



SILVER ECONOMY. IN SEARCH OF AN ANSWER TO THE AGEING OF SOCIETY – IN THE CONTEXT OF THE LABOUR MARKET

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Keywords: silver economy, senior, social policy, labour market

Abstract. The process of ageing of society is progressing dynamically, which will translate into an increase in the average age of employees. The challenges related to the growing number of elderly people focus on taking into account the needs of these people, both those in need of care and those who remain independent and socially active. Social and professional activation has a positive impact on the physical and mental health of people at retirement age, which in the long term will contribute to reducing costs incurred by local authorities in connection with the need to provide and develop care services provided by institutions such as Municipal Social Assistance Centre (MOPS, GOPS), Municipal Centre for Family Support (MOPR) and Residential Care Homes (DPS). The answer to the changing social needs is the development of the so-called silver economy. Its task is to support seniors in the care and medical sphere as well as to maintain and develop social, professional and physical activity. It will also generate the need to adapt institutions and employers to employ older workers and to create working conditions for them that will enable them to function effectively in the workplace. The article contains an introduction, a description of the areas of the silver economy, an analysis of the challenges facing the labour market aimed at seniors, and an ending indicating recommendations for the labour market.

**SREBRNA GOSPODARKA. W POSZUKIWANIU ODPOWIEDZI
NA STARZENIE SIĘ SPOŁECZEŃSTWA
– W KONTEKŚCIE RYNKU PRAC**

Słowa kluczowe: srebrna gospodarka, senior, polityka społeczna, rynek pracy

Streszczenie. Proces starzenia się społeczeństwa postępuje w sposób dynamiczny, co przekładać się będzie na wzrost średniego wieku pracowników. Wyzwania związane ze wzrastającą liczebnością osób starszych koncentrują się na uwzględnianiu potrzeb tych osób, zarówno wymagających opieki, jak i tych, które pozostają samodzielne i aktywne społecznie. Aktywizacja społeczna i zawodowa ma korzystny wpływ na stan zdrowia fizycznego i psychicznego osób w wieku emerytalnym, przez co będzie długofalowo przyczyniać się do ograniczania kosztów ponoszonych przez władze samorządowe w związku z koniecznością zapewniania i rozwijania usług opiekuńczych, świadczonych przez takie instytucje, jak MOPS/MOPR GOPS i DPS. Odpowiedzią na zmieniające się potrzeby społeczne ma być rozwój tzw. srebrnej gospodarki. Ich zadaniem jest wspieranie seniorów w sferze opiekuńczo-medycznej oraz podtrzymywaniu i rozwijaniu aktywności społecznej, zawodowej i fizycznej. Wygeneruje to również potrzebę dostosowania instytucji i pracodawców do zatrudniania starszych pracowników i tworzenia im warunków pracy umożliwiających efektywne funkcjonowanie w miejscu pracy. Artykuł zawiera wstęp, opis dziedzin srebrnej gospodarki, analizę wyzwań, jakie stoją przed rynkiem pracy skierowanym do seniorów i zakończenie wskazujące rekomendacje dla rynku pracy.

Introduction

The demographic processes taking place in the modern world have a large impact not only on the operation of the state and society in general but affect the development of both regional and local communities as well. Due to the ageing process of a significant part of society, interest in this phenomenon has increased recently. The share of people of post-working age in Polish society is growing. Therefore, without including this fact, it is impossible to consider the current and future development challenges of the economy and the labour market. The search for solutions mitigating the negative consequences of changes in the age structure should lead to the gradual development of a new area of activity, among others, of local governments, and should also find, in addition to solutions characteristic of family or senior policy, e.g. development of the silver economy, improving the qualifications and competences of the 50 plus and 60 plus employees.

Among the many threats related to the ageing of the population, it is impossible not to notice, among others, the dangers associated with demographic changes in relation to the labour market. The lack of free human capital limits the development possibilities of business ventures. The average age of employees is systematically increasing, and thus new challenges arise related to the need to prepare employers to cooperate with people of senior age.

The phenomenon of an ageing society also projects an increase in demand for various services intended mainly for this group of recipients – the 60 plus recipients. For several years, there has been a change in the structure of expectations and needs, as well as the ways and possibilities of satisfying them. A greater share of older people requires changes also in the functioning of the labour market, and in the broadly understood consumption market. The older generation has their own special needs, their individual habits as well as consumption patterns resulting from long-term habits. Their individual needs are often the result of the emerging demand for care services or services supporting everyday functioning and helping the elderly in everyday functioning. This creates a market niche in which new institutions that provide products and services for the elderly can develop. Thus, demographic processes not only change the generational structure of the labour market but also create space for the development of a new sector of the economy, which is the silver economy sector.

Silver economy

The term silver economy has been used in the world since the 1970s. September 15, 1973 can be considered the beginning of the silver economy, when the Japanese National Railways proposed „silver seats” for elderly citizens and dependent people (A. Klimczuk, 2013, p. 17)

At the beginning of their existence, all categories related to the silver economy were mainly used to define the concept of adapting the business to the needs of older people. Later, the meaning of this concept gradually increased in scope, so that in the final period it covered the entire branch of the national economy and focused on the elderly, as users and recipients of services and goods.

So far, the subject literature has not proposed one, officially accepted Polish translation of the term „silver economy” yet. The following terms are used interchangeably in the literature: “srebrna gospodarka” (M. Rudnicka, A. Surdej 2013, p. 12), “silver economy” (S. Golinowska 2014, p. 463), “rynek seniorów” (Ustawa, 2014), “gospodarka senioralna” (Zarządzenie, September 14, 2011).

The government document from 2013 states that: „The silver economy is an economic system aimed at using the potential of older people and taking into account their needs” (Ustawa, 2013).

As Stanisława Golinowska wrote in 2014: „The direction [...] called the silver economy consists in directing supply to the changing needs of various groups of elderly people, so that they become a source of economic activation”. In turn, according to Piotr Szukalski: „this term covers all economic activities aimed at satisfying the needs arising from the ageing process of the population” (P. Szukalski 2012, p. 6).

Thus, based on the literature on the subject, the definitions of the silver economy adopted for this article can be found in the Human Capital Development Strategy 2020, where the silver economy has been defined as „an economy taking into account the age structure of the population, in which people of advanced and old age play an important role; an economy model responding to the needs of the elderly and enabling the use of the potential of people of advanced age” (Ustawa 2013). The development of the silver economy is defined in this document as one of the activities aimed at achieving the goal of enabling the extension of the period of professional activity and ensuring better quality of functioning of the elderly in many dimensions.

Building a „silver economy” is a recommendation from the report „Demographic Future of Europe ” published by the European Commission. It assumes that there is no precise definition and statistics reflecting the development of this phenomenon. It is proposed to be understood as „a combination of good supply conditions (high level of education, research and development, sensitive and flexible markets) with the growing purchasing power of older consumers, which offers new opportunities for economic growth (Journal of the European Union 2007).

The concept of a „silver economy” in the European Union countries is one of the „constructive responses to demographic challenges”.

When defining the entities of the „silver economy”, the definition proposed by the Central Statistical Office was adopted, indicating that they are: „entities that, as part of their activities, manufacture products and services manufactured and delivered to meet the needs of people at a senior age. Such needs are considered only those which are revealed or significantly changed as a result of the biological process of ageing of the organism, changes in the personal situation or professional activity of the elderly. A product or service is also considered to be products or services covered by a special offer (e.g. discounts)

addressed to seniors, as well as activities undertaken by non-profit organizations for the benefit of people aged 60 and more „(GUS 2018)

The senior economy is a series of activities. Below is a list of only some of the segments included in it – it is not exhaustive and, which is important in regional analyzes, may differ depending on the area in question and its advancement in creating areas related to the silver economy (A. Klimczuk 2013, p. 19). These are:

1. Medical care and nursing services in distributed and stationary systems,
2. Application of information technologies in inpatient and outpatient treatment,
3. Adaptation of housing and public infrastructure, including transport infrastructure,
4. Promoting independent life and health prophylaxis,
5. Branches of gerontology relevant to health economics, including medical technologies and e-health, technologies supporting hearing and vision, prosthetics and orthopaedics,
6. Education, culture, social activity,
7. Media for seniors,
8. Electronic equipment for seniors (e.g. mobile phones),
9. Marketing activities aimed at seniors,
10. Recreation, travel, culture, communication and entertainment,
11. Fitness and wellness,
12. Clothing and fashion,
13. Services to facilitate daily life and other household chores,
14. Insurance mainly relating to forms of risk inherent in old age,
15. Financial services, particularly in the fields of capital preservation, wealth preservation and savings prevention.

It is worth emphasizing that the silver economy does not only come down to a functioning market or commercial sector, but it has a rather multi-sector range of influence. Anna Niewiadomska and Ewa Sobolewska-Poniedzialek indicate that these spheres of influence are:

- 1) the labour market, social security system, health care system or budget policy,
- 2) the market of goods and services, in particular the impact on the creation of incentives for the creation of a new product offer, taking into account the needs of the elderly part of society and

- 3) non-governmental sector, the activity of which is also focused on the process of social inclusion of seniors (A. Niewiadomska, E. Sobolewska-Poniedziałek 2015, p. 117)

The challenges faced by the silver economy in business can be divided into external and internal (A. Klimczuk 2013, p. 17). External conditions include legal, institutional and general trends in socio-economic development; the internal ones concern changes in organizational rules and forms of management.

The external ones are:

- mainly turning threats into opportunities and challenges,
- fighting the negative stereotype of old age,
- adjustment of companies to the environment,
- responsibility towards an ageing society,
- noticing the different habits and cultures of specific generations,
- change in consumer behaviour and habits – products and services targeted at previously largely unnoticed categories of older customers,
- breaking down barriers regarding ageing and active ageing, as well as the use of new products and services;
- change of demanding and passive attitudes into active and open ones; promotion of good practices, ambassadors of change – older employees as: loyal, experienced, connected people, who have good relations with other employees and customers,
- bridging regional differences in access to solutions for optimal ageing, noticing differences in the urban-rural dimension.

Internal are:

- reconciling the needs of older people with the expectations of employers,
- adjustment of workplaces to the needs of the elderly;
- less efficient work – mainly physical – of older workers, changing positions with ageing,
- recognizing the experience of older workers,
- extending the working time in the life cycle, delaying the retirement age,
- stereotypes of the age of employees – different generations, intergenerational conflicts,
- age management in small and medium-sized enterprises that do not have such traditions in this area as large companies,
- different motivations to work and activity of different generations,
- adjustment of the offer to changes in the environment and new customer needs,

- developing ways of reaching older people with services and products (e.g. with new information and telecommunications technologies).

The approximate challenges constitute only a part of the various effects of ageing of the Polish society. Increasing the chances of their positive solution requires taking into account the complexity of these phenomena, mechanisms and processes as well as transformations at many levels of social and economic structures. From individual households and enterprises, through their local and regional associations, e.g. NGOs, workers and employers unions, to their relations with the structures of self-government and government public administration. It is reasonable to take into account the contacts of these entities with foreign organizations and the exchange of good practices – in recent years this has been facilitated by networks and projects in the field of responsible business and social economy.

Silver market segments that can be used in development strategies include:

- application of information technologies (IT) in inpatient and outpatient treatment;
- elegant living, an adaptation of housing and life-enhancing services, increasingly based on IT;
- promoting independent living, also with increasing use of IT;
- gerontologically relevant fields of health economics, including medical technologies and e-health, technologies supporting hearing and vision, prosthetics and orthopedics;
- education and culture as a response to the desire to obtain higher degrees of education and to spend free time;
- IT and media in conjunction with medicine, promoting independence and security;
- robotics of services combined with the promotion of independent living in the case of elderly people with serious health disorders;
- mobility and promoting its elements, e.g. car traffic safety;
- rest, travel, culture, communication and entertainment;
- fitness and wellness as a response to increasing awareness of a healthy lifestyle; clothing and fashion as a manifestation of striving for social integration; services to facilitate daily life and other household chores;
- insurance plans mainly dealing with forms of risk inherent to old age;
- financial services, especially in the fields of capital preservation, wealth preservation and avoidance of loss of savings.

Labour market – challenges

The demographic changes taking place in the world and also in Poland are of great importance for the economy of the country. The analysis of the trends in demographic changes is advisable so that employers can properly prepare to create those parts of their services that may be targeted at seniors. The growing demand for this type of service is certainly also the driving force behind greater innovation.

Demographic changes significantly affect the functioning of the labour market. In line with the silver economy, these changes may also have a direct impact on the possibilities of using the region's economic potential. The large share of the post-working-age population in the demographic structure limits the human resources available to developing companies. Activating people aged 50+ and 60+, and at the same time encouraging employers to open up to this group of employees, has become a strategic challenge that determines the economic development of a given region.

In the Report of the Committee of Experts for the Elderly, summing up the 7th term of office of the Polish Ombudsman, „The situation of elderly people in Poland – challenges and recommendations”, four challenges can be found that the state has to face in terms of professional work.

The first challenge is low level of activity of older people in the labour market in Poland.

Professional work is primarily of economic importance for the elderly. It is the main source of income for those who do not receive old-age and disability pensions. It is also very often an opportunity to supplement the home budget for those seniors who receive pensions or disability benefits. It should be noted that the work of seniors brings benefits not only to employers but also to younger employees who can benefit from the professional experience, qualifications and practical knowledge of people at retirement age. The professional work of seniors contributes to the multiplication of the national income, which means it also serves society. The work of people in retirement age is not only material benefits but also a source of non-material benefits. Working in an intangible way determines the place of seniors and their roles in the local community and family; it also builds their prestige. It is very often treated as the main stimulus of life activity, which allows seniors to maintain a sense of social utility, and strengthens natural intergenerational ties. For the elderly, it is professional work, and

especially work-related duties, that give meaning to life. It is this responsibility for a part of the joint work of many elderly people, it motivates them to take care of their appearance, physical and mental condition, and to leave the house.

Unfortunately, the scale of employment of Polish seniors is inadequate for the possibilities. In 2018 – according to Eurostat data – 12.6% of people over 60 were employed in Poland, while the EU average was 15.5%. The size of the unused potential is revealed in particular by the employment rate of people aged 65–69. According to OECD data, in 2018 it amounted to 10.6% in Poland, and for comparison: in Great Britain 21.7%, in Canada 26.5%, in the USA 33%, in Japan 44.7%. The huge disproportion between the employment of male and female seniors, which has continued for many years, is also unfavourable. In 2018, 18.4% of men and only 7.7% of women aged over 60 worked in Poland (Raport 2020).

The second challenge is the difficult situation in the labour market of older low-skilled workers.

Low qualifications among the elderly are an obstacle; first of all, when they are dismissed by the employer, and also when it is necessary to change jobs for reasons attributable to the employee. In Poland, people over 50 very rarely undertake formal educational activities aimed at obtaining professional qualifications or acquiring new ones.

Another challenge is discrimination of older people in the labour market.

This discrimination of older people in the labour market is often dictated by the lack of legal awareness in the field of equal treatment and no known mechanisms that exclude the determinants of stereotypes about old age and the threshold of old age. Data from 2018 confirm it – 49% of Poles did not perceive discrimination in the dismissal of an employee solely due to the fact that they had reached retirement age, and only 27% knew that such behaviour was prohibited by law (Kantar Public study for RPO).

And the last, fourth challenge facing the senior policy is the difficulties in reconciling private and professional life or simultaneously fulfilling parental roles and continuing professional work by carers of the elderly, mainly women aged 50+. More and more often people who may still be professionally active are faced with the fact that they have to act as a caregiver for their parents. In an ageing society, the problem of the lack of flexible employment opportunities for people caring for older parents will increase and will force them to choose between work and care. Creating the possibility of combining care with work will be beneficial for both employers and employees.

Moreover, not mentioned in the KPO report, solutions that are able to activate people 50+ and 60+ in the long term will contribute to reducing costs on the side of, for example, the social welfare system or the health service. Active seniors are healthy seniors and not only minimize the costs of their own health care, but also help others, for example by caring for their relatives or volunteering.

Summary

The answer to these challenges for the labour market should be a consciously implemented senior policy, which combines both the activities of public administration at all levels as well as the activities of local government units and other institutions and organizations that can effectively affect employers' HR policies as well as social awareness and enable, among others:

- Activation of people aged 50+, providing this group with conditions enabling the development of professional activity and popularization of a modern way of perceiving employees 50+ and 60+ as valuable in the labour market.
- The state should launch such mechanisms in the legal, financial and institutional spheres that would encourage seniors to take up jobs and employers to hire them. It is about incentives in the pension system, tax incentives for employers and employees, financial support for creating and maintaining jobs for seniors, as well as institutional support for professional activation of people aged 60+. This also applies to incentives to introduce, in the case of seniors, flexible forms and working time, enabling the reconciliation of private and professional life. The state should encourage employers to use age management, for example through tax exemptions or reductions in social and health insurance contributions.
- It is also necessary that at least some of the activities aimed at activating economically inactive people and supporting their employment are addressed to seniors, also of post-working age. This applies in particular to activities financed from European funds intended to support the labour market and the social economy.
- The state should also support the activities of local governments, non-governmental organizations and employers' organizations aimed at activating and employing people aged 60+.
- It is also necessary to support the development of the educational offer for the elderly, taking into account the skills useful in the labour market

(new technologies, foreign languages, customer service) and to encourage seniors, e.g. through subsidies, to use this offer.

- It would also be necessary to create programs of preparation for retirement, including psychological, health and fitness, financial and vocational counselling, enabling mature and older workers to optimally plan their exit from the labour market and combine retirement with professional activity.
- Special attention in each of these areas of action should be given to employing elderly women who are in a much worse situation in the labour market than men over 60.
- The activity/gainful work of people receiving retirement should be supported. It is necessary both to make employers aware of the benefits of such employment and to act to change the attitude of older people toward continuing economic activity, despite being in retirement.
- Popularization of the idea of lifelong learning. Creating a system of incentives targeted at employees, employers and educational institutions. In the case of older low-skilled workers – adjusting both the type of incentives and the organizational conditions of the education process to their specificity.
- Facilitating and supporting the mobility of older workers – as one of the ways of matching employees' competencies to the needs of employers.
- Popularization and implementation of age management principles in the enterprise, creating opportunities for better use of human and social capital of seniors.
- There is a need for various entities to undertake actions that would change the social attitude to the work of seniors and combat stereotypes about employees aged 60+. These activities should be addressed to the general public, including seniors themselves, and in particular to employers and employees. In order for them to have the desired effect, they should be universal and long-term; as experience so far has shown, point and short-term actions are ineffective.
- The educational activities should also make people aware of who the senior is, what their needs and opportunities are, and what benefits the work of older people brings to them, to employers and the whole society.
- It seems necessary to broadly inform society about age discrimination (not only in the labour market), what its manifestations are and what rights discriminated workers have, including the right to obtain compensation.

- Disruptive action must be taken to combat stereotypes about the labour force participation of older people. Social campaigns should be organized to show the value and importance of the employee's – seniors' experience.
- Implementation of system changes regarding flexible employment, and remote work.
- Entering the right to paid leave for long-term care for an elderly person with a disability in the labour code, creating incentives for employers to flexibly organize working time for carers and work remotely (so-called teleworking).
- The need for both legislative changes and influencing the attitudes of employers and employees.

The recommendations included at the end of the article come from the Report of the Expert Committee for Elderly People summing up the 7th term of office of the Ombudsman. *The situation of elderly people in Poland – challenges and recommendations* by prof. Barbara Szatur-Jaworska and prof. Barbara Rysz-Kowalczyk (2020).

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