
Population decline and policy

Population decline has only entered the policy agenda recently at the national level, and the Dutch government is weighing its role when dealing with this emerging population issue. Policy reactions will differ per policy domain. But especially in the spatial domain an active role in creating conditions to deal with the impact of population decline is obvious.

Photo: Marcel Minnée



Population decline on a national scale is a long-term trend and is surrounded by uncertainties about timing, speed and regional selection. Flexible (spatial) long-term policies are the obvious choice then. Taking into account different scenarios, general timely and sufficient spatial plans for e.g. living and working can be made, with basic details being filled in when it really becomes necessary. With respect to the housing market, certainly when identifying locations for construction, the possibility of the shrinkage of the housing supply should be taken into account, and more restrictive actions from the government would be the path to follow. In its role of national director, the national government should mainly create the conditions and frameworks within which regional local governments can operate effectively.

Spatial planning and a ageing population

In addition to the creation of conditions, the Dutch government in its role of 'market master' also has a supervising and steering role. It may be expected that market parties in the (regional)

housing market will react adequately to changed demographic circumstances such as population ageing and population decline, which occur gradually. It may nonetheless be necessary for the market master to intervene, for example when it comes to adjustments in the housing supply which are not or less interesting for market parties, such as social housing projects or restructuring of ageing dwellings. For this sort of frictions, a steering role of the government is desirable. The same applies to the domains mentioned other than the housing market, like the social services and the labour market. The importance of proper oversight and the responsibility of the government here has also become clear in the current financial crisis.

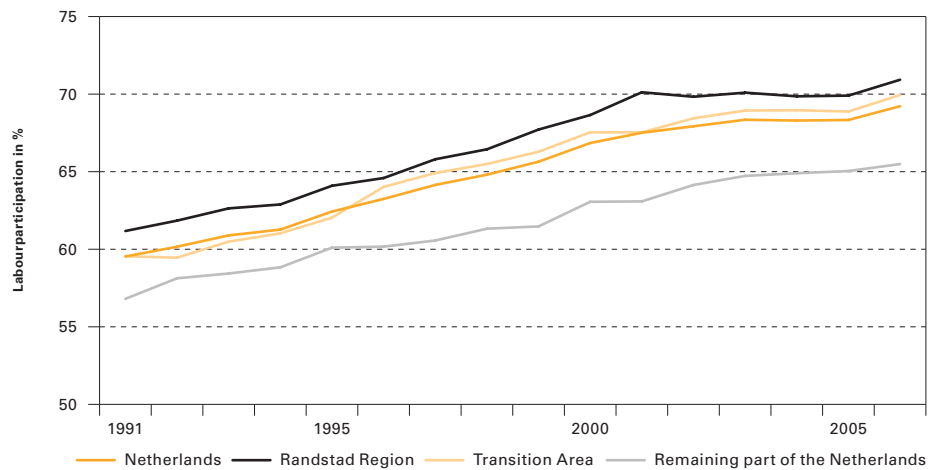
When shaping national policy that aims at dealing with population decline, one can draw from various existing sources. Population decline is closely related to an ageing population. Many of the policies that are implemented or considered in the context of ageing are therefore also important in terms of population decline. For example, stimulating labour participation to meet a labour supply that is shrinking because of population ageing is also helpful towards dealing with a shrinking regional workforce. In the spatial domain, the Netherlands has a rich tradition and ample experience in the field of spatial planning. Although the consequences of population decline manifest themselves not only in the spatial domain, this expertise can be deployed for the new challenge of a gradually upcoming yet structural population decline. Experiences with regional population distribution policies gained in a period in which distribution of a torrential population growth was common can now – perhaps somewhat paradoxically – be deployed to deal with negative population growth.

When finding effective ways to deal with population decline, two circumstances can work to our advantage: the scale and the density of the Dutch population.

Small scale and population density as buffers

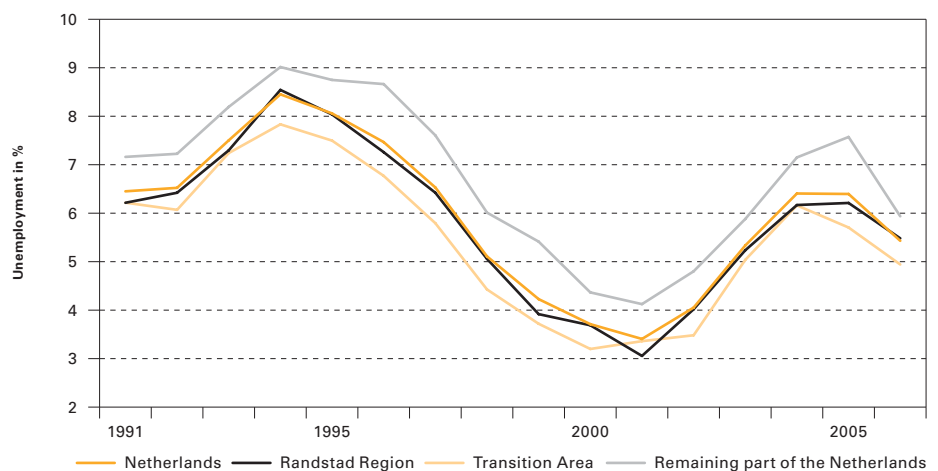
The Netherlands is a small-scale country. Distances between the various parts of the country are short, there are no major natural barriers, there is a sophisticated, high-quality infrastructure and travel times are relatively limited. Partly thanks to this small scale, our country is also fairly homogeneous, socially and economically speaking – which doesn't take away from the fact that socioeconomic and cultural differences do exist. There are also regional differences. The densely populated Randstad (the urban agglomeration of Western Holland encompassing the cities of Amsterdam, The Hague, Rotterdam and Utrecht), where nearly half of the population lives, is seen – for example in WLO scenarios (see box, 'Types of decline') – as the country's economic centre of gravity. Roughly one-quarter of the population lives in the transitional zone that surrounds it as a dynamic peel and in the more peripheral areas of the Netherlands, more removed from the Randstad. In the last 30-plus years most of the population growth was absor-

Figure 1. Developments in the labourmarket for the Netherlands and per region, 1991-2008



Source: Netherlands Bureau for Economic Policy Analysis.

Figure 2. Unemployment in the Netherlands as percentage of the labourforce, 1991-2006



Source: Netherlands Bureau for Economic Policy Analysis.

bed into the transitional zone. Because of population density in the Randstad, relatively speaking most of the houses were built in the transitional zone and work opportunities grew there the fastest. Despite level differences, labour participation and unemployment in the different parts of the country run more or less parallel (see Figures 1 and 2). This indicates that they underwent the same economic development despite differences in population composition. At a lower scale level one can see that in recent decades the population has gradually shifted from the large cities of the Randstad to the surrounding areas and then to the transitional zone. If we look at housing and the labour market, in the case of population decline the most urbanized areas of our country are on balance at an advantage compared to the more peripheral rural areas.

Certainly with a continued population decline it can be expected that (demographic) differences between regions will become larger. The expectation is that strong regions will manage to hold on to more residents thanks to a more favourable socio-economic and cultural climate, or will lose less population than weaker regions that run the risk of getting into a negative shrinkage spiral. Does this entail the risk of unacceptable large regional differences and, for example, an exodus from the countryside, as we see happening in countries like France and Germany? Things do

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PROBLEM OR SOLUTION?

Population decline has many negative associations, also in the minds of government officials: deterioration, vacancies, pauperisation, recession, all tend to be linked to decline in what seems to be a downward spiral. Growth is good, decline is bad. 'An end to the growth' also means a cultural shift. Others, by contrast, embrace the potential advantages of shrinkage: quiet, space, the environment and fewer congestion and traffic jams. Population decline seems to be neither a doomsday, nor a panacea, which will solve all problems. Not only numbers of population are relevant when considering social and policy issues, but also human behaviour. Take for instance traffic jams which are chiefly the result of different mobility behaviour (more intensive use of cars). Gradual population decline does not automatically mean that people will leave the car at home. Besides, in the Netherlands most traffic jams occur in the crowded Randstad region, where the least population decline is expected.

(Source: WPRB-report 2009)



Photo: Stock Xchng/mwookie

not seem to be going that far in the Netherlands. Besides the moderate shrinkage tempo, the previously mentioned small scale plays an important role here. Decline-sensitive regions in the peripheral areas are never unreachably far away in the Netherlands, hence spatial isolation is rare. This is partly also thanks to good transportation. In those decline-sensitive border areas the outlook will increasingly be oriented towards the neighbouring country, so regional cooperation across the largely extinct national borders can offer respite when dealing with shrinkage. The small scale of the Netherlands works in fact as a buffer for possible negative effects of shrinkage, just like the open borders. The high population density which is so characteristic of the country, has a comparable buffering function. Areas with a lower population density seem more vulnerable to the effects of population decline than more densely populated parts of the country because the carrying capacity for all kinds of facilities is

more limited in the former. The same applies on a European scale, which makes a densely populated country like the Netherlands in fact less vulnerable to the negative consequences of population decline than less densely populated and larger countries.

Population decline and population policy?

The drop in the size of the population will occur gradually in the Netherlands. It does not seem that the changed regional distribution of the Dutch population which enhances population decline will lead – at least in the foreseeable future – to critical unbalances. This doesn't mean that shrinkage cannot still result in hindrances that require careful policies that are suited to regional developments. To a considerable degree, such policies will be more of an assisting than a combating or intervening nature. The contours (and sometimes more than that) of these policies are already visible, especially in regional spatial policy. Can the population decline be sufficiently managed in this way, and can we move on? Or is there more going on, and should the Dutch government perhaps have a task to 'combat' the demographic causes of population decline, for example by implementing active population policies? It is useful to reflect on this question for two reasons. In the first place, it shows that population decline is an enduring trend which, after a regional 'preliminary phase', will also affect population development at a national level: population decline is not a flash in the pan. This distinguishes the current trend from previous ripples in the regional population distribution. In the second place, population decline is closely related to population ageing, and this too makes the current population decline unique and the challenge for society greater at that. Due to the combined effect of developments both in the current population decline trend and in the longer run trends, a real demographic turnaround is taking place. Is this reason to implement focused population policies, that is, a cohesive package of policy measures aimed at a deliberate and focused intervention in demographic developments?

A confirming answer to this question entails that clarity is needed with regard to the goals aimed for with such population policies. Should the government intervene in population development, and should an active attempt be made to keep up the population growth? Should this be an attempt to keep this growth up permanently, or is only a temporary policy input necessary? Is an optimal population size conceivable, an optimal growth speed, an optimal population density? Or an optimal age distribution? What would this mean for well-being and prosperity? Active intervention in population developments presumes not only agreement about the goals of such policies but also about the deployment of means. There must also be agreement about ethical aspects. So far there are no indications of substantial political and social support for this sort of population policies.

Exploring the time path and the possible consequences of population decline in the Netherlands may well have produced different

TYPES OF POPULATION DECLINE

When studying the consequences of population decline it is good to keep in mind the diverse forms of decline. Each of the types can, after all, have very different consequences for aspects like spatial policies, the housing market, the labour market or infrastructure. It is easiest, as well as most common, to describe population decline as a decline in the total number of residents of a specific region. This population decline can happen at different levels, from neighbourhood to district, city, region, country, and further. The social effect of this shrinkage varies per scale level. The societal debate about population shrinkage that has started in the Netherlands is mainly about this elementary form of population shrinkage: shrinkage equals fewer people.

Decline can also manifest itself as change in the composition of the population. In that case one can speak of selective shrinkage, where it is more about changes in the composition of the population than about changes in its size. Examples are the departure of families from the large cities the exodus of youth from the countryside to the city, the selective migration of seniors from or towards a specific region, and the decline or growth of households. The most far-reaching change in the composition of the population is obviously that in its age structure, in terms of ageing. It then seems that the effects of population decline and an ageing population are often difficult to separate and can strengthen one another.

points of action for new policy, but there are no hard indications for the introduction of interventionist population policies. With respect to the question of whether active population policies are required, it should also be considered that the possibilities for effective population policies that keep population growth levelled appear to be limited. Managing population development is not a simple task. Of all demographic growth factors, the fertility level in the Netherlands is more or less stable for the last 30 years at a level of approximately somewhat less than two children per woman (the current Total Fertility Rate is 1.7). At this level, the Netherlands scores above the European average. Even leaving out the ethical aspects that are linked to the introduction of a pro-natalist policy, the literature on the subject also doubts its effectiveness. Partly because of the experiences in our neighbouring countries it doesn't seem likely that this sort of pro-natalist policy could bring about a real and durable rise in Dutch fertility levels, even if one wanted to. Introducing such a policy would constitute a major break with past trends, in which the Netherlands, just like most of our neighbouring countries, deliberately renounced an active pro-natalist policy. Continuation and intensification of the current policy which enhances and promotes the combination of work and family life for both women and men, and thus aims to increase the options for family formation seem a more realistic choice.

Health policies

For the second population growth factor, in the terrain of health a continued rise in life expectancy seems obvious. Prolonging (healthy) life can be seen as one of the greatest achievements of our society. An effective health policy that contributes to push back mortality and lengthen life has of course a positive effect on population growth. A significant acceleration of the already existing prolongation of life trend does not seem self-evident; holding on to the rising trend will already require considerable policy efforts. It is unrealistic to expect that declines in mortality will reverse the imminent trend of population decline. Gains in life expectancy also give an impulse to population ageing.

Internal migration

The third population growth factor is migration. It was already indicated that internal migration plays a very important role in regional population development and is thus a key factor for population decline. Possible scope for policies may lie in the possibilities to steer internal migration through housing and the labour market. A reconsideration of population-distribution policies in the context of a broader population decline agenda is evident. Past experiences with deliberate interventions in regional population distribution (like the decentralisation of several governmental agencies in the 1960s and 1970s) induce discretion. It seems nonetheless useful to explore which options there are for renewed population-distribution policies.

International migration

The past has taught us that internal migration

Besides epidemics (the pest in the 15th century) and famine (the potato blight epidemic of the 19th century in Ireland), other calamities such as war and economic malaise can lead to (mostly temporary) population decline. The curve of the number of residents is bent suddenly downwards but resumes its original trend after some time. For example, more recently Cambodia (1975-1979), Kuwait (1991-1995), East Timor (1975-1980) and Rwanda (1991-1995) were confronted with excessive death rates and emigration. Suriname (1971-1980) had to deal with economic malaise around its independence period, causing an enormous emigration flow. Population size dropped in those countries during these periods.

Population decline as a result of continuous low fertility is of a more structural nature, where, partly as a consequence of ageing, the negative natural growth (more deaths than births) becomes/is greater than net immigration, or where natural growth is barely positive but shrinkage is partly a result of net emigration. Examples can be found in Ireland (decline of 1951-1961), Malta (1955-1971), Portugal (1964-1970), Germany (1975-1984), Austria (1976-1982), and again Portugal (1986-1991). The phenomenon of structural population decline is thus not entirely new, but can be deferred temporarily. In the 1980s the population size of Bulgaria, Estonia, Hungary, Latvia and, for example, also Guyana started to drop structurally (in the latter country, mainly because of excessive emigration). In the 1990s more countries from Eastern Europe followed: Armenia, Georgia, Lithuania, Moldavia, Montenegro, Ukraine, Poland, Romania, the Russian Federation, the Czech Republic and Byelorussia. Since the turn of the 21st century also Bosnia-Herzegovina, Germany, Japan and Croatia have been characterised by structural population declines.

It is expected that before 2030 Barbados, Cuba, Grenada, North and South Korea, Macedonia, Martinique, the Dutch Antilles, Serbia, Slovenia, Slovakia, and Trinidad and Tobago will also be dealing with population declines. Between 2030 and 2050 Albania, Aruba, Azerbaijan, Brazil, China, Fiji, Finland, Greece, Guadeloupe, Italy, Jamaica, Kazakhstan, Kyrgyzstan, Malta, Mauritius, Mexico, Myanmar, the Netherlands, Austria, Portugal, Puerto Rico, Singapore, Spain, Sri Lanka, Thailand and Uruguay will probably also follow.

This means that this year 20 (of the 192) countries will have structural population declines, against 58 around 2050. In that sense, the Netherlands is certainly not alone.

Around 2050, 40 countries will be from older to considerably older than the Netherlands, including Canada, Germany, Finland, France, Greece, Hungary, Italy, Japan, Austria, Poland, Portugal, Romania, Spain, the Czech Republic and Switzerland. At that point, the Netherlands will have aged as strongly as China and Sweden.

Source: United Nations (2007; 2009).

flows are difficult to regulate. This also applies to a certain degree to international migration, although the possibilities for the government are greater here. Of all population growth factors, international migration is the most volatile and most difficult to predict. International migration has also become the most important engine for population growth in ever more European countries. If indeed we should have to look for a remedy against population decline, then we should definitely have to examine international migration. In the first place it involves migration flows within the European Union that have become increasingly free through European unification and the subsequent elimination of obstacles. The disappearing barriers between EU Member States in principle facilitate population distribution. Because population decline is not a unique Dutch but rather a European phenomenon with which more and more countries are being confronted, the distribution of a more scarce population across Europe will become an important issue. Just as this is the case at a national level, in Europe too the stronger regions will be at an advantage. Still, migration within Europe, including border migration, may offer some respite from population decline for some Dutch border areas. For Europe-wide regional development policy, population decline is an extra challenge too.



MANAGING POPULATION DECLINE

Most Dutch people prefer population decline to population growth. An end to growth means fewer people and more prosperity, the thought goes. Instead of trying to combat population decline by stimulating for instance housing demand, several municipalities try to cope with population decline and aim to adjust their housing stock to the new (lower) demand. Demolition of inadequate housing is one of the options. Demolition generally involves individual buildings or parts of a residential block. For example, the upper floor of an apartment building can be demolished. Demolition can also contribute to a changed housing supply if other types of housing are built at that location. For example, in Reiderland the middle house in some series of five townhouses was demolished, thus creating twin townhouses. Apartments can also be demolished, after which (fewer) lower-level houses are built back. Leaving a terrain without construction after demolition can also contribute to the quality of the housing supply.

(Source: WPRB-report 2009)

International migration from outside the European Union offers in principle a nearly unlimited reservoir of migrants that would like to come to Europe, temporarily or otherwise. To delve into this aspect is beyond the scope of the present study, which focuses mainly on the possible consequences of population decline. But although the migration potential in these sending countries is almost inexhaustible, the same does not apply for the absorption and integration possibilities in the receiving countries, which are under pressure due to the increasing ethnic diversity of the population. Harmonisation and improved coordination of international migration policies in the EU seems to be the path to follow. Also for the Netherlands, international migration from outside the EU seems to work against population decline to a limited degree only. This applies even more for regional population decline, because migrants will gravitate towards economically stronger regions.

Opinions and views about population decline

In the discussions about population decline, concerned government officials and policymakers, in addition to scientists and journalists, take the lead as usual. But how does the Dutch population look these days at population decline, and how are the advantages and disadvantages of the demographic turn-around evaluated by them? Opinions on the subject are particularly influenced by where the possible growth or shrinkage will take place. Most Dutch would favour a decline of the world population (currently at 6.8 billion people). A world population of 5 billion is considered the most desirable. If we look at the situation closer to home, the desired decline is less impressive though. Nearly one-third (31 per cent) of those questioned give preference to a smaller population for the Netherlands. Instead of the current 16.5 million inhabitants, a population size of '15 million people' is seen as most desirable. It should not be surprising that in our densely-populated country there are few people (6 per cent) who plead for population growth. An even closer look at home shows that 16 per cent would find it desirable for the population of their own town to shrink; 11 per cent finds local population growth desirable, but most people would prefer to keep the population size of their own town at the current level. In growth regions, residents as a rule give preference to a smaller population of their current place of residence, whereas residents of declining regions and of regions with a low population density are more in favour of population growth for their own home town. On balance, however, the Dutch in 2009 prefer population decline to continued population growth.

Fewer people, more well-being?

Gradually an end is coming to a long period of population growth for the Netherlands. The turn-around from population growth to population decline is happening in conjunction

with population ageing. The combined demographic challenges of population decline and population ageing make great demands on policy and on society in general, particularly but not exclusively at the regional and local levels. In addition to the demographic turn-around also a cultural shift may be at stake. It remains to be seen whether the imminent end of population growth in the Netherlands will make the public creed of the former Dutch Royal Commission on Population of 1977 'Fewer people, more well-being', come closer? Only time will tell.

This article was published in a Demos special devoted to the WPRB-report 2009 (see box below).

Editors: Nico van Nimwegen and Liesbeth Heering.
(translated by Ruth Rose)

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POPULATION ISSUES IN THE NETHERLANDS (WPRB)

The aim of this periodic study is to inform stakeholders in the policy debate in the Netherlands about demographic trends, their multiple social impacts and potential policy implications.

The WPRB consortium reports every three years on demographic trends and policy contexts each report focussing on a particular policy-relevant population issue. WPRB reports consist of three parts. The first section describes demographic trends in the Netherlands against the background of developments at a European and global level. The second section highlights a particular population issue which is analyzed from different perspectives (economic, socio-cultural, environmental and planning) The third part summarises and integrates the main findings of the study.

The most recent 2009 report was dedicated to population decline, a novel feature of Dutch demography which is imminent for the country as a whole and already witnessed in some regions. Implications for economic growth, housing, physical planning, socio-cultural infrastructure and governance were analyzed with a special focus on regional developments. Also perceptions of population decline and attitudes regarding related population issues were analysed in the framework of the ongoing population policy acceptance surveys of NIDI. In 2010 some follow up activities as well as an evaluation of the 2009 study will take place with participants. Also preparations will start for the 2012 report including the selection of the new topic.

The WPRB consortium was initiated in 1985 by the Dutch Minister of Education and is managed by NIDI. Participants in the WPRB are the Netherlands Bureau for Economic Policy Analysis (CPB), the Netherlands Environmental Assessment Agency (PBL), and the Netherlands Institute for Social Research (SCP). Statistics Netherlands is an advising member.