

Counting the cost of falling populations

ERNEST GILL

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WHILE the world's population will spiral towards nine billion by 2050, the industrial world is confronted with ageing people and, in more countries, dramatically shrinking populations.

The most recent United Nations projections show the populations of 45 countries are expected to shrink between now and 2050.

Among them are Japan, Germany, Italy and most countries in Central and Eastern Europe. Within individual nations, write German researchers Benny Geys, Friedrich Heinemann and Alexander Kalb, there are marked rural-urban disparities.

In Germany, even as relatively rural regions experience significant population drops, big cities are growing.

The researchers say there is a good reason. It is harder for

smaller towns to adjust, creating a downward vortex.

The more people leave a small town, the more difficult it is for it to attract jobs and services. That lack of jobs and services prompts more people to leave town.

The number of people in a smaller city may go down but the costs of providing services remain fixed, resulting in a higher burden for those who remain.

"For municipalities up to 6000 inhabitants, the costs for providing public goods fall under-proportionally with population size," the researchers write. "A significant strain on local public budgets is to be expected for these entities with population decline."

Big cities have other problems, they say.

"Larger municipalities are less confronted with the fixed cost problems and should, therefore, be more able to cut costs in

proportion with falling population," the researchers say.

The result, in many parts of Europe at least, will be that big cities will continue to get bigger and small towns will get smaller.

"When municipalities in the rural areas find themselves in the population shrinkage-cost trap in the future, this tendency will ac-

celerate. In this sense, large cities and agglomerations are likely to be the "winners of demographic change," the researchers say.

They predict Japan's population will shrink by 20 per cent between now and 2050, from 127 million to just more than 100 million. Germany's population will drop from 82 million to 74 million, down 10 per cent.

In Italy, the population will decrease by 7 per cent from 59 million to 54 million. Hardest hit will be countries of the former Soviet Union and its neighbours.