



Demographic Change and Societal Sustainability in Finland

Low Fertility, Ageing, and
Emerging Inequalities

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Aims of this presentation

- To describe key phenomena and their intersections on:
 1. Fertility and birth rates
 2. Ageing population, solidarity and public welfare
 3. Regional polarization and urbanisation
 4. The role of immigration
- To assess the implications of demographic changes on societal sustainability and well-being of the population



Introduction

- Finland is undergoing major demographic transitions:
 - Sharp decline in fertility rates
 - Rapid population ageing
- (Moderate) immigration as the only driver of population growth
- Growing regional disparities due to increasing internal migration (and also immigration from abroad).

Total fertility rate of 1,25 (2024) is historically low



Finland in Figures

Population (2024) 5 635 971, popl density 18.5 per km²

Boundary of 1 344 km with Russia

”Land of thousand lakes”: 168 000 lakes (with an area of +500 m²)

Native language: 84.1 Finnish, 5.1 Swedish, 0.0 Sami, 10.8 Other (Russian, Estonian, Arabic, Ukranian)

Government:
Coalition of Conservatives and Populists (+ two small parties: Christian Democrats, Swedish Speaking Party)

Household composition: 47% living alone, 32% 2 persons, 21% 3+persons

Level of education (2023): 24.9% only basic, 40.1% upper sec., 11.2% masters, 1.2% doctoral level

Labour force status (2024): employment rate (20-64) 76.7%, unemployment rate 8.4%

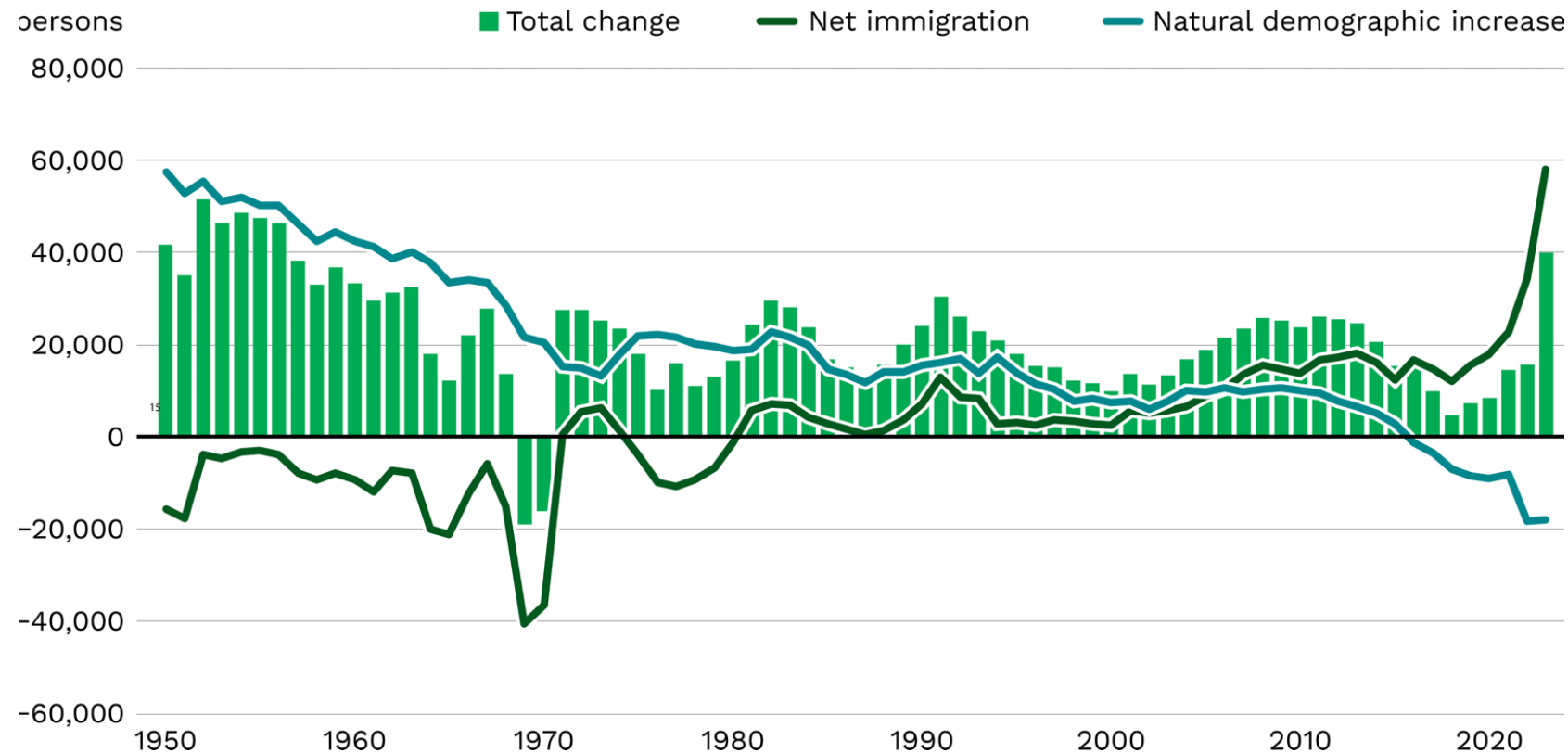
At risk of poverty (2023): 13.4% (of dwelling ppl), 123 128 children in at-risk-of poverty households

What do we mean by *societal* sustainability?

- Ensuring well-being for current and future generations
- A high level of well-being and its fair distribution
- **Important:** to take care of the institutions and capital/resources that enable well-being now and later
- In a societally sustainable society, all members have the opportunity to strive for and achieve well-being now and in the future.
 - "all members" = justice and equality
 - "well-being" = the main goal (i.e. not economic flourishing)
 - "now and in the future" = temporal dimension
- Is there a "canary in a coal mine" that would be the most effective indicator of changes in societal sustainability?



Key demographic changes

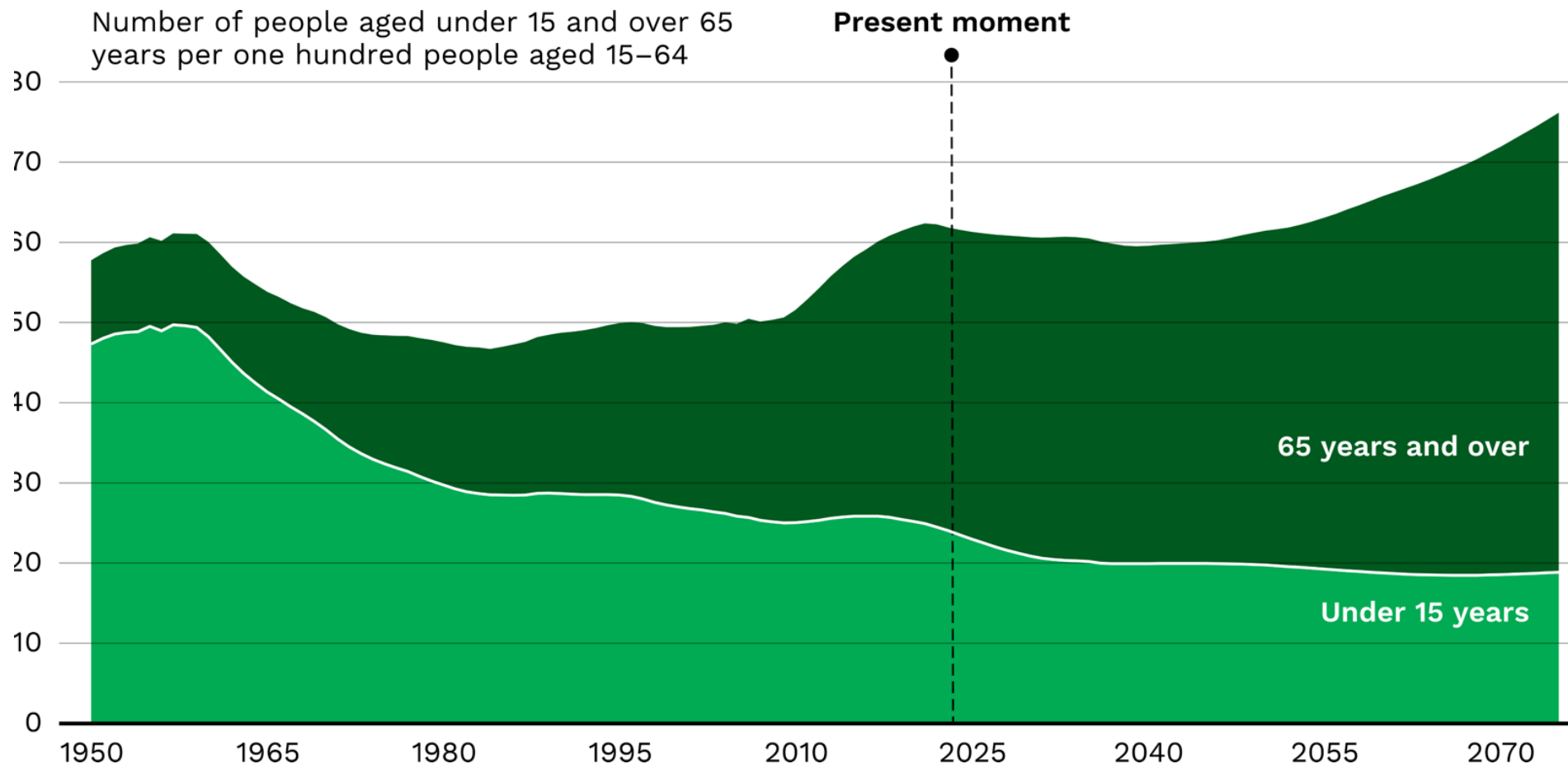


- Sharply declining birth rate
- The number and proportion of elderly people is growing strongly
- Population net growth is relying on immigration

Source: Statistics Finland, population

What Are the Consequences of Population Aging in Finland?

Deteriorating dependency ratio challenges the sustainability of society in many ways



Implications for Intergenerational Justice

01

Taxes and public spending

High costs for elderly care may lead to higher taxes on the working-age population, placing a greater burden on younger generations.

02

Pension and social security systems

As the population ages, pension systems may need reform, potentially reducing benefits for future generations.

03

Service prioritization

Limited resources can force difficult choices between the needs of younger and older generations.

04

Workforce burden

A shrinking working-age population must carry more responsibility for maintaining public services and welfare for the elderly.

Impacts on the Service System and Public Finance Sustainability

Chronic disease burden

- Age-related conditions such as dementia, cardiovascular diseases, diabetes, and mobility impairments place significant strain on healthcare and social services.

Increasing care demand

- The growing number of elderly people raises the need for health and social care services, especially long-term care.

Workforce shortages

- The healthcare and social care sectors face labor shortages, reducing the availability of services.

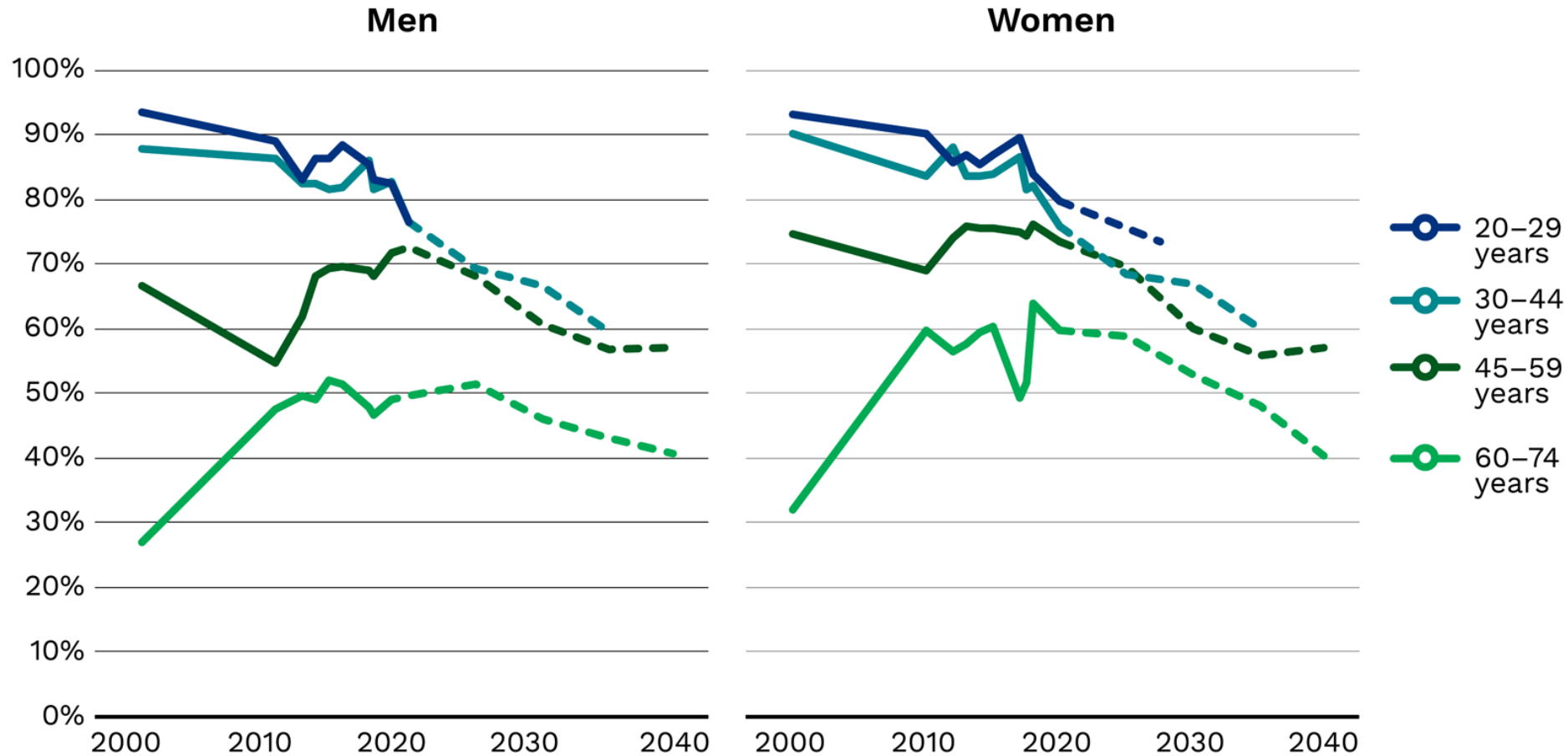
Cost pressures

- The costs of providing services rise while tax revenues from the shrinking working-age population decrease.

Regional disparities

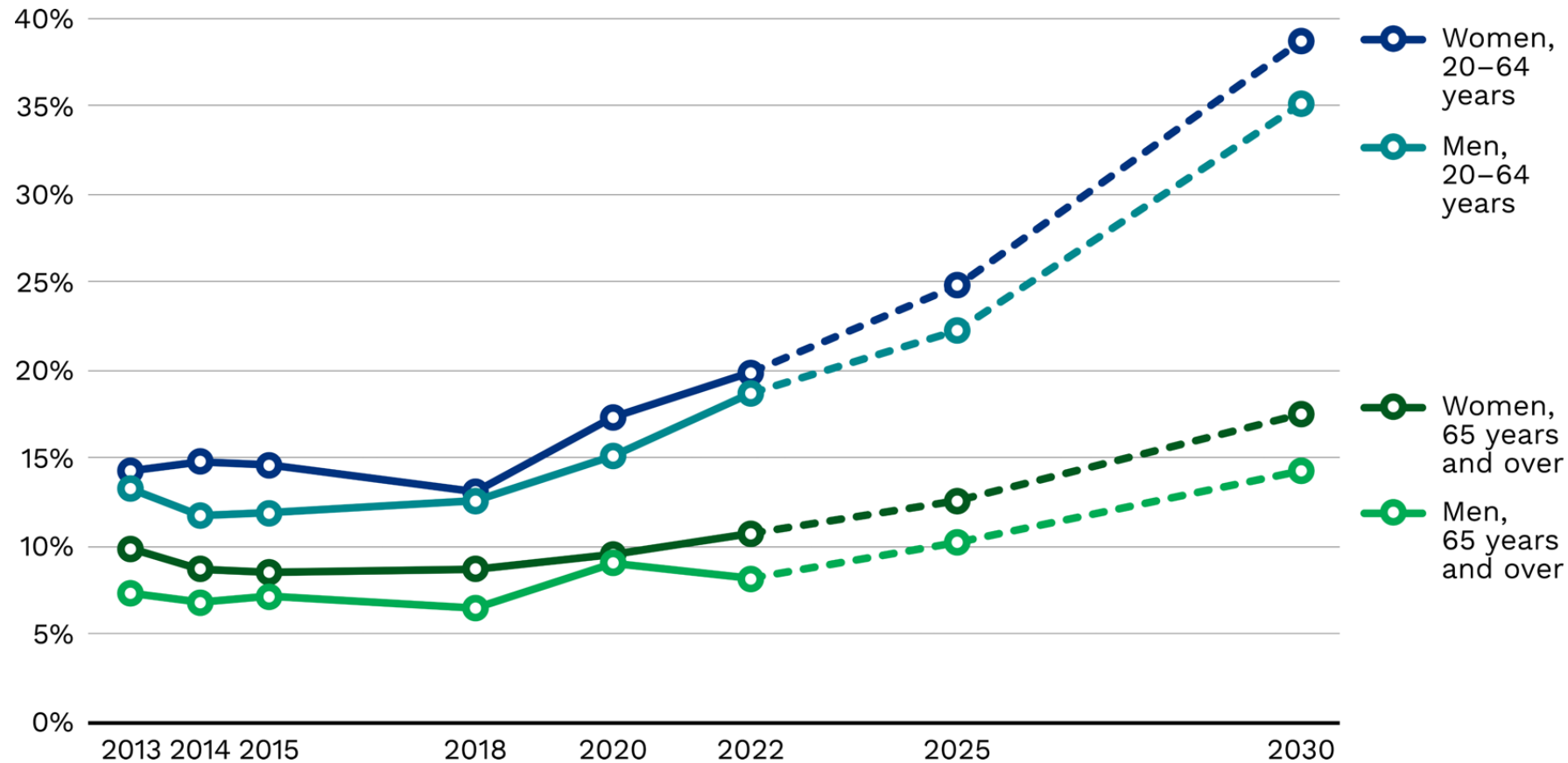
- Ageing is more pronounced in rural areas, where **delivering services is already challenging** due to long distances and a declining population base.

At the same time with these challenges: Young people's work ability is in decline

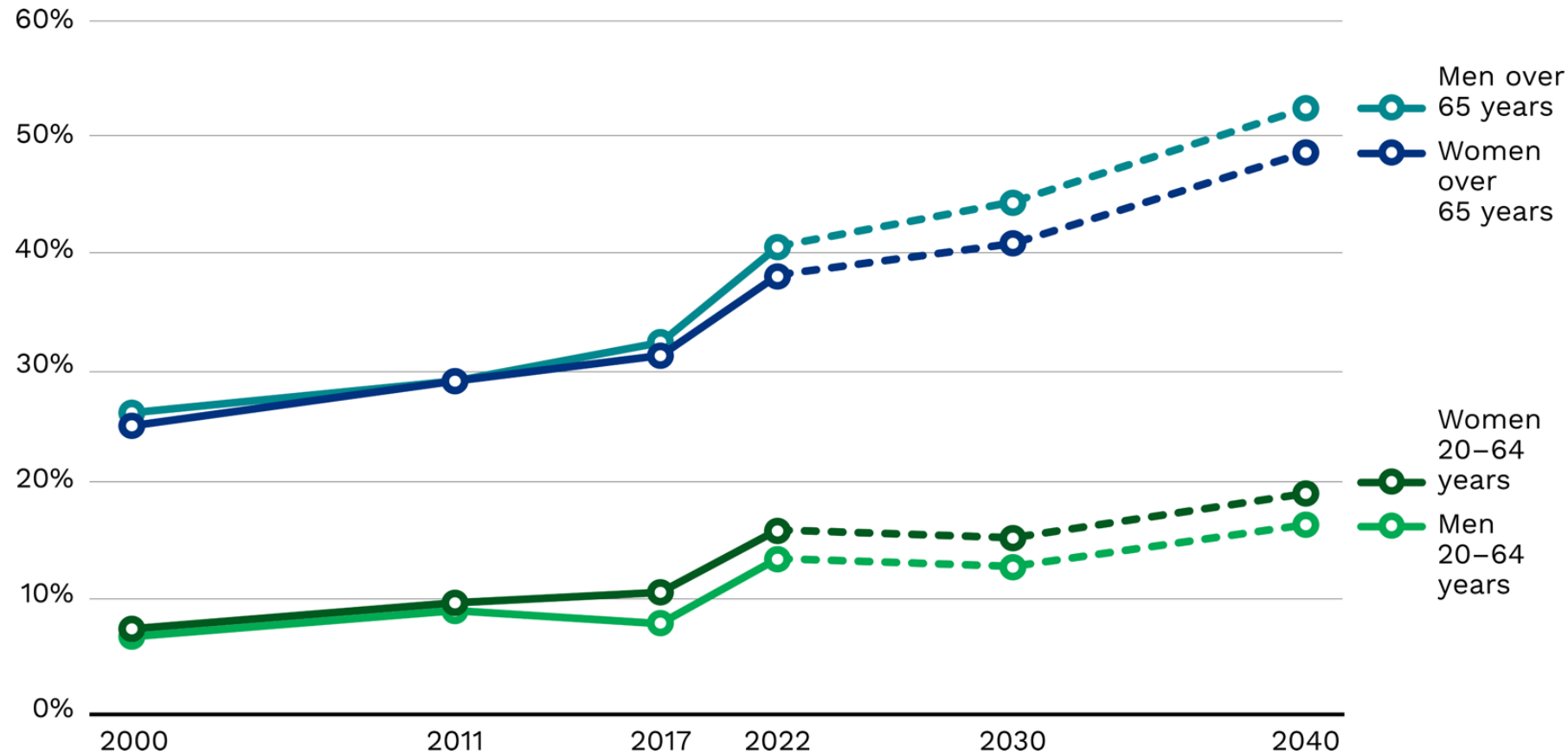


Source: Lahti et al. 2024

The mental strain of working-age people has increased in the 2020s and the increase is projected to continue



Multimorbidity will increase, especially among people aged 65 and over



How to ensure societal sustainability in the face of an ageing population?

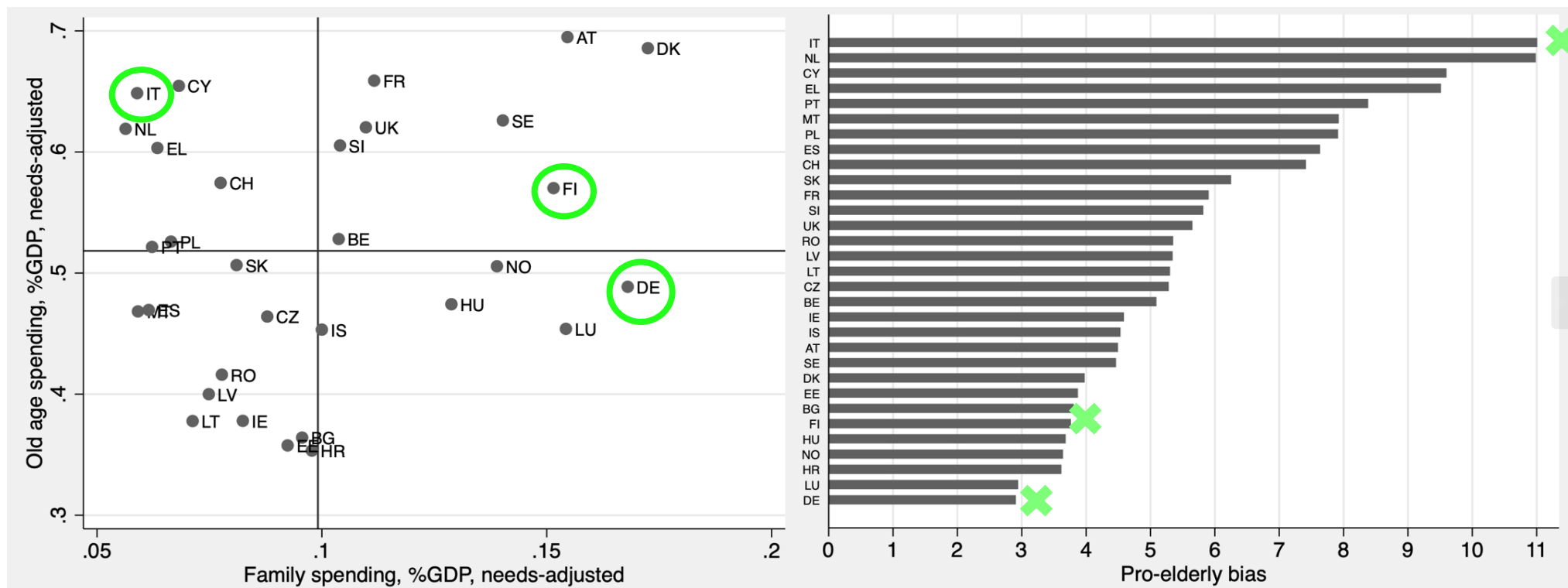
- The ageing of the population affects the economic sustainability of the welfare state; How to provide the same services and benefits in the future?
- The population is also changing in other ways: how does it affect the reconciliation of economic and societal sustainability?
- From the perspective of societal sustainability, we must consider how changes and reforms are made so that the well-being and equality of current and future generations are not jeopardized.



7.10.2025



Children vs. the elderly



Increasing spatial segregation and urbanisation

- There are differences in the demographic structure and its change between regions, and this affects the sustainability challenges faced by an individual region
- Areas with an elderly population have different needs (e.g. the physical environment, services) than areas with a large number of families with children
- Other characteristics of regions can affect demographic phenomena in the regions, and these in turn may affect macro-level phenomena (housing stock, segregation, social cohesion)

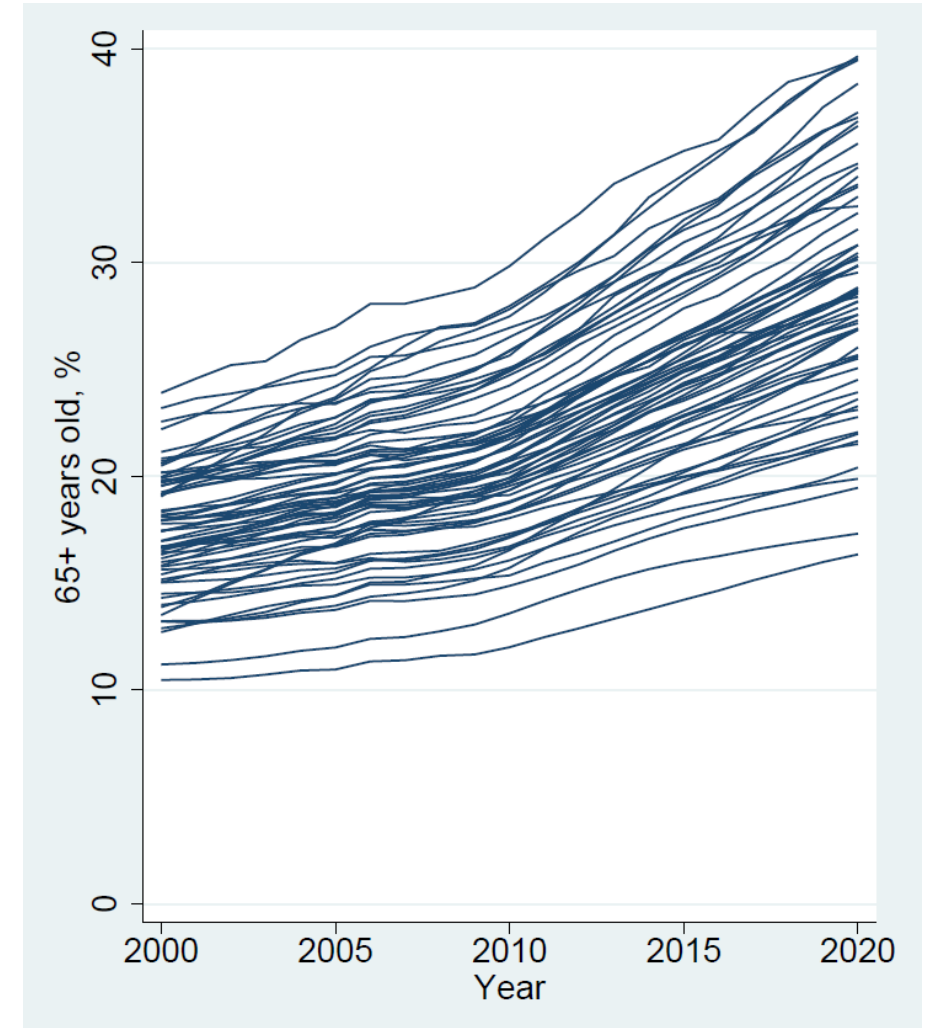


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The differences between the sub-regional units of Mainland Finland in the share of persons aged 65+: large, with growing differences

- The population is ageing in all regions, but at different rates
- The differences have also increased at the wellbeing services county level, where the challenges related to service provision are particularly concrete
- Differences in the age structure are linked to other differences in the demographic structure: a higher share of people aged 65 or over predicts a higher share of people at risk of poverty among those aged 65.

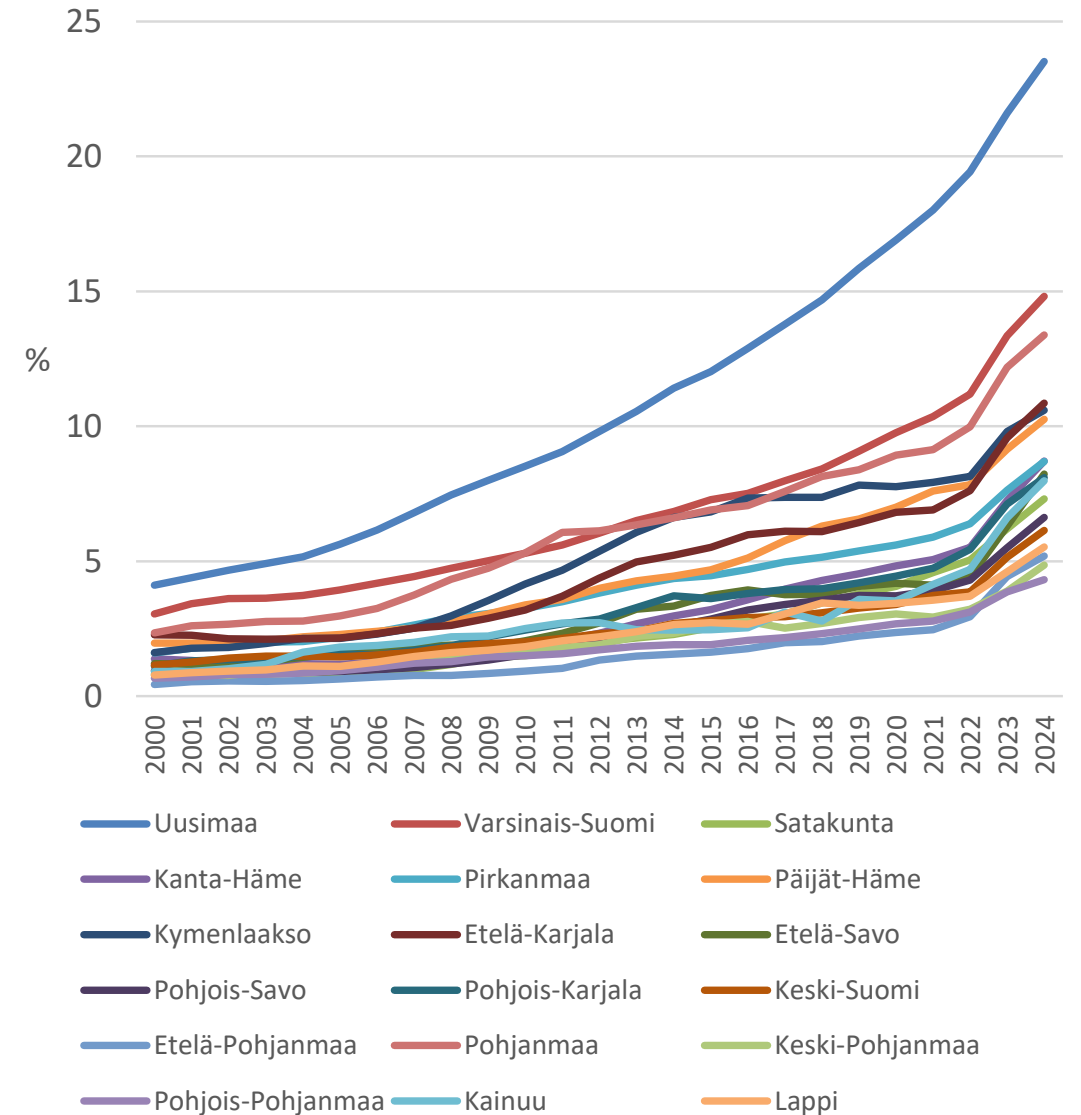


Source: Kauppinen & Nevanto (2025)

Rapid change in regional differences in the ethnic structure of the population

Share of those w foreign background, of 7 to 14 yr olds

- The growth of the population with a foreign background is significant, but it manifests itself differently in different regions
- 29% of 7–14-year-olds with Finnish background live in Uusimaa, while 57% of those with foreign background live in Uusimaa
- Regions differ e.g. in challenges related to organising education



Source: Kauppinen & Nevanto (2025)

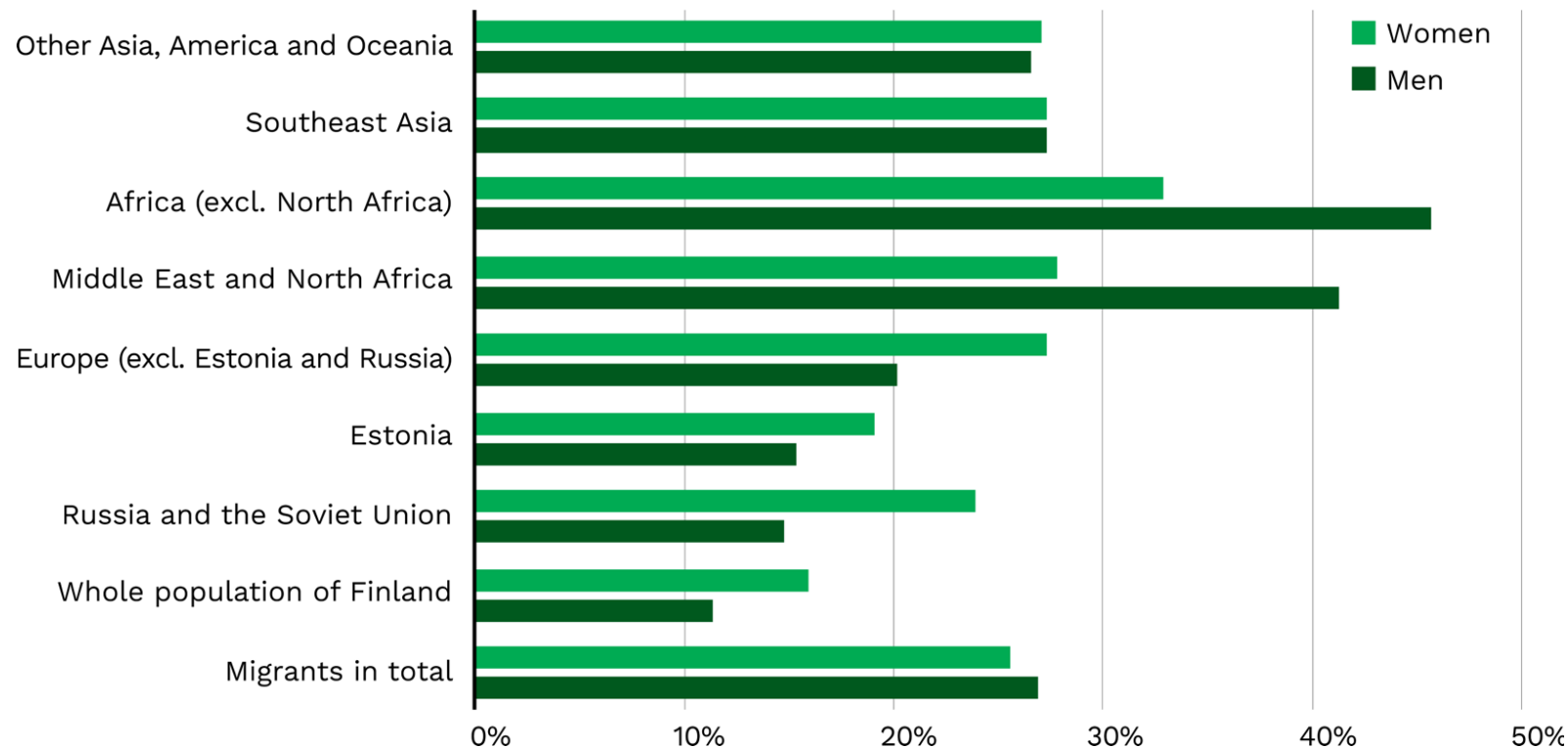
Immigrants in workforce

- A need for workforce comprised of both the population groups that will migrate and of those who are already living here and underemployed, and their descendants
- A need to support also their social inclusion, including population groups experiencing difficulties in work life, such as the Roma minority
- Difficulties include finding employment matching one's education and in progressing in one's career:
 - Among highly educated employed people with a foreign-born background, 30% of men and 36% women are overeducated (those w Finnish origin 14 and 20% respectively)
 - Especially among women who have migrated to Finland, the proportion of employed women is smaller than among women in the whole population



The difficulties experienced in work life are not limited only to challenges with language proficiency or the identification of competence

The proportion of persons who have experienced discrimination the world of work (% of people working or applying for work) is largest among people who have immigrated from Africa and the Middle East



Discussion: Key challenges and how to deal with them

- Increasing the birth rate – to what extent this is possible?
- Increasing the population's active involvement in the labor market
 - Promoting work ability and functional capacity
 - Promoting work-based immigration
 - Prolonging working life
 - Engaging young people into working life
 - Increasing the participation of people with disabilities and partial work ability in working life in various ways
- To enhance the system of services and caregiving
 - Clarifying the responsibilities of the state, private sector, families, and individuals to build a sustainable and equitable care system
 - Improving the accessibility, quality, and coordination of services while developing home care, elderly care, and workforce conditions.
- Adapting to the impact of urbanization – how?



Conclusions

- Demographic change challenges *all forms of* sustainability and the welfare state widely
- Without comprehensive policy measures, inequalities will deepen and increase polarisation
- Need to
 - support family formation
 - strengthen regional development
 - promote inclusive integration policies
- Sustainable societal development requires proactive policies and monitoring
- Demographic foresight should be integrated into all policy planning.



Thank you for your attention! Questions, comments?

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