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## **SILVER ECONOMY IN RURAL AREAS IN THE CONTEXT OF (UN)SUSTAINABLE DEVELOPMENT**

Key words: silver economy, rural areas, ageing population, social inequalities

**ABSTRACT.** The aim of the article is to show how the implementation of the silver economy can enable the transformation of demographic problems into opportunities for the development of rural areas. Desk research and descriptive analysis are applied and the study is based on documents of international organisations, a critical literature review and secondary sources. The problem of the ageing Polish society (inhabitants of rural areas) and its resulting social and economic consequences have formed the basis of a new paradigm of development – the development of the silver economy. The effect of the analysis is the thesis that the development of the silver economy may be of unsustainable character, where rural areas become beneficiaries to a lesser extent, thus generating new social inequalities and the development of destructive phenomena. The issue of the ageing rural population in Poland, the concept of the silver economy as a new paradigm of development in rural areas and the problems associated with it are presented in the study. The consistent development of the silver economy offers the opportunity of weakening the effects of the ageing population. Recognizing the potential of seniors will allow for greater development benefits which can be gained by the country's economy or the economy of individual regions. The importance of the ethical aspect of the ageing rural population, which is the prevention of unsustainable development of the silver economy from a regional and environmental perspective, is highlighted.

### **INTRODUCTION**

The end of the second decade of the 21st century is characterized by a number of developmental (modernisation) successes in Poland, including rural areas. Participation in the processes of social and economic cohesion has brought about improvements in the standard of living and quality of life for rural areas and agriculture. As stated by the authors of the “Polish village 2018. Report on the state of the village” [Wilkin, Nurzyńska 2018], the process of narrowing development gaps between rural and urban areas continues, as evidenced by the most important indicators characterising the level of social and economic development, the growing similarity of educational aspirations and consumption patterns. At the same time, rural areas are affected by new development problems. The following study refers to one of many important issues in this respect, namely the problem of ageing of Polish society (inhabitants of rural areas) and the resulting social and economic consequences. The ageing of the rural population raises questions as to

whether this process may cause a decline in the quality of social development at national and regional levels. This issue will be considered in the context of the emergence of a new development paradigm, namely the development of the silver economy, also known as the senior economy.

The main assumptions of the following study are based on the following belief:

1. The silver economy may become a development impulse, as its implementation will enable the transformation of demographic problems into opportunities for development, and the development strategy, which takes into account the needs of the ageing population, contributes to improving the quality of life not only of the elderly, but also of all members of the population.
2. The development of the silver economy is threatened by unsustainability, where rural areas will benefit less, which may generate new social inequalities and the growth of phenomena destructive to development.

Therefore, the following issues were successively considered: firstly, the issue of ageing of the rural population in Poland; secondly, the concept of the silver economy as a new development paradigm; and thirdly, threats to the development of a sustainable silver economy together with accompanying ethical problems, which are not sufficiently considered in the literature on the subject (and in practice). This is an important issue due to the changing image of Polish rural areas in terms of social and professional structure (a decreasing percentage of people living off agriculture) as well as the evolution of functions performed by rural areas.

## RESEARCH MATERIAL AND METHODS

The content of this article is in line with economic and social analysis, applying sociological and economic achievements, and was based on existing sources and own research. Desk research and descriptive analysis were used in the presentation of the issues addressed.

Documents of international organisations, such as the European Union and OECD (for different time horizon), were analysed, a critical review of the literature was carried out and secondary sources were used.

## RESEARCH RESULTS

According to the forecasts of many research institutions, population ageing of such unprecedented scale will affect many countries, including countries of the European Union (and Poland). This process will take place in many environments, and a significant increase in the number of elderly people by 2050 will also affect Polish rural areas, where the number of people aged 65+ will increase (with a certain decline in the years 2030-2035). In rural areas, the percentage of elderly people (65+) is expected to increase by 16.8 percentage points, and thus the share of elderly people in the forecasted period will exceed 30% of the total population in rural areas, while the median age in a 30-year period will increase from 40 to 50.8 (Figure 1). In rural areas, the old-age dependency ratio is also increasing steadily. In 2010, it amounted to 24, in 2016, it was already 28 [Frenkiel 2018, p. 51],

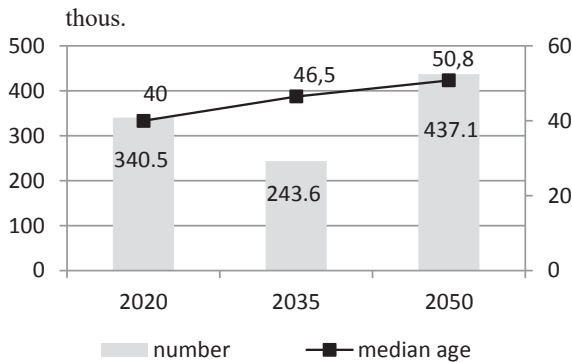


Figure 1. Number of rural population aged 65+ and the median age of the rural population in 2020-2050

Source: [GUS 2014]

care services and social infrastructure that would make the life of seniors inhabiting these areas easier. The current state of affairs is not satisfactory and the development of the silver economy is an opportunity to reduce the inequalities in access to care services, increase the multifunctionality of rural areas and improve economic development in a broad sense.

The silver economy means targeting supply according to the changing needs of different groups of elderly people so that they become a source of economic activation. However, such a definition implies that the silver economy is only one of many options for the production of goods and services. However, it does not exhaust the wide range of activities possible to be carried out within its framework. The European Commission defines the silver economy as existing and emerging economic opportunities that arise as a result of increasing public and consumer spending and the specific needs of people aged 50+ resulting from population ageing (European Commission, 2015), but also implies using the potential of people and adequate policies to activate the elderly in ways that enable the extension of working life duration and the promotion of ageing with social inclusion. On the other hand, the silver economy is recognised by the OECD as silver production, or one that produces and delivers products and services targeted at the elderly, shaping the environment in which people aged 60+ cooperate and achieve success in the workplace, engage in innovative projects, help in the development of the market as customers and lead healthy, active and productive lives [OECD 2014]. This approach provides opportunities to develop the silver economy through silver industries – their innovation and competitiveness, as well as the creation of social innovation and the use of high technologies to develop gerontological technologies that support the independence of the elderly and care for dependent persons. As can be seen, the essence of the silver economy is its holistic nature, which includes various economic and social aspects (Figure 2). It indicates a number of areas that may become the object of activity for the benefit of the elderly.

and may continue to grow in the future.

In connection with the ageing of the population, solutions are being sought that would enable the creation of new opportunities – on the one hand, eliminating the disadvantages resulting from demographic trends, and on the other hand, meeting the needs of seniors necessary for a decent and satisfying life. The importance of the development of the silver economy in rural areas is grave, as they are characterised by greater difficulties in accessing

MEDIA	FASHION	GERONTOLOGY, HEALTH SERVICES	HOME SERVICES	REAL ESTATE, SMART HOMES
EDUCATIONAL SYSTEM	TOURISM, MEDICAL TOURISM	NURSING HOME, ASSISTANT LIVING	FITNESS	FINACE, INSUARENCE
COSMETICS	MOBILITY	CULTURE, RECREATION	IT, INNOVATIVE TECHNOLOGY	HOME DELIVERY
ROBOTICS	ARCHITECHTURE	DESIGNE	PUBLIC TRANSPORT	LOCAL MARKETS (E.G.FOOD)

Figure 2. Economic segments of the silver economy

Source: [Zsarnoczky 2018, p. 2]

The development of the silver economy is burdened with a number of problems which, as a result, determine its unsustainable character and its arising ethical doubts. Sustainable development pertains to the process of increasing the range of possible choices for people understood as shaping human capabilities as well as creating appropriate conditions for the full utilisation of such capabilities. The aim of social development should be to empower them to make their own choices in all spheres of life, so that people can take more and more responsibility for their own well-being and social security [UNDP 1990]. At present, however, there are serious doubts about the sustainable development of the senior economy, which is based on a selective orientation towards the needs of the elderly, which means that we are not dealing with a “mature silver economy” but with an early-stage economy, particularly in rural areas. A characteristic feature of the latter is the focus on the elderly in the context of a target group to which existing products are simply modified to increase their usefulness to the elderly (e.g. food products in small packages, adapted to the smaller needs of one- or two-person households); or dedicated to senior citizens, meeting their needs resulting from the ageing process (e.g. medicine-related).

Unfortunately, the problem is the implementation of a “mature silver economy” [Szukalski 2012], which aims at developing activities related to services enabling seniors to stay at home longer and, consequently, devising services for seniors living in the countryside. The organisation of transport services, which constitutes a problem in itself in the countryside and is even more inaccessible to senior citizens who are unable to use their own transport, is extremely important here. An important part of the mature senior economy are all activities aimed at the social inclusion of the elderly and incorporating

them in the life of the local community<sup>1</sup>. Ensuring social inclusion through actions aimed at achieving a higher sense of community among different social groups, including representatives of different generations, must be encompassed by the strategies of groups and organisations that come into contact with the elderly. While in rural areas there are various forms of activity for the elderly (e.g. activities well-organised by farmers' wives' associations), intergenerational integration requires the support of various institutions.

Another important issue is the solution to the problem of caring for seniors who require help. We are now dealing with the destruction of the traditional model of senior care based on the multi-generational nature of the family. Changes in the family life model, the migration of young people to cities, extensive emigration from rural areas abroad, the professional work of women (traditionally performing care functions) - all this induces the need for an urgent solution to the problem of senior care. Currently, the availability of care services (as well as services in general) in rural areas is weaker than in the city. Due to the current weakness of the social and technical infrastructure for supporting elderly people in rural areas, there is a significant risk of increasing social inequalities in this respect, and thus requires a long-term strategy for the development of the silver economy.

It is therefore essential to develop regional development strategies in which direct actions addressed to and aimed at the elderly will have a significant impact. They must result from the specificity of a given region, the nature of the commune and should be adapted to local needs in terms of support for various areas in which senior citizens function. Such strategies must also take into account the financial and resource capabilities of the units responsible for such activities and those participating in the implementation of such projects.

According to Grażyna Krzyminiewska and Hanna Pondel [2019], most (national) strategic documents contain proposals for campaigns addressed to older members of a rural community, treating such communities as a whole or with regard to the internal diversity of this population, but it is rare to find the phenomenon of project differentiation in terms of "senior citizens in cities" and "senior citizens in rural areas" in such documentation. However, if one takes into account taking advantage of various development programmes, it turns out that e.g. the number of municipalities which took advantage of the possibility to participate in e.g. the "Senior+" Programme is not high, especially since a recurrence of beneficiaries could be observed. So far, rural municipalities have shown greatest interest in the possibility of creating or equipping the "Senior+" Club, the activity of which consists of motivating seniors to self-help and volunteer activities.

As has already been pointed out, the holistic approach to the silver economy has been of interest for a relatively short period in Poland, hence its omission in many documents currently in force. It should be stressed, however, that since rural areas are now socially

<sup>1</sup> Projects such as 'Wieś dla Seniorów – Seniorzy dla wsi' – „Wzmacnianie dialogu obywatelskiego seniorów w gminach wiejskich Dolnego Śląska” (Eng. „Village for Seniors – Seniors for Villages” – „Strengthening social dialogue of senior citizens in rural municipalities of Lower Silesia”), implemented by the „Zielona Akcja” Ecological Foundation since 2012, may serve this purpose. It implements measures aimed at seniors living in rural areas of Lower Silesia. The programme is intended to increase the involvement of seniors in public policies and local decision-making at a municipal and village level.

and professionally diverse areas, development strategies are focused exclusively on senior farmers (e.g. the Programme for the Active, the Healthy Senior Farmer Project) and, being a very interesting project, they must be complemented by other projects that take this diversity into account. The point is that support for senior citizens, their activation, services aimed at the needs of an ageing population and a system of support for people in need should be a system leading to social integration and cohesion, rather than creating social division.

The problem of social division with regard to seniors living in rural areas is also connected with the issue of their material living standards and related disposable income (as well as poverty level). The changes that took place after Poland's accession to the European Union manifested themselves in an increase in the income of the agricultural and rural population, which contributed to a reduction in income differences. The income of agricultural and rural families in relation to non-agricultural and urban families converged. Nevertheless, the income of farmer households is still lower than the income of households living mainly off non-agricultural sources; the same applies to the income of rural residents in relation to the income of urban residents, especially those living in the largest cities. The risk of poverty in rural areas remains higher than in urban areas. Although the real income of rural inhabitants increased by 78%, and the poverty level is 4.9% among rural inhabitants and 11% in the case of farmer households, the problem of financial resources of seniors in rural areas still exists [Chmielewska, Zegar 2018]. The issue is that the silver economy is an area, the basic aim of which is to achieve a solution to the changing consumer market with an increasing number of ageing people. However, many business entities may not be interested in the production and distribution of products for the elderly, considering the provision of various senior services, especially for the rural population, as unattractive in terms of business and treating rural areas as a 'second-tier market'. This means that in many areas attention might be focused exclusively on wealthy consumers, for whom the production (and services) of luxurious nature is planned. The stereotypical social perception of rural residents not only as poorer but also as undemanding consumers is becoming a problem. This may result in the belief that the measures taken for the benefit of production and services dedicated to senior citizens are not economically effective and are not implemented in rural areas. Generally, a change of social mentality of both entrepreneurs and the social environment is necessary, as research clearly shows that the aspirations of consumers in rural and urban areas are similar.

## CONCLUSIONS

In view of the current demographic trends, the implementation of the silver economy seems necessary and very rational. Its consistent development in all areas mentioned above has a chance to mitigate the effects of population ageing. Recognition of the potential of seniors will allow for greater development benefits for the country's economy or the economy of individual regions. The ethical aspect of ageing of the rural population, which imposes obligations on future generations to ensure social security, a decent standard of living and quality of life for the elderly, is extremely important, as is the prevention of the unsustainable development of the silver economy at a regional and environmental level.

The interpretation of the concept of sustainable development has ceased to be reduced to ecological problems, and the consensus concerning the holistic understanding of sustainable development has become a fact, which means that the application of this paradigm determines the equal treatment of tasks and activities in the field of the natural environment, economic and social, spatial, technological and ethical development. Therefore, if we do not take into account the principles of sustainable development when dealing with a clear process of increase in the number of people aged 60+ in rural areas, after recent decades of equalising opportunities in terms of the quality and standard of living of rural residents, demographic processes may yet again threaten the country's civilization cohesion. As a response to these processes, the silver economy should not only be subject to purely market-oriented principles, but should become part of a broader development strategy of the country, with the participation of all social partners.

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SREBRNA GOSPODARKA NA OBSZARACH WIEJSKICH W KONTEKŚCIE  
(NIE)ZRÓWNOWAŻONEGO ROZWOJUSłowa kluczowe: srebrna gospodarka, obszary wiejskie, starzenie się populacji,  
nierówności społeczne

## ABSTRAKT

Celem artykułu jest wskazanie, jak wdrożenie *silver economy* może umożliwić transformację problemów demograficznych w szansę na rozwój obszarów wiejskich. Wykorzystano metodę *desk research* oraz analizę opisową i w badaniach oparto się na dokumentach organizacji międzynarodowych, krytycznej analizie literatury oraz źródłach zastanych. Problem starzenia się społeczeństwa polskiego (mieszkańców obszarów wiejskich) i wynikające z tego faktu konsekwencje społeczne i ekonomiczne były podstawą do rozważań w kontekście pojawienia się nowego paradygmatu rozwoju, jakim jest rozwój srebrnej gospodarki (*silver economy*). Efektem analizy jest teza, że rozwój srebrnej gospodarki może mieć charakter niezrównoważony, gdzie obszary wiejskie w mniejszym stopniu staną się jej beneficjentami, co może generować nowe nierówności społeczne i narastanie destrukcyjnych dla rozwoju zjawisk. Przedstawiono kwestię starzenia się mieszkańców obszarów wiejskich w Polsce, koncepcję *silver economy* jako nowego paradygmatu rozwoju obszarów wiejskich oraz wskazano współtowarzyszące temu problemy. Zwrócono uwagę, że konsekwentny rozwój srebrnej gospodarki daje szansę na osłabienie skutków starzenia się populacji. Dostrzeżenie potencjału seniorów pozwoli na większe korzyści rozwojowe, jakie może zyskać gospodarka kraju czy gospodarka poszczególnych regionów. Wskazano na istotność etycznego aspektu starzenia się mieszkańców obszarów wiejskich, jakim jest zapobieganie niezrównoważonemu rozwojowi srebrnej gospodarki w ujęciu regionalnym i środowiskowym.

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