

## The silver economy in regional development in light of the concept of human-centred-development

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**Abstract:** The objective of the article is to indicate the possibilities and ways of utilising the silver economy in regional development. The presented thesis draws attention to the basis for the development of the senior economy resulting from the ageing of the population in many countries, including Poland and the Wielkopolskie Region. The basic assumption made here, is that the silver economy is also based on the important idea of social development – the concept of human-centred development, in which a humanistic, subjective approach is introduced to development strategies. The article points to the possibilities of the silver economy, and the broad benefits that can be obtained by entrepreneurs, recipients-beneficiaries, as well as society as a whole. The contents contained in the article fall within the category of economic and social analysis, utilise the achievements of sociological and economic studies, and were based both on existing sources and the results of original research. The method of descriptive analysis was used in the presentation of these issues.

**Keywords:** population ageing, silver economy, social development

**JEL:** R11, Z13

### Introduction

In recent decades, we have been consistently dealing with analyses pointing to the intensifying process of ageing of societies, especially in the case of countries with a higher level of economic development. The numerous pessimistic analyses indicating the threat to economic and social development resulting from this fact, are counterbalanced by the belief that this process can be treated as a challenge for development. This allows us to change the way of thinking about older people in the context of social burden, and to notice the developmental opportunities associated with them. We are dealing with extensive academic research and the phenomenon of application of these studies to the socio-economic practice, which is manifested in the adopted paradigm of the so-called *silver economy*, or the *senior economy*.

The new paradigm of development does not focus exclusively on the silver economy as a new economic sector, but develops the thinking about the older generation, which we are obliged to respect and to provide with a dignified life. These two points of view are mutually integrated, and the objective of the article is to indicate:

1. The rate of ageing of Poland's population.

2. The recognition – derived from comparisons of different development concepts – that development should be based on the axiological assumptions of social development in accordance with the principle of *human-centred development*.
3. The determination of the paths of development of the silver economy in regional development.

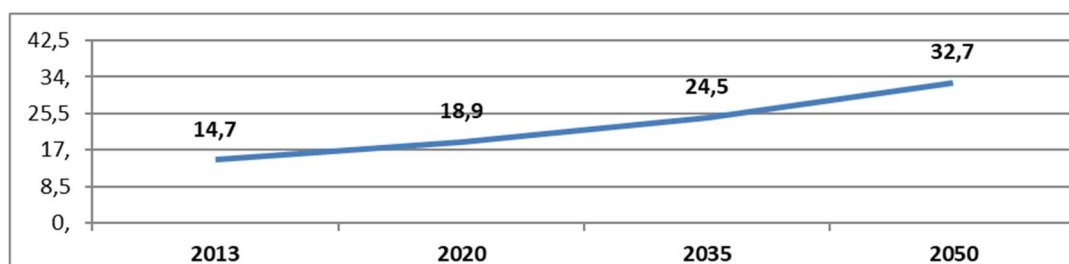
The method of descriptive analysis was used in the presentation of these issues. The research results fall within the category of economic and social analysis, utilise the achievements of sociological and economic studies, and were based on both existing sources and the results of original research.

### Population ageing

The problem of the ageing of the population, which affects many societies, also including Polish society, is becoming increasingly important for regional development. In Poland, the processes of demographic change are taking place on an unprecedented scale, which creates a challenge that has to be met by the creators of regional development.

According to the forecasts of the Polish Central Statistical Office, in 2050 the share of people aged 65 and above in the total population in Poland will amount to 30.2%, and people aged 80 and above will account for 10.4% of the total population (in 2013 – 3.9%) (Fig. 1). Additionally, the Central Statistical Office predicts that the rate of natural population growth will be negative throughout the entire period considered, and that the population will decrease to 35.7 million people. By 2020, the total population will fall by 1 million people, and in the subsequent decade it will further decrease by 1.5 million people. At the same time – on average, with each year the number of people aged 65 and above will increase by 175 400. These changes will not be regular over time, and the most intense increases will fall on the period up to 2022, when the number of older people will increase by 200 000 annually [CSO 2014].

Fig. 1. Participation of population aged 65 and over in total Polish population (in %) in the years 2013, 2020, 2035, 2050



Source: Central Statistical Office 2014.

In the light of the above conclusions, a crucial issue is that of building regional development strategies in which direct activities aimed at seniors will play a significant role. These activities constitute a response to the changing standards concerning the quality and standard of living of people, associated with changes in the paradigms of development, where development is not exclusively identified with economic growth, and GDP is not its main determinant. The change in thinking about development is based on the concept of social development – the concept of human-centred development.

### **Development of the concept of human-centred development**

The concept of social development was formed as a result of long-standing debates held at the turn of the 1980s and 1990s. This discourse was carried out under the auspices of the United Nations, and consequently brought a fairly consistent understanding of the concept of development. The basic assumption was based on the conviction that it was necessary to change the previously dominating model of development, which identified economic growth with social progress. The determination of human development involved a process of expansion of the scope of people's choices, understood as the shaping of people's abilities, as well as the creation of appropriate conditions for the full utilisation of these abilities. The goal of social development is to provide people with the ability to make independent choices in relation to all spheres of their life, so that they can be increasingly responsible for their well-being and social security. As Księżopolski put it, "the idea of human development refers indirectly and directly to those threads of social thought, in which development and social progress are identified mainly with the process of improving the quality of human life, and in which economic growth is seen as a means to an end, and not an end in itself" [Księżopolski 1995, p.28]. The objective is to move away from the narrow economic criteria of progress measured by the size of the national income per capita, and to restore the importance of the qualitative and social indicators of progress. In the thinking concerning development, significant importance was attributed to the idea that developmental processes and the design of those processes should involve the participation of the people who these processes are supposed to serve.

The breakthrough in the thinking about development was associated with the conviction that the human being is always central to development. The concept based on human-centred development results from the adoption of an idea expressed in the belief that the real wealth of a nation is its people. "Human development is a process of enlarging people's choices. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices include political freedom, guaranteed human rights and self-respect" [HDR 1990, p. 10].

This idea is still confronted with different concepts, which put emphasis on other aspects of development, often omitting the subjective nature of the people affected by the development. Fukuda-Parr [2003] carried out a comparison of the three concepts which translate into the development strategies undertaken on the global scale. These are the theory of fulfilment of basic needs (basic needs approach), the theory of social development and the neoliberal approach to development (Tab. 1.).

Table 1. Three approaches to development

	Social development	Neoliberalism	Basic Needs Approach
<b>Philosophical foundations</b>			
normative assumptions	expressed directly	expressed indirectly	Not fully specified
Concept of well-being	Capabilities and functioning	Utility of a human being	Fulfilment of basic needs
<b>Evaluation aspect</b>			
Key criterion for the evaluation of progress	Human capabilities, equality in terms of achievements, impartiality and fairness of institutions	Economic prosperity, economic growth, effectiveness	Reduction of poverty in terms of income and access to basic social services
Preferred measurement tools	Human achievements outcomes, measures of deprivation and distribution	Activity and economic conditions, average and aggregate measures	Access to material means, measures of deprivation
<b>Subjectivity aspect</b>			
To what actions does it mobilize	Individual actions and collective actions	Individual actions	Associated with political will and the electorate (the political base)
<b>Development strategy</b>			
Main operational objectives	Expanding human choices (in the social, political and economic spheres)	Economic growth	Expansion of basic social services
Division of the benefits and the costs of development	Emphasis on equality and human rights of all individuals	Takes into account poverty	Takes into account poverty
Importance of human rights and freedoms	Human rights and freedoms are the ultimate objective with an intrinsic value. Search for their instrumental significance for social and economic progress	No clear link. Search for links between political and civil freedoms and economic growth	No clear link

Source: Fukuda-Parr, [2003, p. 311]; quoted after: Szarfenberg, [2010, p. 3].

The above comparison clearly shows, that the concept of social development based on human-centred development, captures development in a holistic way, primarily providing the broadest possible extent of subjectivity to the individuals and the communities.

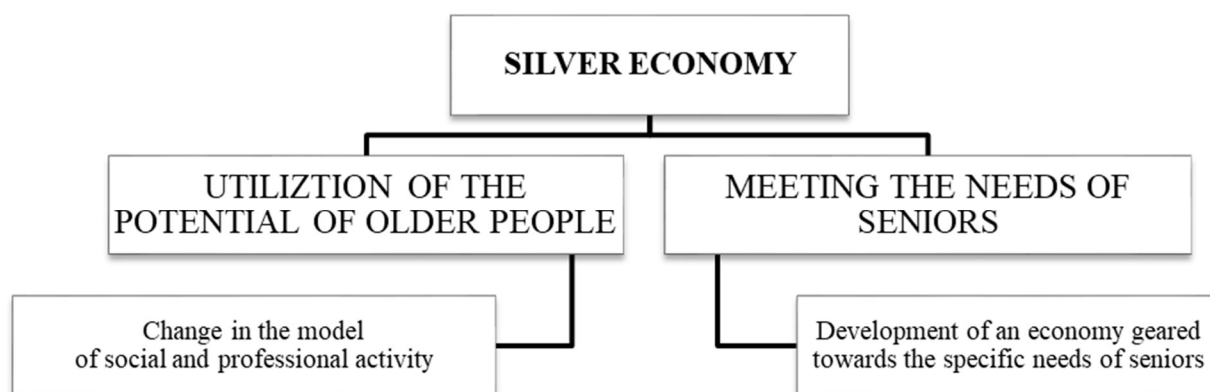
In this context, especially in the light of the process of population ageing, it is important to implement the assumptions of this concept, and to do everything that will enable the oldest generation, in a dignified manner, to remain active members of society, who are respected and surrounded by adequate protection.

### **The silver economy as a factor in regional development**

The concept of the silver economy perfectly falls in line with the concept of social development. According to the definition, it consists in targeting supply in accordance with the changing needs of various groups of older people, so that they become a source of economic activation [Golinowska, 2014, pp. 31-32]. The essence of a development strategy defined in such a way is not only taking into account the needs of an ageing population, but also improving the quality of life of the remaining members of the population.

The essence of development of the silver economy is undertaking activities going in two directions (Figure 2). Firstly, this means striving to activate seniors, both in the professional sphere, in order to keep them in the labour market, as well as in the social sphere, thereby counteracting their social exclusion. Secondly – the development of the economy, which utilises the existence of the specific needs of seniors in the sphere of production, consumption and services, and responds to this demand.

Fig. 2. Paths of development of the silver economy



Source: own compilation.

The silver economy is an area whose essence is the implementation of specific activities thanks to broad cooperation between the seniors themselves, who know their own environment and their own needs very well, institutions of local government, the third sector, state

institutions, as well as business. The senior economy includes many fields, such as medical care and health resort care, housing, the labour market and training for careers, and innovative economic initiatives. Thanks to the aforementioned cooperation, many activities can be implemented in a public-private partnership.

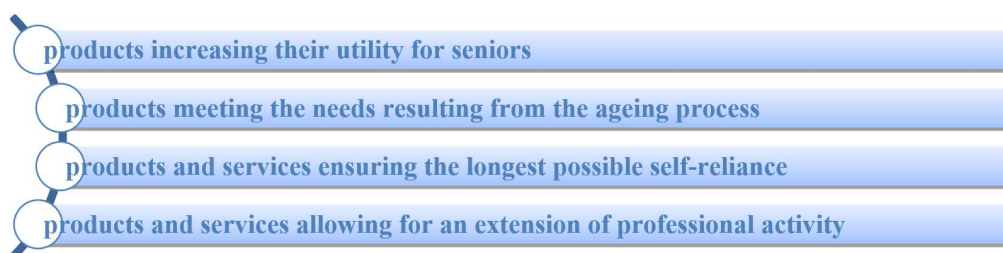
The essence of utilising the potential of older people is the lifelong learning and adequate policies supporting the activity of older people, which allow for an extension of the period of professional activity, and the promotion of continued social inclusion in spite of ageing. While describing the first of these areas on the basis of the official documents of the European Union, it can be indicated that the activity of older people and intergenerational solidarity require:

- strengthening social cohesion, inclusion and participation across a person's lifetime by ensuring opportunities and access to services and to political, social, recreational and cultural activities; volunteering, which helps to maintain social networks and reduce isolation; gaining new competences which contribute to personal fulfilment and wellbeing;
- promoting participation in the labour market, through actions;
- for the involvement of younger and older people in training and life-long learning activities, which facilitate the intergenerational transmission of knowledge; as well as through actions for the reconciliation of work and private life;
- recognition of the values of all age groups and their contribution to society, thus promoting positive perceptions and attitudes towards all age groups; engaging them in decision-making (policy formulation and implementation), paying special attention to their opinions and concerns and giving them a voice in research processes that may affect them;
- promoting research and innovation to improve the lives of older people, including accessible environments for all, promoting participation in society for longer, and independent living, including promotion of e-inclusion and e-health, as well as other technological and ICT innovations, thereby fostering the silver economy;
- health promotion, disease prevention and early diagnosis throughout the lifecycle, as well as rehabilitation, leading to active and healthy ageing and independent living, while taking into account the different needs of women and men regarding respective services and future research;
- adjusting social security systems in such a way that they are able to provide sustainable and adequate pensions which will contribute to the reduction of the number of elderly

people, especially women, who live below the poverty threshold and allow the elderly to live in dignity [Council of the European Union, 2012].

In turn, the silver economy could provide an opportunity to increase the competitiveness of the economy through the production of goods and services targeted at older people, and could be a source of economic activation and innovation. The important thing is to move away from thinking about the ageing of societies as a social burden, towards utilising this phenomenon for economic development.

Fig. 3. Main areas of activity of the silver economy



Source: own compilation.

The areas of economic activity (Figure 3) show the high level of diversity of the silver economy, which allows entrepreneurs from many industries to find a place in the market.

After conducting interviews with experts in various fields, M. Zsarnoczky [2018, p. 2] analysed their opinions in relation to the possibilities for the development of the silver economy. It turns out, that the possibilities for its development are very broad, as shown in Figure 4.

Fig. 4. Economic segments of the silver economy



Source: Zsarnoczky [2018, p. 2].

The development of individual areas of economic activity could become extremely effective economically, and could also become a significant part of Polish exports, also due to the fact, that by 2020 the purchasing power of the world's population of people aged 60 and above will reach USD 15 trillion [Urbaniak 2016, p. 280]. In Poland, this group of people (who are seen as the so-called winners of systemic transformation), will also become a significant bloc of consumers, due to the material resources held (movables and immovable property).

It is also pointed out, however, that the increased – social and economic – efficiency of the silver economy also depends on far-reaching cooperation between manufacturers and service providers. That is why it is believed that, for example, the creation of clusters of services devoted to seniors increases the economic rationality of the activities undertaken, adequately responding to the needs of an ageing society and creating new opportunities for entrepreneurship.

According to the definition presented by Porter, the term cluster is used to describe a geographical concept of related companies and individuals, specialised suppliers, service providers and enterprises associated in branches and affiliated institutions, which not only compete but also cooperate. [...] Kotela expanded Porter's definition by adding the aspect of interdependence, whereby clusters are groups of companies and institutions that are located in a given area and are mutually related in the scope of the production and supply of goods [quoted after: Rudnicka and Surdej, 2013, p. 12].

The clusters of senior services play a significant role in regional development, because cooperation takes place at the level of various institutions, and the goal is to utilise the purchasing potential of older people and to meet their consumption, living and health needs. As stated by Rudnicka and Surdej [op. cit.], the model of a cluster of senior services assumes the existence of a platform for an organised and comprehensive system of management of care services and accompanying services, in the area of the senior economy. This system includes entities such as: the media, universities and research centres, the organisers and participants of volunteer work, public offices, financial entities and manufacturers. Senior clusters constitute a network of mutual connections, thanks to which it is possible to effectively resolve social problems and to generate profits. Table 2 presents examples of clusters of senior services created in 2016. It is clearly visible that various entities are involved in their activities.



Table 2. Examples of clusters of senior services created in 2016

Regional Senior Clusters	
Kujawsko-Pomorskie Region Senior Cluster	Agreement concluded on 27 June 2016 by the Founding Members: Budlex S.A., Bydgoska Szkoła Wyższa, Lecznice CITOMED sp. z o.o.; Fundacja Kapitałowa dla Programu „Samorządowa Polska”; JS Solutions sp. z o.o. Herbarium Hotel & SPA; Klastr Turystyki Medycznej i Uzdrowskiej sp. z o.o.; Neuca S.A., NZOZ Centrum Kultury, Higieny i Zdrowia Psychicznego NZOZ Remedis sp. z o.o.; Przedsiębiorstwo wielobranżowe Lech sp. z o.o.; Toruńskie Zakłady Materiałów Opatunkowych S.A.
Podkarpackie Region Senior Cluster	Agreement concluded on 9 November 2016 in Rzeszów by the Founding Members: Fundacja Kapitałowa dla Programu „Samorządowa Polska”, Gmina Zarszyn, Instytut Ekonomii Społecznej w Rzeszowie, Jasielskie Stowarzyszenie Uniwersytetu Trzeciego Wieku w Jaśle; NZOZ Centrum domowej Opieki Pielęgniarskiej „Libra”, NZOZ Rudek Gabinety Rehabilitacji Medyczne Andrzej Rudek, ORTO-RES sp. z o.o., Sanatorium Uzdrowskie Bajka, Sanatorium Uzdrowskie „PIAST”; Społeczne Towarzystwo Oświatowe Samodzielne Koło Terenowe nr 213 w Jaśle; „Uzdrowisko Iwonicz” S.A.
Wielkopolskie Region Senior Cluster	Agreement concluded on 15 November 2016 in Poznań by the Founding Members: Elf sp. z o.o. spółka komandytowa, Fundacja AKME, Fundacja Pomocy Seniorom i Rodzinie AMA, Gnieźnieński Uniwersytet Trzeciego Wieku, „MAT” Henryk Matecki, Okręgowa Izba Pielęgniarek i Położnych w Poznaniu, Prowincja Zgromadzenia Najświętszego Jezusa Sacré Coeur, Stowarzyszenie „Senior XXI” Gminny Uniwersytet Trzeciego Wieku w Gołuchowie, Stowarzyszenie Uniwersytet Trzeciego Wieku w Lesznie, Uniwersytet Trzeciego Wieku w Pile, Wyższa Szkoła Uni-Terra w Poznaniu, VERBUM – Akademia Szkoleń sp. z o.o., Zakład Zielarski „Kawon-Hurt” Nowak sp. j.
Mazowieckie Region Senior Cluster	Agreement concluded on 23 November 2016 in Warsaw by the Founding Members: Burmistrz Miasta Piastowa, Caritas Diecezji Warszawskiej, Cech Rzemiosł Różnych i Przedsiębiorczości w Otwocku, Dom Kultury „Świt”, Bródnowski Uniwersytet Trzeciego Wieku, Dom Pomocy Społecznej w Górze Kalwarii, Izba Gospodarcza Medycyna Polska, Narodowy Komitet Seniora, Doradca Prezesa Zarządu Związku Rzemiosła Polskiego.
Dolnośląskie Region Senior Cluster	Agreement concluded on 8 December 2016 in Wrocław by the Founding Members: Angel Care – Centrum Seniora, Dom Seniora Magdalenka w Dusznikach-Zdroju, Dom Seniora „Piastów Gród”, Fundacja Kapitałowa dla Programu „Samorządowa Polska”, Niepubliczna Wyższa Szkoła Medyczna we Wrocławiu, Step by Step sp. z o.o., Uczelnia Jana Wyżykowskiego, Xi4G sp. z o.o.

Source: [Newsletter of Regional Senior Clusters 2016].

## Summary

The issues presented above very clearly indicate that the silver economy can play a significant role in regional development. On the one hand, we are dealing with a group of conscious consumers with significant human, social, cultural and financial capital, and the failure to utilise this capital properly would constitute a huge developmental loss. On the other hand – as a society we are, in this way, implementing the adopted value system of social solidarity, so important for maintaining intergenerational continuity, which determines social cohesion thanks to a humanistic vision of the human being.

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