribution to the national economy. A recovery of the total fertility rate in Finland to around 1.6 children per woman in the 2020s and around 1.8 in the long term is desirable from a socioeconomic viewpoint as well as in line with the wishes of young adults.

## Human resources policy

Improvements in education and human capital represent the single most effective way to improve the sustainability of ageing societies. Education also has an intrinsic value: brain power is a resource that increases with use. **Lifelong learning, higher employment rates among people aged 65–74, and tailored immigration policies** are mutually complementing ways to improve human resource development.

## Dignity and safety in old age

We need to promote **solidarity between generations** and stop discrimination based on age. Providing **good care to everyone in the last years of their lives** is at the very core of the Finnish welfare state. Efforts are necessary to solve problems related to the lack and quality of care of very old people, as their numbers will more than double by 2040.

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## When will the population decline?

During the “century of the demographic revolution,” the world’s population will age until population growth eventually ceases, which may happen already within the next 50 years. **Population ageing, the climate crisis and the ongoing rapid technological transformation** belong to the megatrends of our time. Especially the development of fertility in Asia and in Africa in the coming decades will determine the pace and peak of global population growth. It is highly unlikely that fertility in wealthy countries will recover beyond near the replacement level in the future.

Finland’s demographic development in the 2010s diverged from that of the other Nordic countries in several ways. Finland’s total fertility rate fell from 1.87 in 2010 to 1.35 in 2019, which was the lowest in the history of the Nordic countries and below the EU average. Depopulation is already affecting over 70 % of municipalities and regions while international immigration has remained moderate. According to Eurostat’s population projections, population trends in the Nordic countries may continue to diverge and Finland’s population may shrink within the next decade.

In Finland, **both the number of births and the total fertility rate decreased by a quarter in the 2010s**. Around 75% of the decline in fertility was due to fewer first children being born, although also fewer second, third and fourth births were observed. Fertility declined across most age groups and demographics. Childlessness has increased especially among less educated men and women.

Research shows that it is possible to influence fertility trends by increased family-friendly policies and provision of high-quality early childhood education. Paradoxically, however, Finland was a role model in such policies for several countries that now have higher birth rates. In the new childbearing landscape of the 2010s and 2020s, well-timed and targeted family policy initiatives and broader social signals may stimulate birth rates. Also general social trust, social support networks, happiness and baby-friendly environments may promote fertility in wealthy countries.

People aged 65 and over account for 24% of the adult population in Finland, which is the fourth highest rate in the world after Japan, Italy and Portugal. **Longer life is a privilege and presents many opportunities**. People in late middle age (from around 65 to 74 years) are often in good health and active citizens, who should no longer be excluded from policies promoting lifelong learning, employment, or rehabilitation. The number of people aged 85 years or more in Finland is expected to double within the next 15 years, with a projected increase of 145,000 people or 94%. As more people reach very old age, however,

the frailty and dependency during the last years of life cannot be expected to diminish and may even increase. This represents a major challenge for the welfare state.

Experiences of the COVID-19 pandemic may **have improved Finland's demographic prospects**. The prolonged fertility decline ended in 2020, and the recovery in fertility has so far not been reversed. Population growth continued also in 2020, net immigration was on the rise, internal migration showed some signs of counter-urbanisation, and more elderly people continued in the work force.

## Population policies for the 2020s

Modern population policy sees people as the country's most valuable asset and invests in education, skills and wellbeing. A balanced demographic development relates not only to the size and age structure of the population, but to strengthening the human resource base (Lutz 2014). In addition to conventional indicators of economic growth, **health, skills and wellbeing** are of growing importance both as population policy objectives and as prerequisites for its success. The COVID-19 pandemic has also emphasised the importance of **family-friendliness, social equality, solidarity between generations, and social trust**.

The European Union and an increasing number of European countries have developed demographic programmes and policies to support population renewal, birth rates, family-friendliness, more balanced regional development, and healthy ageing. Finland is also now reviewing demographic developments to support decision-making and to set population policy goals. Modern population policy is interactive and relies on up-to-date demographic data, an "HR approach" rather than a "top-down" approach.

The sharp decline in fertility has **weakened the financial basis of public finances** in the long term and is likely **to widen social inequalities**. Realistic and goal-oriented population policies can influence these developments. For example, if the total fertility rate recovered to 1.65 births per woman by 2060 or net immigration increased by a third, Finland's population growth may continue in the 2040s. However, growth in immigration or in fertility, increased employment rates, and healthier ageing will not alone suffice to meet the challenges of a rapidly ageing population; instead, we need a comprehensive approach that takes into account all of these elements.

**Sexual and reproductive rights** are a cornerstone of socially and ecologically sustainable development. Global population growth would cease faster were all women to have the

number of children they want. In low-fertility countries like Finland, reducing the gap between the desired and actual number of children would mean a slight recovery of birth rates. Family planning and childbearing are reproductive rights and tools needed to solve the climate crisis; desired childbearing is not at odds with combatting climate change.

People in Finland wish for more children than they are actually having. Perceived uncertainty is the most important reason for postponing or renouncing childbearing, although lifestyle reasons also play a role. People are uncertain not just about their employment and ability to get by financially, but also about the future, their own well-being or their couple relationships. Families with small children especially wish to have more flexibility in combining work, family and other parts of their lives.

**'Children – of course'** is a child- and family-friendly guideline that supports people's opportunities to have the number of children they want to have. It signals that every child is welcome and that society will invest in everyone. The goal should be to restore the birth rate to 1.6 in the short term and 1.8 in the longer term, which corresponds to the desired number of children among young adults

Campaigns and new incentives related to childbearing and policy guarantees for families are timely and relevant: in the current situation with high rates of childlessness and postponement of first-borns, even influencing merely the timing of childbearing likely means influencing the overall number of children. The planned family leave reform in Finland is a welcome opportunity to discuss work-life balance, as well as different ways of parenting and of living with children. There is also a need for education and targeted interventions to promote **reproductive health and fertility awareness**.

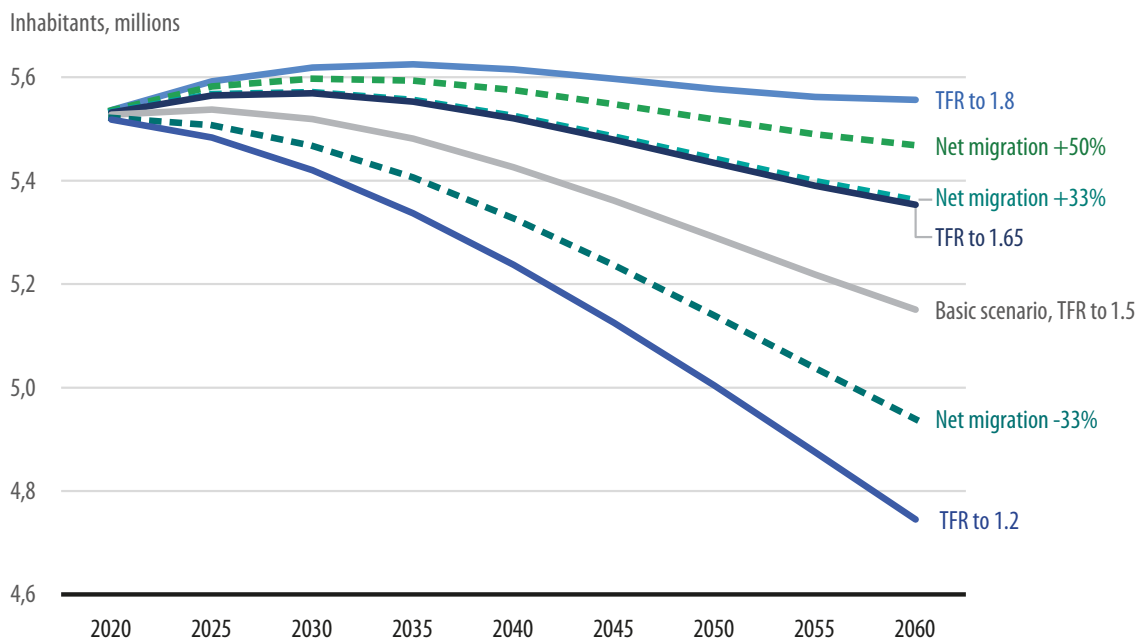
Raising the employment rate and labour productivity are the most effective means to alleviate the economic challenges facing the ageing population. This requires **investments in education**, especially for Finnish men. The current age limit of 65 years for employment policy measures, rehabilitation, or lifelong learning is obsolete.

Everyone must be guaranteed dignity and safety in old age. Also the need for services to support social networks and psychological wellbeing is likely to increase, as more people live alone or have no immediate family.

More net immigration will be necessary to maintain a stable population in the future. A potential target could be to raise net immigration from the current 16,000 people to 25,000 people by 2030. Active policies for returning migrants is also warranted.

At the same time, we need to openly and actively prepare for a future with ageing and declining populations: most regions already have to create **adaptive and innovative depopulation policies**. An **improved demographic knowledge base** is needed to improve national and regional monitoring of family and demographic developments, and this should include enhanced use of modern analytics and tailored policies.

**Projected population growth in Finland with different fertility and net migration assumptions.**



Source: Eurostat. TFR = total fertility rate.  
 Sensitivity tests with different assumptions, the common effects of which are not considered. Options for immigration represent changes of -33%, +33% and +55% and options for TFR represent changes of -20%, +10% and +20% compared with the baseline scenario, in which net migration levels is quite stable and TFR is projected to recover to 1.5 by 2060.