

Population sustainability and geographical inequalities in the context of an ageing population

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POLICY BRIEFING

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The UK, like most relatively high-income countries, is experiencing population ageing. This poses challenges in terms of both population sustainability and policy efforts to address spatial inequalities. In the UK context, the population ageing process started earliest in Scotland and has been the focus of policy attention in Scotland for almost two decades.

This briefing assesses what broader lessons can be drawn from Scotland's experiences of, and responses, to demographic challenges. It also considers how recent changes in working practices and residential preferences, driven by the Covid-19 pandemic, affect the policy challenge of addressing longstanding spatial inequalities across the UK.

Key Points:

- *Where people of different age groups and wealth decide to live is an important aspect to consider in policy responses to spatial inequalities across the UK.*
- *The recent work from home (WFH) revolution has resulted in significant changes in employment practices and residential preferences, but WFH patterns mirror (and may even exacerbate) longstanding social and spatial inequalities.*
- *Policy responses should focus on interventions to improve conditions for the majority of the workforce who cannot work from home.*
- *Equality between places can be improved by cultivating desirability through investing in the cultural offer and other non-pecuniary aspects to attract skilled, younger, human capital.*

Introduction

Understandings of, and concerns about, population sustainability have begun to shift from worries about rapid global population growth and its implications for the environment to apprehension regarding the transitions towards lower fertility and longer life expectancies that most countries in the world are currently, or will soon, experience (Figures 1 and 2).

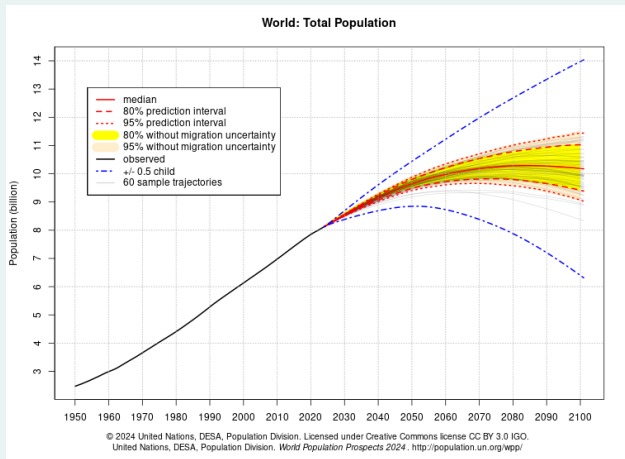


Figure 1: UN World Population Prospects 2024, showing slowing down and then plateauing of the world population within the next 50 years

Source: <https://population.un.org/wpp/Graphs/Probabilistic/POP/TOT/900>

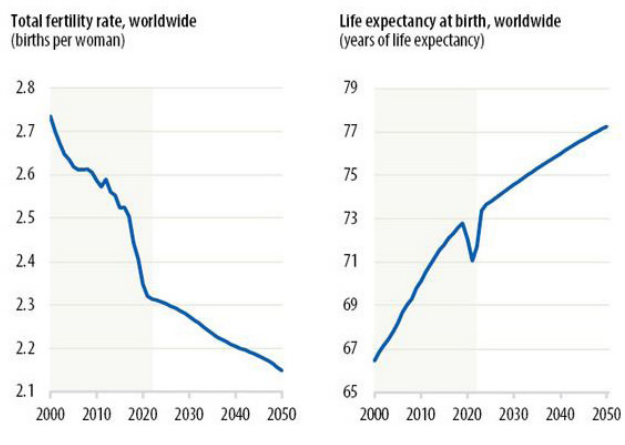


Figure 2: Global population ageing resulting from people having fewer children and living longer

Source: [United Nations Department of Economic and Social Affairs, Population Division, World Population Prospects, 2022 Revision.](https://www.un.org/en/development/desa/pop/publications/world-population-prospects-2022-revision)

These population trends are already well underway in the UK and are particularly acute in Scotland. Figure 3 shows that fertility is declining in all four nations of the UK but is most drastic in Scotland.

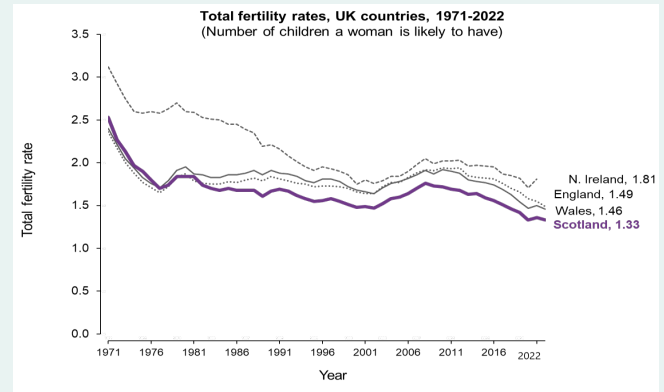


Figure 3: Total fertility rate in the countries of the United Kingdom 1971-2022

Note: Total fertility rate is the average number of children a woman has in her lifetime if age-specific fertility rates prevail
Source: Calculations by Esther Roughsedge, Head of Population and Migration Statistics at National Records of Scotland. Based on data from NRS, ONS and NISRA

Main findings

Scotland's population change and policy responses

The most recent Census showed that Scotland's population is at a record high of almost 5.5 million. However its population is rapidly ageing, it is fully reliant on migration for demographic stability, and almost a third of its local authorities are already experiencing population decline. It is forecast that other parts of the UK will in time experience the same challenges with population ageing that Scotland is currently grappling with, although only Scotland is forecast to see population decline in absolute terms. The Scottish Government has for many years tried to encourage migration to Scotland, recognising that this is key to demographic stability and economic growth. Since 2021, they have advocated a place-based approach to demography, which seeks to acknowledge the complexities and diversity of population change at the subnational scale, including migration (Figure 4).

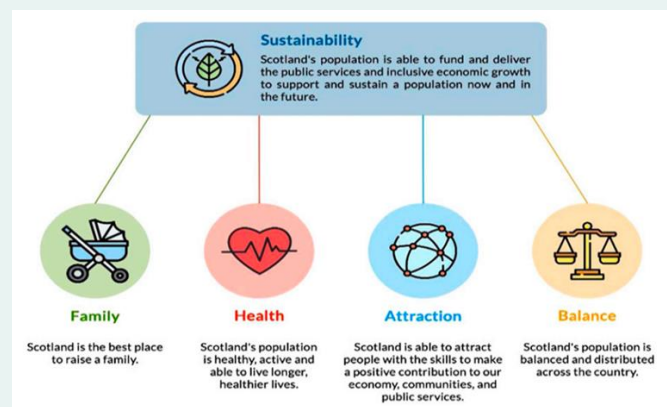


Figure 4: The Scottish Government vision of population sustainability

Source: [A Scotland for the Future \(2021\), Scottish Government](https://www.scotland.gov.uk/About/Scotland-for-the-Future)

Population ageing: sub-national challenges

Our research suggests that the places that are experiencing the most rapid ageing are often aesthetically appealing rural and coastal locales. These are desirable places to live for all age cohorts, but good jobs and affordable housing are necessary prerequisites to a healthy demographic balance in these places.

Selective migration and increasing residential polarisation are becoming growing issues. Incomers (chiefly via internal rather than international migration) are typically older and wealthier than the existing population, accelerating an exile of younger people and families.

The proliferation of low-paid seasonal employment, second homes and buy-to-let properties further exacerbates this vicious cycle in terms of population sustainability.

The growth of remote working: a solution to demographic challenges and spatial inequalities?

There has been a large increase in remote and hybrid working practices since the onset of the Covid-19 pandemic in early 2020, which has potentially shifted the geography of the relationship between home and work.

This is of significance because the UK is one of the most regionally unequal higher-income countries in the world. In theory, the increase in WFH can be beneficial because human capital (and people of working age) can be more evenly distributed across the country.

This could mean:

- A shift in productive economic activity away from big cities;
- A reduction of the price premium on areas with favourable job access;
- De-gentrification of urban areas.

In practice our research indicates little significant change. This is because WFH is concentrated amongst already advantaged population sub-groups and types of places. In fact, in terms of population sustainability and spatial inequalities, there is a broadly inverse relationship between the geography of WFH and ageing (Figures 5 and 6). Thus, WFH will generate at best modest advantages for demographically and economically challenged areas. Our findings suggest that:

- The popularity of hybrid rather than fully remote working means most workers still need to live close to their place of work, so there is ongoing dominance of prosperous and bigger cities;
- There is still retention of human capital in London and its hinterland;
- There are donut effects – skilled hybrid workers move away from cities to nearby appealing locales;
- Some remoter areas have attracted fully remote workers. This is beneficial as it increases overall population size and new residents are highly skilled. However, they are older and wealthier, so there is a modest or even negative impact on population sustainability.

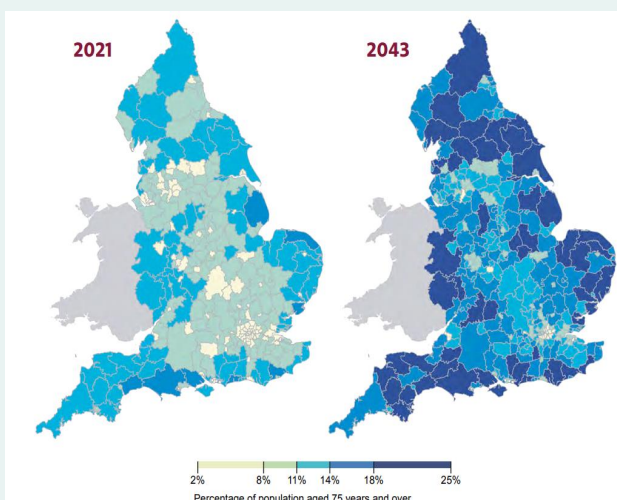


Figure 5: Current and forecast share of the population aged 75+. Illustrates the concentration of ageing in geographically and economically peripheral areas

Source: [Chief Medical Officer's annual report 2023](#), based on ONS data

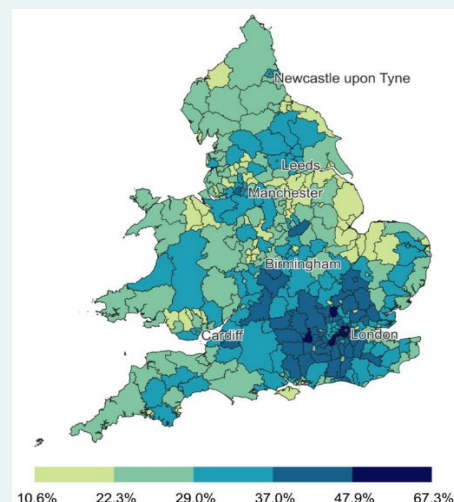


Figure 6: Proportion of working usual residents aged 16+ who are mostly or always WFH by local authority area. Illustrates the concentration of WFH in most economically buoyant (and youngest) parts of the country.

Source: ONS 2021 England and Wales Census data. Thanks to Charlotte van der Lijn for generating this map.

Policy implications

Demographically challenged places are often desirable places to live, but face significant housing supply and affordability issues. Financial disincentives or restrictions on second homes and buy-to-let properties in these areas should be considered. Support for access to affordable housing for younger people would benefit the residents who are priced out of the areas in which they grew up or young families who wish to move to these types of places.

Improvements in infrastructure (physical and digital) would boost regional equality, and could enable economically and demographically challenged regions to attract the relatively young and skilled workers who particularly WFH (hybrid workers).

Population ageing, especially in remoter areas, raises workforce challenges regarding the supply of care and other services for ageing populations.

A sub-national immigration policy would be beneficial to enable demographically challenged areas to better attract and retain migrants. This already exists elsewhere and is something that the Scottish Government has argued for. In practice this could involve a lower salary threshold under the Points Based System for lower wage regions.

WFH has resulted in significant changes in employment practices and residential preferences but these mirror (and may even exacerbate) longstanding social and spatial inequalities. Additionally, WFH is not prevalent in most of the parts of the country that are ageing most rapidly.

Therefore, it is important for the government to try and improve conditions for those (the majority of the workforce) who cannot WFH. For places, an attractive cultural offer and other non-pecuniary aspects are key to attracting skilled (and younger) human capital.

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