

Population projection for Helsinki

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Since Helsinki was founded in 1550, its population has typically been growing, and the 19th century, especially, was a time of very strong population growth. This growth was interrupted for the first time in 1969, when the city had around 524,000 inhabitants.

Then a period of slight decline followed up until the early 1990s. The subsequent increase continued throughout the 1990s, and was interrupted for the first time in 2003.

Changes in the population affect the use of public services, for example, and for this reason the City of Helsinki regularly commissions population projections, i.e. forecasts of how big the population is going to be in future.

Population projections imply a number of difficulties and uncertainties due to the fact that all events and trends cannot be foreseen. Especially today, when the global economy contains many factors that cannot be controlled, forecasting is difficult.

Obviously, that is no reason why we should stop trying to foresee the course of events, and the newest population projection for Helsinki has already been made, covering the years 2004–2030.

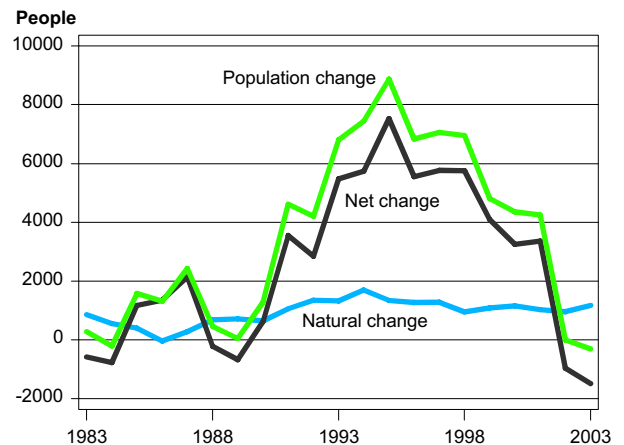
Population development in Helsinki and the Helsinki Region

In 2003, Helsinki's population decreased by 386 people, and in 2004, this decline is expected to be at least equally strong. The decline was preceded by an

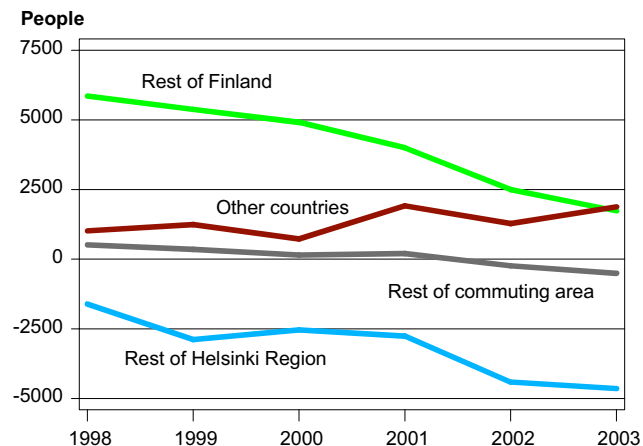
uninterrupted period of growth between the early 1990s and 2001, with annual growth figures of between 4,000 and 8,000 in the city. The fall was due to the migration surplus, which turned negative in 2002. Meanwhile, natural population growth has remained very stable.

The growth of the whole Helsinki Region slowed down considerably compared with earlier years due to decreasing migration surpluses. In 2003, the region had a migration surplus of around 2,000 people. However, the domestic migration surplus, which had totalled almost 10,000 people per annum maximally in the 1990s, turned negative. In the region, too, natural migration growth has been very stable compared with net migration.

Population change factors in Helsinki



Migration balance between Helsinki and certain other areas



Helsinki's migration balance has been very unevenly depending on the area of exchange. In 2002–2003, Helsinki's migration deficit to the rest of the region almost doubled from the levels during previous years. Families with children, especially, moved away from Helsinki. Moreover, Helsinki lost people to the fringes of the commuting area, too, in 2002. Migration surpluses from the rest of Finland outside Helsinki's commuting area have decreased systematically, and in 2003, the migration surplus from this area was only around 2,000 people. Foreign immigration is the only part of the net migration that has been growing, with a surplus of around 2,000 foreign nationals in 2003.

The numbers of births and deaths have varied very little. In Helsinki, annual deaths have stayed between 5,100 and 5,300 a year for many years, and although the number of elderly people has grown, the number of deaths has not risen significantly, because life expectancy has risen, too. The number of births grew in 2003, bringing nativity back to level it was at before 2001–2002, during which years it decreased slightly.

Factors behind these changes

Above all, decreasing migration surpluses for the Helsinki Region are due to falling employment figures. For the first time since the depression years in the 1990s, employment in the Helsinki Region started falling in the latter half of 2002. What is exceptional compared with earlier years is that, in 2002–2003, the employment trend was weaker in Helsinki than the rest of country.

Another factor explaining migration losses in 2002–2003 is increasing migration from Helsinki to the rest of the Helsinki Region and even the fringes of the commuting area. This increase is, above all, linked with housing: exceptionally low loan interests in recent years have increased the demand for owner-occupied homes, especially in terraced and detached houses. The housing business has been exceptionally lively, and housing prices have rocketed. Many families with children have moved from small and medium-sized flats in Helsinki, especially rented flats, to terraced or detached houses outside the city.

Biannual projections and alternative scenarios

The City of Helsinki biannually draws up a population projection to serve as a base for the dimensioning of public services. The projection made in 2004 reaches as far ahead as 2030. Three alternative scenarios are provided, based on different assumptions regarding the economic development of the economy of the Helsinki Region.

The Helsinki Region comprises the capital and 11 adjacent municipalities, with a total of 1.2 million inhabitants. Beyond the periphery of the Helsinki Region, the commuting area has a fringe zone, with another roughly half a million inhabitants.

Three alternative projections are presented for the Helsinki Region and Helsinki, namely:

- the basic alternative
- rapid growth
- slow growth

The basic alternative is based on the economic projection for Helsinki for the years 2004–2008. By this estimate, the aggregate production of the Helsinki Region is growing by 3 per cent on average per annum, while also employment is picking up by 1 per cent in 2004–2008. The corresponding figures for the whole country are 2.5 per cent and 0.7 per cent. Another assumption is that the Helsinki Region remains reasonable competitive and attractive, retaining its current strengths and avoiding the worst threats. However, the difference in economic growth rates between the Helsinki Region and the rest of Finland that was seen in the 1990s will level out clearly. Furthermore it is assumed that the housing market in the Helsinki Region will remain tight and that differences in housing prices between the capital and the rest of the country remain at current levels.

The rapid growth alternative is based on fast growth in the Finnish national economy. The assumptions regarding the competitiveness and attraction of the Helsinki Region are the same as in the basic alternative.

The slow growth alternative assumes that the vital export sectors of the Helsinki Region, i.e. above all the ICT sector, are in for a long-standing decline due to sharpening international competition and a drain of jobs to cheap production countries. This implies slower economic growth, and the Helsinki Region pulls the rest of Finland, too, into a long-standing decline.

Natural population growth will be slowing down in the Helsinki Region only in the 2020s, and in Helsinki, the number of deaths will exceed the number of births by the end of the period projected. This is due

to age structure changes that bring increasing mortality and decreasing nativity.

Job growth in the Helsinki Region (% per annum on average) according to the three alternative projections

	2004–2010	2011–2020	2021–2030
Basic alternative	1.0	0.6	0.3
Rapid growth	1.5	0.8	0.5
Slow growth	–0.5	0.0	0.0

Alternative population projections for Helsinki and the Helsinki Region

Basic alternative

According to the basic alternative, Helsinki would have 567,000 inhabitants in 2011, and 583,000 in 2030. Thus, Helsinki’s population would grow by 8,000 before 2011 and by 24,000 before 2030. While half of this growth consists of migration surplus, the other half comes from natural population increase, i.e. excess of births over deaths. Population decrease in Helsinki is estimated to stop in 2003, to turn into slight growth again. Helsinki is estimated to receive new migration surpluses of foreign nationals and people from other parts of Finland than its commuting area. However, Helsinki is forecast to continue having a migration deficit to the rest of the Helsinki Region and the fringe of the commuting area. Natural population increase is forecast to start slowing down significantly only in the 2020s. Housing space per person increases, reaching 43 square metres in 2025 – compared with 34 square metres today. The average size of dwelling households decreases from 1.9 people per dwelling to 1.60 by 2030.

The Helsinki Region will have 1,460,000 inhabitant by 2030, which implies an increase of around 225,000 since 2004.

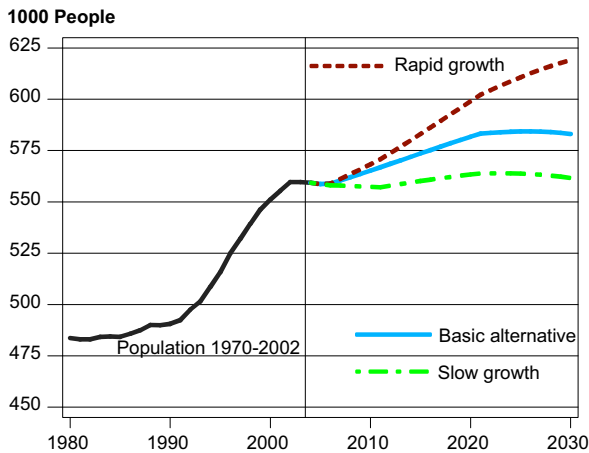
Slow growth

According to the slow growth alternative, Helsinki would have around 560,000 inhabitants in 2030, i.e. about as many as today. The Helsinki Region would have 1,420,000 inhabitants by 2030, after an increase of about 185,000 people.

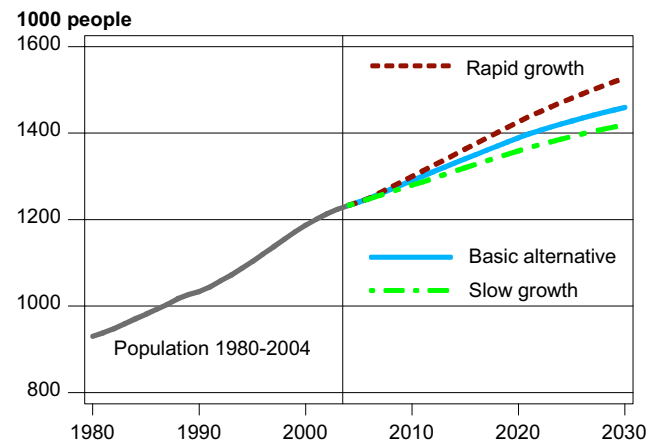
Rapid growth

According to the rapid growth alternative, Helsinki would have 620,000 inhabitants in 2030, i.e. 60,000 more than today. The Helsinki Region would have 1,530,000 inhabitants by 2030, i.e. 300,000 more than today.

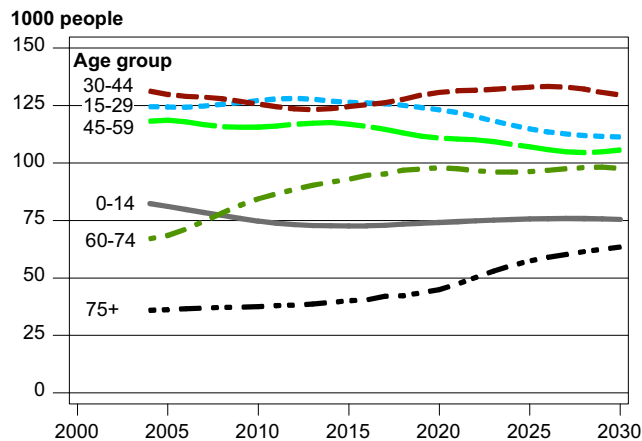
Helsinki's population 1980–2004 and projection for 2004–2030



Population of the Helsinki Region 1980–2004 and projection for 2004–2040



Projection for Helsinki's population 2004–2030. Basic alternative by age group



Population of Helsinki and the rest of its region 1980–2004 and the basic alternative of the projection 2004–2030

