

THE SILVER ECONOMY: WHAT ARE THE CHALLENGES AND OPPORTUNITIES IN RURAL EUROPE?

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Demographic change in Europe

The Silver Economy refers to the economic opportunities that arise from expenditure related to population ageing. Population ageing can pose many challenges, but it can also create opportunities for enterprises. Population ageing began in some European countries several years ago. Approximately a **fifth of the population within the European Union (EU) are over 65**. This is estimated to **increase to over 30% over the next 30 years**.

The age structure in the EU is changing, with an increasing share of older people coupled with a declining share of working-age people in the population. EU countries with a higher share of older adults (>65), include Italy (23.5%), Finland (22.7%) and Greece (22.5%), while countries like Ireland (14.8%) and Luxembourg (14.6%) have one of the lowest shares of the older population in the EU ([Eurostat](#)). There are approximately three Europeans of working age for every European aged 65 or over, this is projected to decrease to two working age adults for each older person by 2050 ([European Commission](#)). Over a fifth of those aged 65 and over live in predominantly rural regions in the EU ([Eurostat](#)).

Silver Economy: opportunities for Enterprises

While this demographic change represents many challenges for European policymakers, it also represents an opportunity for European enterprises in rural areas. Many older people are healthy, active, time rich and have significant purchasing power. This economic market is called the Silver Economy. A [European Commission study](#) in 2018 estimated the European Silver Economy is **worth €3.7 trillion** and will potentially be worth **€5.7 trillion by 2025**. In terms of sovereign nations, the European Silver Economy would be the third largest economy in the world after the USA and China. The study also reports that the Silver Economy will contribute **32% of EU Gross Domestic Product (GDP)** and support **38% of EU employment**. There is a strong focus on health-related goods and services for older adults. There are opportunities for enterprises to supply goods and services in tourism, education, food and housing for example.

My colleagues and I from the [Hincks Centre in Munster Technological University](#) in Ireland conducted [research](#), which surveyed companies across eight regions in seven EU countries. One of the key findings showed there is a **lack of understanding** of the term 'Silver economy' among SMEs and policy makers. In addition, there is a **lack of awareness** of the potential economic benefits to enterprises of the Silver Economy. Our research also highlighted gaps in company training and policy supports at a regional level that could enhance the knowledge and opportunities of the Silver Economy market. This research formed part of a European-wide project, [Silver SMEs](#).

The Silver Economy in rural Europe

The Interreg Europe [Silver SMEs](#) project aims to improve the implementation and delivery of regional policies for SMEs competitiveness by building on significant opportunities arising from the Silver Economy in rural territories. As part of this project, the Silver SME partnership collected and published 72 [Good Practices](#) on the Interreg Europe project platform in the areas of housing, wellbeing and ICT. For example, in France, policy makers are financially supporting businesses in addressing the challenges of ageing (Silver Normandy, Silver Surfer). In Sweden, the smarter homes initiative gives companies a platform to showcase digital and smart solutions to enable older adults to live independently in their own homes. In Ireland, the [Health Innovation Hub](#) offers support to enterprises from the health sector including those focusing on an ageing population. This project also differentiated between the needs of three groups: active (healthy), vulnerable and dependent and the opportunities for enterprises in addressing those needs.

In Ireland, the government department of Enterprise, Trade & Employment included a specific action on the Silver Economy in the [South-West Regional Enterprise Plan to 2024](#). This action focused on raising awareness amongst enterprises of the economic value and the potential opportunities of the Silver Economy. Similar actions need to be taken by government departments across the EU. There is a need for greater awareness of the economic value of the silver economy and for European enterprises.

Find out more about the SILVER SMES project, good practices and project outcomes on the Silver SME [website!](#)

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