Shaping the Future:
Demography and Democracy in the Twenty-First Century

Research Program for 2000-2004

Institute for Futures Studies
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Introduction

The mission of the Institute for Futures Studies is the pursuit of futures studies and other activities with a view to stimulating a broad and open debate on future threats to and opportunities for social development. *Shaping the Future.* *Demography and Democracy in the Twenty-First Century,* is the Institute’s fourth research program. It builds on central elements of the Swedish tradition of futures studies, in particular the powerful connection between futures studies and democracy.

The program embraces three themes: *Demography and Social Transformation; Welfare, Power, and Citizenship;* and *The Community in the Global Economy.* In addition, the Institute supports research on theoretical and methodological issues with relevance for Swedish and international futures studies.

*Shaping the Future. Demography and Democracy in the Twenty-First Century,* the title of this five-year program, refers to both its scientific content and its core value premises: democracy and rationality. Our history is the result of human agency. Therefore, the future should be viewed as an impressionable and, in the long run, open arena. The road to progress travels over knowledge, and the Institute’s mission is to promote an objective and scientifically well-informed futures debate.

The program speaks to two learning goals. The first of these goals is to explore possible development trends. The points of departure for this endeavour are analyses of long-range societal change on local, regional, national, and global levels. The second goal is to promote democratically based problem solving. Here, the mission is to identify key futures problems and to contribute to the body of knowledge that forms the basis for public futures debates.

The program builds on the assertion that a more systematic use of historical analyses can enrich Swedish futures studies. Historical research has shown that long-term processes of change accommodate both regularities and
open alternatives. Recurring features are evident in human behavior. Similarly, we all carry a historical legacy, one of human resources, institutions, technology, and physical environments, that limits our sphere of action. At the same time, the direction of history is not a given. There are no laws of historical development that steer the course of history and, accordingly, no given historical stages ahead of us.

Demography, Institutions, and Technology

Population trends (demography), institutional change, and technological development stand out as critical elements in long-range societal change.

Demography. The impact of demography on social development has been the subject of scholarly discussions for hundreds of years. But it is only in the last ten years that researchers have been able to clarify in greater detail the relationship between demographic change and social development. One decisive advancement is the fact that today’s analyses of demographic effects focus on the population’s age distribution, whereas previously, aggregate population growth received more attention.

Current historical studies indicate that the age distribution of a population influences pivotal economic variables, for example economic growth, inflation, and the balance of payments. It also affects phenomena such as migration, environmental pollution, income distribution, and the expansion of the public sector. Radical demographic challenges, for example adolescent booms, ageing, emigration, and declining birth rates, tend to trigger political conflict and institutional change.

Analyses of the effects of ageing have practical relevance for a whole range of futures issues on Swedish and international agendas. Of particular interest are the specific demographic challenges that Sweden and the rest of the world will have to deal with in the coming decades, the greatest of which is the rise in the average age of the population. Population ageing has been setting its
stamp on Sweden’s economy for many decades, but the ageing process will be
even more pronounced when, beginning around 2010, the sizable 1940s
generation retires. At the same time, other industrialized nations are feeling the
stress of the ageing progress as well.

Studies of the effects of ageing on long-term societal change are of
primary interest to futures studies as a field of research. As opposed to other
long-term trends, it is possible to forecast age structure changes for several
decades into the future with a reasonable degree of accuracy. And on the basis
of such forecasts, it is possible to predict trend shifts in economic development.

**Institutions.** In recent years, historians and social scientists have
increasingly emphasized the role of institutions in social and economic
development. Institutions such as national laws, electoral systems, conventions,
and customs, constitute an important basis for a society’s political, social, and
cultural development. In the long term, institutions contribute to shaping norms
and living patterns. Moreover, according to some scholars, institutional design is a
key factor behind successful economic performance. Rapidly growing economies
are characterized by institutions that stimulate innovations, productivity growth,
flexibility and social progress.

An illustrative example of the crucial role of institutions in national
development is the institutionalization of different types of welfare state models in
the Western World during the post-war period. Individual citizens’ opportunities
and life chances, for example women’s access to social security systems, differ
depending on the welfare state model.

On the international level, institutions structure the alternatives of action for
nations as well as for international companies. A prime example is the European
Union, whose rules in many areas take precedence over those of its member
states. Similarly, international institutions, such as the International Monetary
Fund and the World Trade Organization, shape opportunity structures on
international markets.
An important concept in institutional economics is path dependency, which refers to the fact that existing institutions tend to limit a society’s room for action. Earlier decisions structure the ways in which citizens and policymakers deal with new challenges. However, patterns of path dependency do not imply that fundamental institutional changes are not possible. On the contrary; there are multiple examples of institutional dividing lines, formative stages, during which people break up old institutional structures and move developments in new directions. However, even in such moments of upheaval, former experiences tend to structure the chosen patterns of action.

The observation that societies are marked by path dependency is of great interest from a futures perspective, since it implies that societies are home to an inherent inertia. The tension between patterns of path dependency, on the one hand, and moments of fundamental institutional changes (formative stages) on the other hand, help us to understand how change comes about, but it also reminds us of our responsibility to future generations. Considering the crucial role of institutions in social and economic development, and the long-term impact of institutional choices, there is every reason to be careful when inroads are going to be made into a society’s basic institutional framework.

Significant institutional changes, both on the national and global level, have marked recent decades. In Sweden, for example, the welfare system has been the object of extensive decentralization. The European Union is preparing for an expansion to the East, and economic and cultural globalization shape current developments on the international level. We still do not know whether the changes we are observing today will be verified in the coming years. However, what we do know is that no matter which institutional solutions are chosen, whether they be on the national, European, or international level, they will have considerable bearing on the future of Swedish society. Therefore, it is important that the issue of tomorrow’s institutions receive greater attention in the Swedish debate, and that political decisions be based on sound knowledge and broad civil engagement.
Technology as an engine for change has been arousing interest in cultural and societal debates since the dawn of the industrial age. In a long line of classic, scholarly works, from Karl Marx’s Das Kapital to David Landes’ The Unbound Prometheus (1969), technology appears as a primary driving force behind social transformation and economic growth. Even today, the issue of technology as a driving force and its effects on social organization, in particular, takes center stage in both scientific and cultural debates. A core theme of today’s futures discussions is the fact that the growth of technology, particularly IT, is creating conditions for a new type of society, one without borders that is based on information and networking.

One important observation is that technological development tends to drive fundamental lifestyle changes, both in time and space. New technology can affect housing, housework, health, and service needs. It can contribute to an altered organization of work and act as the catalyst for a new division of labor between men and women. However, new technology can also change competitive conditions for entire regions or industries. In so doing, it places enormous demands on the adaptability and powers of initiative of business owners, innovators, employees, politicians, and others who are responsible for regional and technological development and renewal.

Thus, technology is a strong engine for change, but it also represents an instrument of control and influence. One of today’s paramount issues deals with the use and development of technology to further individual welfare and positive social progress. For example, what does information technology mean for rural areas? How can it be used to improve services in the home? By analyzing the possibilities for new technology in relation to current demographic and institutional trends, we can increase our opportunities for drawing up successful technological futures strategies.

The three aspects of historical and spatial change that we have been discussing—population trends (demography), institutional change, and technological development—recur, with varying emphasis, in all themes of of the
research program. However, we emphasize demographic analysis in particular. This is motivated primarily by the fact that the age distribution approach has a great potential from a prognostic standpoint. It is important to examine more closely the ways in which research on age structure effects can contribute to the development of theories and methods in futures studies. In addition, demography still receives surprisingly little attention in most analyses of long-range societal change. This means that the Institute for Futures Studies can make significant research inroads in this area.

The following presentations on the program’s three themes—

*Demography and Social Transformation; Welfare, Power, and Citizenship;* and *The Community in the Global Economy*—provide a general description of current areas of research. During the course of the program, we will present individual new project on a continuing basis.

**Theme 1: Demography and Social Transformation**

The demographic research theme focus on two sub-themes:

1) The future, the demography, and the economy
2) Investments in health and human reproduction

**The Future, the Demography, and the Economy.** This sub-theme, devoted to basic research on the interaction between demography and social development, constitutes the basic contribution to current debates on the theory and methodology of futures studies. Its primary goal is to forecast intermediate-range economic trends. Using information stored in Sweden’s current population structure, effects on the economy as a whole can be analyzed and anticipated shifts between age groups, particularly, population ageing, can be used to project changes. A second objective is to contribute knowledge useful for the formulation of economic policies in different demographic settings. Substantial shifts in the population’s age distribution generally mean that economic trends change direction in a number of important sectors. The ability to predict such trend shifts
is a vital prerequisite for a well-balanced economic policy. Finally, it is important to analyze in what ways Sweden is influenced by age distribution changes in the rest of the world. The demographic trend shifts in our immediate vicinity, particularly in Eastern Europe, are of specific concern, but we will also pay attention to developments in Asia, Africa, and Latin America.

The basic research into the effects of ageing on economic development extends over a number of specific problem areas. These include investments and saving behavior, the creation of wealth and the pension system, financial markets and asset prices, income and wealth distribution, family policy, housing policy, and education and employment policies. The Institute will initiate studies on some of these topics, partly as basic research projects under the Institute’s direction and partly in co-operation with external scholars and financiers.

We will also devote particular attention to those demographic challenges that face Sweden today, primarily the long-term shift toward an ever-ageing population. The ageing process is intimately connected with a low birth rate. The Swedish birth rate, which in 1990 stood at 2.1 children per female, had decreased to 1.5 children per female by 2000. Today, Sweden’s population is stagnating, and it would decrease were it not for a surplus of immigrants. Judging from available population forecasts, this low population increase will continue into the first decades of the twenty-first century. Statistics Sweden predicts the birth rate to be higher than it is today (1.8 children per female from 2010). The number of immigrants is expected to be stabilizing on a level of 15 000 net immigrants per year. Around 2030 the natural rate of population increase (births less deaths) is predicted to become negative and population growth essentially ceases to be of any importance.

Migration flows, that is, rural depopulation on the one hand, and migration pressure on Sweden from other countries on the other, represent another immediate challenge. Here, the scientific mission is to demonstrate how different policy alternatives might influence migration patterns and population development,
and thereby the economic and demographic conditions in the Sweden of the future.

**Investments in Health and in Human Reproduction.** The findings regarding the significant effects of demographics on economic development have, by extension, consequences for our understanding of the interplay between production and reproduction in the economy. From a demographic perspective, the reproductive sphere stands out as a key sector. In the long run, investments in health and human reproduction are prerequisites for economic prosperity.

The Institute’s research on health will deal primarily with mortality and health trends in a broader historical perspective, and concentrate on societal changes, such as industrialization and globalization, and their significance for mortality and health trends. Against a background of empirical studies of historical and current material, we will analyze possible future threats to public health. Particular attention will be given to two public health issues, namely infectious diseases and psycho-social stress. The risk of the epidemic spread of diseases could increase in the twenty-first century as a result of greater geographic mobility, decreased border controls within Europe, and rapid population growth in the world’s tropical zones. At the same time, the evolution toward an ecocyclical society means that well-established measures for the control of infectious diseases in Sweden may be inadequate. When it comes to psycho-social health, there is ample reason to examine the extent to which an increase in competitiveness—within regions, the public sector, and companies—will generate more serious health risks. How do we prioritize the health of our citizens as we shape growth strategies for the twenty-first century? Is there a risk that short-term ambitions regarding efficiency could undermine long-term, sustainable demographic and economic development?

**Theme 2: Welfare, Power, and Citizenship**

One of the greatest challenges facing Sweden in the twenty-first century is how to successfully preserve and develop existing social and democratic institutions.
The second theme of the new research program, *Welfare, Power, and Citizenship*, treats matters such as the expansion of knowledge, institutional change, and democracy, with a focus on the following sub-themes:

1) Equality of citizenship
2) The institutions of the future

**Equality of citizenship.** A well-developed and functioning democracy requires that all citizens have the same opportunities to take part in the political decision-making process. Participation must be a given, regardless of gender, class, or ethnicity. By international comparisons, Sweden has gone far in generating broad-based involvement in the democratic system, particularly in the area of female representation. In 2000, Sweden had more female representation than any other country in the world, with women making up forty percent of the parliament and fifty percent of the government. Even so, we still do not know very much about how this change occurred and what it can teach us for the future. Which strategies did Swedish women use to increase their representation in politics? Are women more likely to be successful if they organize with other women, or are alliances with men more advantageous? Are political decisions different when more women are in positions of power? What does integration into the European Union mean for women’s recently acquired influence? And why have Swedish and Norwegian women been more successful in politics than women in other countries?

The lack of strategic information is more pronounced as regards other citizen groups, such as immigrant Swedes. This is a serious situation, given the fact that currently, segregation and discrimination on the basis of ethnicity and extraction stand out as two of Sweden’s most pressing democracy-related problems.

In addition, the position of children in the Swedish democratic system needs more attention. Children lack the ability to take part directly in politics, for example in elections. At the same time, they depend on political decisions to an
even greater extent than do other citizen groups. From a futures perspective, the
influence of an ageing economy on the living conditions for children and their
parents is of particular interest. Today, children make up only a fifth of Sweden’s
population, compared with a third at the turn of the twentieth century. At the
same time, there has been a shift in the distribution of welfare in favor of older
people. What does this dislocation mean for children?

The Institutions of the Future. Under this sub-theme, we devote
considerable study to the past and future of the Swedish welfare state model.
Our starting point is historical and sociological research on the Swedish welfare
state in comparative perspective.

A considerable body of knowledge indicates that we are currently at a
crossroads in Swedish welfare state history. The 1990s brought with it radical
changes in the Swedish welfare state model. For example, the responsibility for
public welfare services were increasingly decentralized to the municipal level.
The new Swedish local government act of 1992 gave municipalities considerable
freedom to make decisions regarding governance, administration, and charges. In
the wake of this reform, new organizational models, such as New Public
Management, were introduced in the public sector, and many functions were
delegated to private entrepreneurs.

In addition to these changes, Sweden’s entry into the European Union has
changed, in an even more fundamental way, the democratic basis of the Swedish
welfare state model. Since the mid-1990s, many important decisions having to do
with the development of Swedish public and private institutions are no longer
made at the national level. The implications of this change needs more attention.
What alternatives are open? And on which experiences can we build?

Our studies on the institutions of the future will be gradually broadened to
eventually include not only developments within Sweden and the European Union
but also on the global level. The trend in recent decades toward an increasingly
open, globalized economy involves substantial political challenges, as does the
growth of new political conflicts within and between countries. Both international
law and the international financial system are the subjects of ongoing discussions that could result in new, long lasting institutional structures.

**Theme 3: The Community in the Global Economy**

During the last fifteen years, the world’s adult population has increased by close to one billion people. This phenomenon has laid the foundation for growing global markets and a more evolved international division of labor. New economic centres have sprung up outside of long-established industrialized nations, while, at the same time, rapid technological development, particularly in the area of information technology, has created a new round of “spatial contraction”. We are experiencing increased economic and cultural integration across borders, and Sweden is now part of a new global complex.

*The Community in the Global Economy* deals with communities in Sweden today and their potential for development as they confront new economic and political conditions. Essentially, this theme has a geographic perspective with a focus on spatial processes that link people and communities together with the larger, outside world—nationally, within the European Union, and in a global context. One of this theme’s well-defined ambitions is the initiation of co-operative efforts with research groups in other countries, beginning with those in Europe. Three problem areas constitute our point of departure:

1) New conditions for regional development
2) The individual in society
3) IT: Technology for problem solving

**New Conditions for Regional Development**

The United Nations’ most recent population prognosis (*World Population Prospects, the 2000 Revision*) reveals that the developed world, and Europe in particular, is moving toward a future of ageing and declining populations. While markets are expanding in developing countries, they risk stagnating in Europe. A vital futures question concerns the significance of the uneven, global population
trends and what they will mean for the future position of Europe and, in particular, Sweden. What opportunities are available for the older developed nations in the new, expanding global economy?

Sweden and Europe are also facing problems related to an imbalance in regional population trends. In Sweden, for instance, developments in recent years seem to point toward an intensification of regional differences. We are on the road to a polarized regional structure with an ageing and declining population in many rural and backwoods areas, and a young, growing population in the big cities. The Institute’s research will focus on the possible effects of this development on different regions and types of communities. What conditions will the future population base set forth for different regions of the country?

Parallel with regional polarization, political development both in Sweden and within the European Union is characterized by efforts to bring about decentralization and organizational renewal. Responsibilities and tasks have been transferred from the state to the municipality and from the municipality to neighborhood boards, entrepreneurs, and volunteer sectors. Politics at different levels now means less direct governing and greater “mixed” governance, in which more people share power and responsibility. At the same time, European Union policies have introduced a new system of rules and divisions to the landscape, and local and regional actors are trying to adapt their working methods so as to retain their powers of initiative. As a result, the number of cooperative efforts between municipalities and between municipalities and county councils has grown rapidly.

The object of the Institute’s research in this research is to elucidate the influence of the new political conditions on different places, and to define the room for action. Which actors drive development? Which political strategies are feasible in relation to probable future trends?

_The Individual in Society._ Human resources in the form of expertise and ideas are usually singled out as the most important driving forces behind local and regional development. Nevertheless, in a discussion of social progress,
human beings and their needs and capabilities are probably the elements about which we have the least information.

Many present-day changes in living conditions have to do with the relationship between the place where people actually live and the “global” room, which is attracting more and more of their attention. Stronger ties between the individual and the surrounding world, between the private and the global, change a person’s assumptions in a variety of ways. More people have access to cultures and identities outside of those that are part of their immediate surroundings. At the same time and to an increasing extent, their lives are being divided into many different spatial and social rooms. The result is greater freedom for the individual, but there is also the risk of fragmentation and vulnerability.

Another important futures question concerns increased personal movement and how it influences an individual’s relationship to her community. Is it possible to combine a broadened view of the surrounding world with the development of spatial communities? Are there differences between rural and more populated regions? Do individuals and groups differ from one another when it comes to identifying with place and commitment to a community? One possible outcome of current trends is that the community will become less important to the individual who, in turn, will be less involved in democratic processes, clubs, and other local activities. On the other hand, it is also conceivable that new impulses will revitalize individual communities.

**IT: Technology for Problem Solving.** Information technology represents a competitive tool and a survival opportunity for companies and communities all over Sweden and, at the same time, it has brought in its wake a political debate on new communication technologies. In essence, this debate is about democracy and the ability of regions outside of big cities to survive.

The Institute’s research in this area deals with how information technology can be developed to meet the needs of tomorrow’s society and create
opportunities for growth. It also focuses on applications that could reach broad citizen groups via municipalities or housing enterprises.

Information technology makes contact across huge distances possible, thereby providing the technological basis for global networking. However, local services under *smart communities* programs, including technological support for older citizens or new technology for democratic participation, are just as important as long-distance contacts.

**Futures Studies: Synthesis, Theory, and Methods**

The Institute for Futures Studies is responsible for developing syntheses, theories, and methods in the area of futures studies. During the course of the current program, *Shaping the Future*, we will profile this work, which we view as a matter of general concern, with seminars and smaller projects. Our aim is to create a common, scientific framework for research pursued at the Institute and to stimulate the development of a futures-oriented research dialogue.

Particular attention will be given to futures-relevant theories in the area of long-range societal change and to the role of futures studies in modern democracies. Work on syntheses, theories and methods will be closely related to current projects pursued at the Institute.

A particularly important task for the Institute of Futures Studies is to establish dialogues with other core actors in the Swedish arena of futures studies, primarily in the field of *technology foresight*. Technology foresights were introduced into many countries, including Sweden, in the 1990s. They are typically based on the work of expert panels and serve to complement futures studies based on historical and social science research. A closer collaboration between representatives of technology foresights and academic futures studies is desirable.
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