



**“Global Review of Innovation Intelligence and Policy Studies”**  
A PRO INNO Europe project

***Innovation Policy Workshop # 3***  
Brussels, 18-19 December 2008

**“Innovation in an ageing society”**

**Report**

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*January 2009*

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### DISCLAIMER

This report is meant to reflect the views expressed by the workshop participants, as interpreted by the author. It does not necessarily reflect the views and policies of the European Commission.

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## Executive Summary

### ***Why this workshop?***

An ageing population, although it is a major achievement, is also one of the biggest challenges faced by European society. It is reshaping the structure of society and consequently calls for a global reorganisation of our way of life. What we are trying to achieve concretely is relatively unchanged: allowing people to live the way they want; ensuring independence and health insofar as possible, maintaining social inclusion and mental health as long as possible and ensuring the equilibrium of our social system. None of these aims are new but the context has changed: we thus have to adapt to it in order to maintain the society model we have chosen.

This represents a major political challenge: the aim is not to develop policies to meet the needs of a certain category of population, but rather to enable the whole of society to adapt to their new proportions and create better standards for all, whatever a person's specific needs are. If this is to be effective, political responses need to be wide-reaching, transversal and coordinated. Coordination here encompasses all levels of policy action – local, regional, national and European.

In this context, innovation is obviously a crucial vector. Innovation in the private sector can enable actors to seize new market opportunities, thereby proposing new solutions. Innovation within public services can enable the continued fulfilling of their mission in an evolving context. Political innovation can build upon the resources brought by the EU to face societal challenges and prepare for the future.

This situation calls for action in terms of developing a user-driven, inclusive new type of innovation policy.

### ***Participants***

In order to better capture all challenges and explore possible solutions, GRIPS' fourth Innovation Policy Workshop gathered, over two days, 12 high-level experts from Europe and Japan, as well as 7 representatives from the European Commission (DG Enterprise and Industry, DG Employment, Social Affairs and Equal Opportunities, DG Information Society and Bureau of European Policy Advisers).

### ***Questions addressed and outputs***

Questions that have been explored include the following: What are the needs created by population ageing and what are the market's responses? How are these new market opportunities dealt with by companies? What impact does demographic change cause in product development and business strategies? How are new needs answered by public services? Which innovations take place in this field? What are the main barriers to innovation to meet the challenges and opportunities created by population ageing? What are the existing policy initiatives in support of innovation in and for an ageing society? Which synergies can be observed? What would be the added value of an innovation

policy at the European level? What about the idea of mainstreaming ageing in European policies?

While addressing these questions, debates led to the following observations: On the one hand, our ageing societies do not need specific policies for “the elderly” (whatever the definition of this category), but rather policies to create an inclusive, intergenerational response. On the other hand, it remains clear some needs are gaining weight over time, since the population is on average getting older and since certain needs proportionally increase with age. To date, these needs are not sufficiently provided by companies, neither by public and semi-public services (housing corporations, hospitals). Although progress is made by some companies in terms of design and user-oriented strategy, what is on offer is still massively inadequate. This tendency is strengthened by the increasing social, health and income divides between the healthy/wealthy ‘haves’ and the ‘have-nots’.

Political solutions to this situation – solutions to overcome the identified barriers at private and public levels – include various elements: information and education to induce change in citizens’ attitude towards the ageing phenomenon, participation rather than pure representation in order for all needs and aspects of demographic change to be covered in an inclusive way, incentives and indirect actions to encourage notably private actors to engage on the most adequate path, and public private partnerships to meet demand in the most efficient way. All these actions must, in order to be efficient, be undertaken in a context of strong cooperation between the various political levels implied. These elements differ from traditional innovation policy actions, but all tend to induce innovation (technical, organisational, societal)

### ***Follow-up activities***

This workshop was an exploratory workshop, and purposely gathered a limited number of participants in order to favour in-depth interactions. Its conclusions and outputs (a ministudy – 30-page review of existing literature – is to be produced in the framework of the INNO-GRIPS project) are meant to feed current debates on issues linked with population ageing, and to be used as a basis for further research and cooperation with all concerned actors.

## 1. Introduction & background

Population ageing, witnessed in Europe but also in other parts of the world, is above all the consequence of a success: it is as a result of enhanced life conditions and major achievements in medicine. It is however also challenging the way our post World War II society is structured, and, as such, is a major political issue.

In its Demography Report (November 2008)<sup>1</sup>, the European Commission estimates that the share of the 60+ population will grow from 20% of total EU population in 1995 to 25% in 2020. The 80+ population is expected to double until 2050. As a consequence, while there are currently 4 working persons for 1 retired, this ratio will evolve towards 2 workers for 1 retired in 2050. It is assumed that this situation will lead to an increase of costs linked to pensions, health and long term care by 4-8% of GDP until 2025.

Quantitatively, the ageing of the baby boomers' generation challenges the equilibrium between working and retired people: societies will have to deal with an increasing share of older people and accordingly find solutions in terms of health and nursing care. At the same time and for the same reasons, the way pension and social security systems work is increasingly questioned.

Qualitatively, this phenomenon is also a major issue. The generation now turning old is very different from the previous ones: broadly put, baby boomers are individualists and demanding consumers who value their independence. They are generating new needs and calling for new types of answers.

Obviously, this situation induces economic as well as social challenges, already addressed at EU level, notably by DG Employment and Social Affairs and the Economic Policy Committee.

Innovation is necessary to meet all these challenges in a coordinated way, in various fields and at various levels. In order to explore opportunities and needs in terms of innovation policy, the European Commission entrusted the European INNO-GRIPS project with the organisation of a workshop on "Innovation in an Ageing Society" in Brussels on 18-19 December 2008.

The purpose of the workshop was to bring together a small number of high-level experts to support the policy making of the European Commission by discussing how innovation could help meet the challenges posed by demographic change and population ageing, and how it could be supported by policy initiatives.

Questions that were explored included the following:

- What are the needs created by an ageing population and how is the market responding?

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<sup>1</sup> Commission of the European Communities, 21<sup>st</sup> November 2008. *Demography Report 2008: Meeting Social Needs in an Ageing Society*.

- How are these new market opportunities dealt with by companies? What impact does demographic change cause in product development and business strategies?
- How are new needs answered by public services? Which innovations take place in this field?
- What are the main barriers to innovation in the field?
- What are the existing policy initiatives in support of innovation in and for an ageing society? Can synergies be observed?
- What would be the added value of an innovation policy at the European level? What about the idea of mainstreaming ageing in European policies?

This report has been elaborated on the basis of presentations and discussions that were held during this workshop. It does not provide the minutes of the debates, but constitutes an attempt to digest and structure the outputs thereof. For this reason the report does not provide a comprehensive presentation of participants' contributions, however, these will be referred to and are all available in full on the INNO-GRIPS' website at:

<http://grips.proinno-europe.eu/workshops/>

## 2. Towards a good society to grow old in

*(The points addressed in this section were developed progressively during the workshop and thus are the result of successive discussions. These discussions were notably initiated by Mrs. Richardson's and Mrs. Mollenkopf's presentations.)*

### **Addressing the ageing population issue**

Since population ageing obviously represents a political challenge, should we subsequently consider it also as a target for policies? In other words, are policies supposed to act on the current demographic trends themselves? As already stated, the ageing phenomenon is the mark of a success on many points. Even without considering ethical issues and realism, there is no reason why we would try and resist this demographic change.

Population ageing is a demographic phenomenon and the challenges we are facing are consequences of it: on average, our societies are growing older than they used to and will continue to do so. Should then policy responses be directed towards a category of population characterised by their age (which would still have to be defined) and called the "elderly" or "older people"?

### **Developing policies for the elderly**

Logically enough, most challenges linked with population ageing concern the fact that there is a massive number of people becoming older (again, whatever the age considered as a turning point). Health, independence, work, consumption and leisure are all areas for consideration. It is thus tempting to consider that policy responses should be designed for and directed towards this specific population, sometimes referred to as "the elderly", "seniors", "the 50+/55+/60+" etc. However, several elements tend to counter this vision.

#### What does "old" mean?

The very phenomenon of ageing is in itself a sign that the notion of "being old" is evolving. Life span extends, thereby displacing the average last years of life. In this sense, how should we characterise "the elderly"? Statistically, the age of 50 is frequently used as a limit between young and older persons, in order to determine the respective proportions of each category in a population. But the age of 50 will soon be an average European's mid-life point: can this be a satisfying threshold of the "old age"? The answer seems to be obviously negative.

#### Diversity in age

Even if we accepted this age limit, the 50+ population covers a very broad diversity of conditions and needs. Some people aged 70 are absolutely healthy, while some others aged 30 have lost physical independence for various reasons. Age is certainly not the only factor that accounts for health, independence, ability and will to work, education and leisure interests. The aim is to develop policies to answer these challenges. It appears that there is no point in designing policies for an age-delimited population target if age is the only delimiting factor.

### ***Developing policies to address problems caused by age***

The solution might then be to focus on the problems caused by age. But are health, mobility, independence, need for adapted products, work conditions, etc. age-exclusive problems? There is indisputable evidence that people aged over 50 proportionally confront problems related to health or impairments more frequently than younger people. But it is also the case that younger people also confront the same type of problems. Losses of independence are caused by defects in people's physical and/or mental conditions, whatever their age and mobility is an issue for persons with a handicap, whatever the cause and age. The need for adapted working conditions is not specific solely to the so-called "older people".

### ***Policies for a good society to grow old in***

It appears that neither ageing itself, nor the elderly as a group (if we consider this an appropriate term?), or even supposedly age-specific problems, are relevant targets for policy in themselves. Ageing is indeed not a problem, but rather a phenomenon that is progressively defining our societies' new identities.

This phenomenon is creating new problems, for example in terms of social security systems' funding. It is also making some pre-existing problems more insistent (health and nursing care, mobility etc.) since proportionally more vulnerable populations are growing. But the population ageing phenomenon is also creating new opportunities (in terms of market opportunities, knowledge resources development etc.)

The real challenge in this context is to develop the conditions that will enable all people to live well, which by nature includes ageing well. This can be done by

- Answering the needs created or amplified by the ageing phenomenon (health, mobility, but also social life, education, work in adapted conditions, etc.)
- Building on the opportunities created by this phenomenon (increased market opportunities, knowledge resources, new product development methods, etc.)

It is worth underlining that innovation is in both cases, and that neither of them is associated with a specific target population.

The best approach seems to consist of developing transgenerational solutions, in order to meet individual choices as far as possible. Such an approach will benefit society as a whole and prevent exclusion on grounds of age, but also on grounds of handicap or disease. This has implications in terms of innovation in market responses as well as in public services.

### 3. Market responses to new opportunities

#### ***Demographic change & market opportunities***

Population ageing is creating market opportunities. There are several cross-linked reasons for this:

- The fastest developing share of the population (usually defined as the 50+ in statistics), is also on average the wealthiest. This means the number of affordable consumers has dramatically increased and is still increasing. However, averages are misleading and it must be kept in mind that the situation is complex: a large share of today's 50+ population is indeed wealthy, but an equally large share is economically and socially vulnerable.
- This population, although composed of various age cohorts, is massively marked by an individualist consumption (or in some cases and in opposition, anti-consumption) culture. They differ in this sense from the preceding 50+ cohorts.
- These consumers, given their number, give more weight to pre-existing needs (health, transportation, housing, inclusive design, etc.) and are at the same time bearing and creating new needs (for example, intergenerational leisure and life long learning).

All these reasons account for an increase in market opportunities – in quantitative terms as well as in terms of products and services variety. Private actors clearly have a major role to play in this evolving context. The following section will analyse how these private actors tend to harness the above mentioned opportunities and how they define their business approach.

#### ***Business strategies***

Given their main activity sector, some companies have made an early analysis of the evolutions induced by demographic change and adapted their strategies as a result. Some others have not yet evaluated the impact of this evolution on their activities, or have voluntarily ignored it.

#### **Inclusion & Specialisation**

- Extending the market for mainstream brands - universal design or trans-generational design for age inclusive products & services, & age inclusive marketing offer wider market potential
- Older customers may warrant explicit recognition by specialist products & services specifically for their needs in some sectors - e.g. age based affinity groups, financial services, travel, pharmaceuticals
- Mass customisation strategies enable diversity to be addressed by highly customised products
- 'Third Age Business' Model (Metz & Underwood, 2005)

*Extract from Sue Tempest's presentation*

Business strategies analysed from the viewpoint of demographic change is an evolving field. The following table, mainly based on Florian Kohlbacher's<sup>1</sup> presentation, is an attempt to categorise the currently observed approaches:

1. No specific age-related strategy	Opportunities of demographic change <b>not perceived</b> OR Perceived through the ageing lense, as a non-glamorous strategy, <b>possibly harmful for the company's brand, image</b> , especially in terms of design, marketing, communication... OR Considered as not relevant with regards to the company's activity (even if for disputable reasons).
2. "Silver market" strategy. <i>In terms of marketing, this strategy builds on an assertion of the "senior" status as a positive element.</i>	Development of products and services <b>specifically targeted</b> at senior people. Definition of "seniors" vary, depending on the concerned companies' activities (silver travel for healthy 50+ interested hungry for culture and sports, low-intensity gym courses for physically weakening people willing to maintain their health status...) OR <b>Adaptation</b> of products and services to fit the "seniors" – there again, the definition of "seniors" depends on the company's activity. (Easy to use cell phone with optional, progressive functions)
3. Age-neutral / Inter-generational strategy <i>Age here is not considered as a commercial relevant issue.</i>	Voluntary development of <b>age neutral</b> products (luxury goods and services) OR Development of products that are <b>accessible to all</b> , possibly even with the aim of connecting generations together (Wii games).

Further analysis on this table leads to a main distinction between companies where ageing is not considered as a relevant strategic element (1), and the companies where it is considered as relevant (2 & 3).

The first category raises two main issues:

- How can companies be efficiently sensitised to the issue of population ageing and its potential impact on their activities?
- How can companies find a way to address ageing without harming their image?

The second category gathers companies relying on two differing approaches: some adopt a strategy based on market segmentation and target the "seniors" (whatever the definition), whereas others adopt an inclusive approach. The most interesting point here may be that in neither case a specific age limit appears to be relevant: inclusive approaches by definition reject segmentation, whereas segmentation targets consumers who identify themselves with this category of "seniors".

In our European societies at least, being categorized as "old" is rarely perceived as flattering. As a result, openly targeting 'older people' would not be well perceived and

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<sup>1</sup> See also: *"The Silver Market Phenomenon: Business Opportunities in an Era of Demographic Change"*, Springer, September 2008 (editors F. Kohlbacher and C. Herstatt)

few companies actually choose to explicitly target “old” people. Besides, as exposed in part 2 above, ‘older people’ (whatever the age limit) is by no means a single group with homogeneous needs, and thus no efficient marketing target.

Segmentation thus cannot rely on such a mathematical categorisation of consumers. It appears that it can be based:

- On a common perception by consumers themselves that they belong to a specific group. Consumers may include themselves in this group for various reasons, companies have to build their strategy on these reasons.
- On functionality, i.e. on consumers’ specific situations. The aim for companies there is then simply to provide these customers with the needed products and services. Such a strategy (which is actually basic) enables to answer all customers’ needs (possibly 50+, 60+, 70+ customers’) while getting around the brand problems linked with “age-specific” products.

#### **Strategies at Ergonomidesign (est. 1969, Sweden)**

Ergonomidesign provides several examples of these various strategies. Since team works for client companies, Ergonomidesign adopts different marketing positions, depending on the client’s expectations.

Universal design: This could be exemplified by a set of non-specifically targeted knives, containing one knife designed for persons with little energy in the hand/arm. The complete set is sold to all clients, whether they need or only appreciate such a low-energy knife.

#### Silver market strategy, functionality based

Ergonomidesign has produced fashionable clothes designed to be convenient to older people’s morphology. These clothes were clearly targeted at people with this type of morphology (and thus on average aged over 60) but were not presented as clothes for “older people”. The targeted group was: people with a morphology not fitting commonly sold clothes and willing to look fashionable.

#### Functionality-based, consultative product development

Injection devices for people suffering from chronic diseases were designed in cooperation with users, in order to be as easy-to-use as possible and as adapted to their situation as possible.

### ***Strategies and product development***

A major consequence of this “functionality-based approach” is the importance of involving consumers in the product development process. This can be done at the very beginning of this development process by adopting a user-driven approach, whereby consumers directly participate in the definition of the product they intend to use.

But consumers do not necessarily know how their needs can be answered (see medical devices). In these kinds of cases, public organizations can be better advisers than the consumers themselves at the beginning of the development process. This does not exclude conducting consultations later in this process, for example by integrating consumers’ remarks once these consumers have used the product.

Consultation is a powerful tool to identify, understand and answer consumers’ needs. It can also be a good way to evaluate consumers’ readiness to use newly developed

solutions and devices. Although ICT is a valuable source of solutions in the health sector for example, people for whom devices are designed might not necessarily be accustomed or comfortable enough with ICT technologies, to make an efficient use of the product. Health monitoring can be rejected for various reasons (e.g. misunderstanding or privacy issues) and it is necessary to make sure that patients / consumers are willing and able to use new solutions.

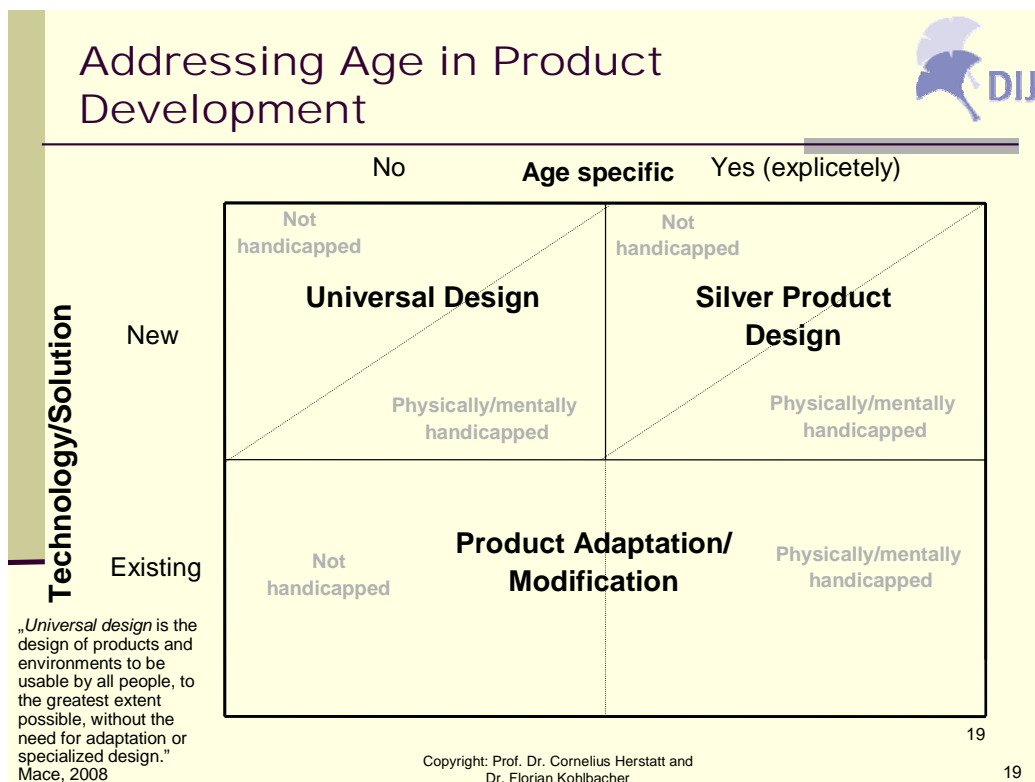
**Types of innovation induced**

Innovation is crucial to achieve two major objectives: find new or adapt existing solutions to answer needs and / or reduce the costs associated to these solutions.

Depending on the identified needs and on each company’s activity and strategy, innovation can take several forms:

- Radical innovation to create new solutions to specific situations (for example: new medical devices to moderate the effects of health defaults and sustain independence)
- Disruptive innovation to provide adapted solutions to consumers, thereby enlarging the group of potential customers for the concerned products.

This last category can be further divided into two categories: low-end innovation (simplified cell-phone for people who did not want to pay for complex technologies perceived as useless) and new market disruptions (simplified cell-phone for people who could not use these technologies before).



*Extract from Florian Kohlbacher’s presentation*

The new needs and market opportunities brought about by population ageing are unevenly harnessed by private actors. Although this phenomenon is now growing in importance, it is however rather new and it will certainly take time before companies fully acknowledge its impact on their activities and adapt their strategies in consequence.

The development of an appropriate private offer in this context is a main challenge. However, private actors cannot answer all needs and public services also have to confront demographic evolutions, thereby calling on innovation.

## 4. Innovative public services – the example of health care

*(This section is mainly based on M. Van Lente's presentation.)*

Public services are obviously a major source of responses to needs created or enhanced by population ageing. Innovative solutions are needed to address an evolving situation and associated challenges. The health care sector provides an interesting insight on these challenges and solutions.

### **21<sup>st</sup> century challenges in health care**

Since people live longer and with increasingly effective medical systems, the overall challenge has evolved from curing patients from specific diseases at a specific moment in time, to more broadly enabling them to live as long as possible in excellent living conditions. This is particularly relevant in a context where chronic disease is growing in importance: since people live longer, they are able to live longer with chronic diseases than previously.

Such a change is a major challenge for health care services, which must take this life-long perspective into account to ensure their efficiency – i.e. to answer the population's needs at the lowest possible cost. This does not necessarily require innovation in medical treatments themselves, but it does require innovative ways to plan, organise and provide health care services.

### **Prevention, health care providing & patient support**

Many chronic diseases are embedded in a long-term lifestyle that encompasses nutrition, physical exercise and behaviour. Prevention has to be considered as the first level of public action in terms of health. It has to be targeted primarily at young generations in order to be efficient, and of course requires interactions between traditional health care providers and other public actors (involved in education, urban planning, etc.)

Health care provision is also a challenge in terms of organisation. Chronically ill patients are, by definition, patients who need a specific follow-up, and thus dedicated programmes. The final aim is to enable them to live a normal life, which includes being free in their movements while preserving their security. This requires that patients have access to health care wherever they are, and thus that a solution is found to make information about each patient easily accessible under various circumstances. This can take the form of an electronic platform, as currently discussed in Germany, but such a system requires cooperation between regional and national authorities if it is to be fully efficient. Cooperation should actually be extended to the European level, since mobility now counts among European citizens' rights.

All solutions mentioned above are based on the idea that the patient should benefit from autonomy as far as is possible. In this context, patient support is also a key element. In some cases, it can take the form of telephone hotlines operated by qualified staff, who can answer the patients' questions and help them cope with their specific situations.

Such a system has many advantages: it is the necessary human complement to ICT health monitoring systems. It empowers patients by enabling them to be better informed and guided. It also ensures a better distribution of roles among the medical staff and directs the patient towards the most appropriate service or person, depending on his or her situation. This clearly has an impact on the whole system's efficiency, since it is likely to rationalise activity among services.

***Long-term, inclusive strategies and beneficiaries' increased involvement***

Health care is only one constituent of public services. However, some elements observed in the context of health care can be broadened and used as elements of analysis for public services as a whole.

Demographic change induces a global rethinking of public services provision, not only a re-evaluation of the way public services should be provided to a certain category of population. This means that public services need to develop a new, inclusive and transversal strategy. In order to best provide their services to all while remaining sustainable, health care systems need to consider life-long prevention. Equally, pension systems cannot limit their restructuring to the provision of services to the retired: they have to re-evaluate their whole functioning. The elaboration of such strategies calls for innovative organisational solutions.

In this context of a needed long-term, inclusive strategy, patients' involvement appears as one of the most efficient solutions for health care systems. The aim being to best fit each person's needs in order to simultaneously fulfil these needs and limit costs, it appears that this approach would also be valuable for public services in general. As seen in the health care case, though, such a "beneficiary-centred" approach requires the development of innovative solutions (notably in terms of communication and information). Although these innovative solutions must be approached with caution, in order not to avoid unsought and unwished side effects (private data piracy, increased loneliness etc), many applications of new technologies can contribute.

See next page, extract from Mr. Stan Smits' presentation:

**PHILIPS**

New technology can contribute across the chain



Med. Specialist – disease mgt / decision support – ‘call center’ – internet – home hub – sensors/monitoring

↓  
Algorithms  
Clinical Decision Support  
Evidence based  
Data integration  
...

↓  
Interfaces, protocols  
Standards  
Human-machine  
...

↓  
Devices  
Body-sensors  
Biomarkers  
...

Enablers:  
Low power,  
Wireless,  
Miniaturization,  
Internet, ...



Confidential

## 5. Policies for longevity

As has been stated previously in this report: ageing per se is no target for policy. However, it calls for policy actions in many fields and domains. Innovation is a means to attain objectives – in this case answering new or increased needs, and building on opportunities. Policies in support of innovation for a long living society ought to be synergy policies, bringing together several elements and several different actors in order to cross-fertilise results and lead to an inclusive society.

### ***Policy main and intermediary objectives***

#### Final objectives

Overall policy objectives for a long living society are necessarily multi-level (home, community, work) and multi-sector (health, social inclusion, working conditions, transportation, housing). They globally aim at an optimised quality of life in all living environments:

#### **At Work**

- Staying active and productive for longer
- Better quality of work and work-life balance

#### **In the Community**

- Overcoming isolation & loneliness
- Keeping up social networks
- Accessing public services

#### **At Home**

- Better quality of life for longer
- Independence, autonomy and dignity

*Source: Peter Wintlev-Jensen, European Commission DG INFSO*

Some of these objectives, which are obvious at first sight, must be addressed carefully. Independence for instance is ambivalent. No one, at no time in life, is fully independent. Even in the case of physical independence, caution should be taken: most often, the objective is to allow people to remain free in their movements without depending on someone else. If this induces the use of ICT devices, it is necessary to be aware of the fact that the person becomes dependent on the device. For security as well as social reasons, the situation where such a solution brings about more isolation for the user must be avoided

#### Intermediary objectives: overcoming barriers

Pursuing the above mentioned objectives first requires countering the barriers that prevent one from meeting them. Barriers can consist of lacks in market responses and in public services responses, as well as in inappropriate answers.

Some of these barriers have been organised in the following manner by Peter Wintlev-Jensen:

**Older people don't use the Internet and find technology challenging**

- Only 10% of people over 65 use the Internet
- Over 20% of the 50+ are seriously challenged in hearing, vision or dexterity
- ICT is complex and requires special skills

**Ageing needs not yet in main-stream products**

- Insufficient awareness of market opportunities and users' needs
- Older users needs not built into new designs and technologies
- Fragmentation of research and innovation efforts

**Legal and technological barriers**

- Legal and Ethical issues not well developed
- Lack of interoperability makes solutions expensive & difficult for elderly users

**Fragmented Markets**

- Differing public policies and reimbursement schemes (no incentives for innovation)
- Unclear business models (Who pays?)

*Peter Wintlev-Jensen, EC*

The fragmentation issue can be illustrated by the housing example<sup>1</sup>. Ideally, we should be able to create, at least from now on, inclusive housing adapted to all types of population on a long-term basis (that is housing that can be occupied by someone with or without a current disability, taking into consideration their possible future needs as they grow older). But building inclusive housing requires an inclusive process that integrates various elements such as architecture, water, electricity, etc. Such an inclusive process is not eased by the fact that providers (electricians, architects, etc.) are very diverse and rarely truly collaborate in such an inclusive housing perspective.

The same problem can be experienced in public services in general. Most policies are designed for specific target populations and this can lead to non optimal situations. In our example, a non-impaired person who wishes to adapt his or her apartment in anticipation of upcoming impairments will not obtain public funding, while an already impaired person would. Although it can appear as a logical, this means that a person will have to wait and suffer from impairments before public funding is made available. Although public services' limited financial resources must obviously be taken into account (not all requests can be satisfied), the current approach is obviously not adequate.

***Policy actions***

What was mentioned in the previous section on public services can also apply to policy objectives in general: long-term and inclusive policy strategies are needed to address- in a coherent way- the variety of issues that need to be addressed. For efficiency as well as sustainability reasons, these strategies need to rely on citizens' involvement. Possible policy actions to enforce such strategies are numerous:

Information and education

- Communication actions and campaigns: this tool can apply to global awareness raising objectives (anti-exclusion campaigns, nutrition and physical activity prevention campaigns...), but also to targeted operations (information campaign

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<sup>1</sup> On this issue, see Mr. Jim Ogg's presentation: "Ageing and Housing – challenges for the future".

targeted at chronic disease patients for example). The use of communication actions raises the issue of the terminology to be adopted: can an anti-exclusion campaign rely on terms such as “older people” or “50+” persons?

- Education / Life Long Learning actions. The education system is a major vector to convey a certain vision of society: from children’s education to the promotion of universal design in design courses, education has a major role to play in the evolution of society towards an inclusive model. In a more applied way, life long learning is necessary to maintain people in a dynamic framework with regard to their work life and more broadly to their intellectual condition. Effective actions in this field have major and various impacts – in terms of mental health, social inclusion, labour force evolution, etc. Communication and information actions are primarily directed at citizens. If they are efficient in modifying society’s view on its demographic evolution, on ageing, they can also have an impact on private actors and their marketing strategies.

#### From representation to consultation and involvement

Beneficiaries’ – and more broadly citizens’ – participation is a key element to design an inclusive society. Citizens’ organisations, social organisations, etc. are relevant actors that need to be associated with policy making, as consumers can be associated with product development. These organisations should not be limited to “senior representing” organisations, but rather include all relevant representatives, depending on the issue addressed. Carers and volunteers, among others, are major actors whose views should carefully be taken into account.

In this sense, the objective should be to evolve from representation to consultation, in order to broaden and generalise the process of involvement in policy making. Only such an approach can progressively favour and support a daily involvement of citizens, for example in their relationship to public services.

#### Incentives and indirect actions

- Standards and consumer protection: Setting standards for products and services, in order to encourage the development of universal, trans-generational design, is an efficient way to have markets evolve towards an inclusive society. It is also a way to ensure proper consumer protection downstream.
- Incentives to support corporate social responsibility: companies can also be indirectly stimulated to adopt certain behaviours, for example in terms of employment. Proper incentives can ensure a better attitude towards workers who for various reasons would not be able or would not wish to work in what are today’s standard working conditions. Such incentives could encourage the adaptation of working conditions and/or working places for impaired persons (whatever their age) or for part-time workers.
- Public procurement is definitely a means to show the way towards a longer living society. It can apply to various domains like urban planning, housing, transportation, and informally set new standards for mobility, accessibility, etc. It is also a means to provide public services with the tools necessary to best fulfil their missions (for example patients’ monitoring and support ICT solutions, as mentioned above)
- Support to R&D and innovation among public and private actors, to develop solutions to cope with problems identified as growing in importance in the demographic change context.

#### Public-private partnerships

In order to address certain issues, public actors can take the initiative of proposing a concerted action with relevant private actors. Japan has chosen to open nursing care services to private structures, while financing around 90% of the costs through the social security system<sup>1</sup>.

Some of these tools are already used today in the framework of specific European, national or regional policies. Austria and the Gelderland Region (Netherlands) provide interesting examples:

**Austria's Mainstreaming Ageing:** Policy initiatives implemented include various types of action: citizens and representative organisations' participation, media campaigns, Life-Long-Learning initiatives, age-friendly cities awards, Corporate Social Responsibility incentives for the development of intergenerational projects in enterprises, consumer protection, international and regional cooperation.

*(Source: Mrs. Erika Winkler's presentation)*

**Own-force conferences in the Gelderland region (NL):** Public actors in the region play the role of coordinators between public services, market actors, non-profit actors and families to provide solutions for specific. During one-day conferences, professionals, volunteers and family are gathered in order to organise care for an aged person who wishes to stay home despite impairments.

*(Source: Mr. Doede Sijtsma's presentation)*

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<sup>1</sup> On this issue, see Mr. Naohiro Yashiro's presentation

## 6. From the local community to the EU level: governance for policies for a longer living society

### *Cooperation and synergies*

Policy actions to enable an inclusive, long living society cover almost all public policy sectors. These actions therefore require coordination between all public policy actors involved in these sectors, as well as between the various levels of governance concerned – starting from the local community level, through the regional, national authorities and up to the EU level.

At each level, stakes are different but equally important if these conjunct policies are to produce a real synergy and attain the set, global objective of inducing a change in society as a whole. Whereas communities are directly confronted with specific human situations, and thus have a clear view of the needs and barriers, they most of the time rely on structures, organisations and budgets that are dealt with at a higher governance level (regional/national level, depending on the domain and on the country's institutional organisation). Exchanges and cooperation are necessary to ensure an efficient allocation of means and efficient answers to the population's needs.

Beyond this, inter-regional cooperation has become absolutely necessary: citizens of course can move from one region to another in their own country, but now also throughout the EU. European public actors need to be able to access information about solutions developed elsewhere in the EU. The exchange of such information creates a virtuous circle: local authorities are more able to take care of visitors coming from other parts of the EU (this is particularly true for health care) and can adapt the best witnessed practices to their own regions.

An example would be the implementation of an ICT platform dedicated to patients and health care providers in Germany. This requires tough cooperation between the Länder, which still appears to be problematic in some ways. But beyond this level, cooperation in this field should actually extend to the EU level: since the use of these type of ICT solutions is very likely to increase in the future, developing 27 different systems would simply be a loss of time and money, as well as a further obstacle for the concerned actors.

This reasoning prevails for an increasing number of policy fields. Actions in the field of life long learning can only be fully relevant and efficient if they give citizens the opportunity to build on their ongoing education in their region of origin as well as elsewhere in the country or in the EU.

Some regions have perceived this as a necessity to jointly develop policies and responses to the challenges raised by population ageing.

### **The SEN@ER - Silver Economy Network of European Regions**

SEN@ER is a joint initiative of European regions initiated by the region of North Rhine-Westphalia (Germany). It has been established as a European-wide network of regions

to promote the development and marketing of innovative products and services aimed at this new market segment, thereby contributing to regional development and job creation. The SEN@ER was founded and established by 11 European regions on 18 February 2005 at the first European Silver Economy Conference in Bonn, Germany.

SEN@ER's objectives are awareness raising, exchange of experience, conferences, communication, EU lobbying, empowerment of regions (presentation of relevant EU funding programmes, development of project ideas and proposal outlines...) and cooperation (setting up international project consortia).

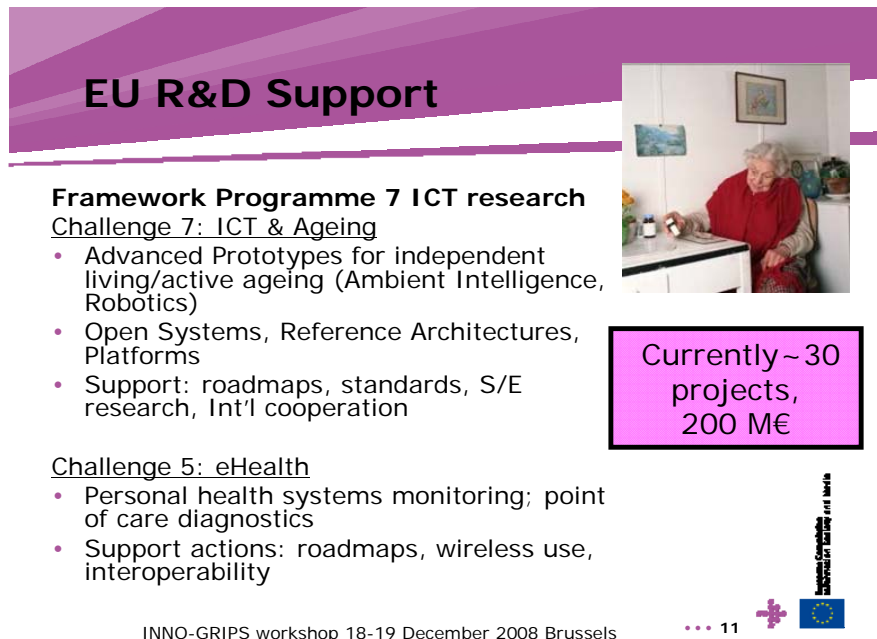
### ***EU policies – initiatives, legislation, mainstreaming***

#### Initiatives and projects

Some EU actions related to the ageing issue are currently ongoing – for example in the field of information society. These policies focus on technological solutions that can be mobilised to answer certain needs related to demographic change:

- Action Plan on “Ageing Well in the Information Society” June 2007
- Support to Ambient Assisted Living Joint R&D Programme, June 2007
- European e-Inclusion Initiative “To be part of the information society”, Nov 2007

Actions and projects are also ongoing under the 7<sup>th</sup> Framework Programme for R&D (see below, *extract from Peter Wintlev-Jensen's presentation*):



**EU R&D Support**

**Framework Programme 7 ICT research**  
Challenge 7: ICT & Ageing

- Advanced Prototypes for independent living/active ageing (Ambient Intelligence, Robotics)
- Open Systems, Reference Architectures, Platforms
- Support: roadmaps, standards, S/E research, Int'l cooperation


**Challenge 5: eHealth**

- Personal health systems monitoring; point of care diagnostics
- Support actions: roadmaps, wireless use, interoperability

Currently ~ 30 projects, 200 M€

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#### Which room for legislation and mainstreaming?

Policy actions that contribute to meet the challenges and harness the opportunities raised by demographic change are extremely diverse, and are the prerogative of various governance levels. There is, as a consequence, little room for a dedicated European policy. Indeed, the most efficient way to address age-related issues appears to be an

efficient cooperation between all implied levels of competencies and governance, in all concerned fields.

Would then mainstreaming be a solution to promote innovation as a means to address ageing-related issues, as gender mainstreaming was adopted to address men and women equality issues? Which form could such a mainstreaming take? In the case of gender equality, policy makers are supposed to make sure this principle is at least not harmed and at best promoted through all newly developed policies. That is, gender equality is set as a superior aim for the European society, and any policy initiative is supposed to relay this.

As regards population ageing, the objective as presented above is to create the conditions for a good society to grow old in. It seems possible to mainstream this concept in all European policy actions.

This mainstreaming would then have impacts in all political fields evoked above, and help ensure that the issue is taken into account even when ageing is not the main issue: universal design in standards development, effective life long learning in education initiatives, etc.

The EU's most important role certainly consists of favouring cooperation, common approaches in dealing with challenges raised by population ageing, and thus the development of coordinated, coherent and efficient solutions.

## 7. Conclusions

An ageing population is a major societal achievement. It is probably also one of the biggest challenges faced by European society. It is reshaping the structure of society and consequently calls for a global reorganisation of our way of life. What we are trying to achieve concretely is relatively unchanged: allowing people to live the way they want; ensuring independence and health insofar as possible, maintaining social inclusion and mental health as long as possible and ensuring the equilibrium of our social system. None of these aims are new but the context has changed: we thus have to adapt to it in order to maintain the society model we have chosen.

This represents a major political challenge: the aim is not to develop policies to meet the needs of a certain category of population, but rather to enable the whole of society to adapt to their new proportions and create better standards for all, whatever a person's specific needs are. If this is to be effective, political responses need to be wide-reaching, transversal and coordinated. Coordination here encompasses all levels of policy action – local, regional, national and European.

In this context, innovation is obviously a crucial vector. Innovation in the private sector can allow actors to seize new market opportunities, thereby proposing new solutions. Innovation within public services can allow the continued fulfilling of their mission in an evolving context. Political innovation can build upon the resources brought by the EU to face societal challenges and prepare for the future.

A certain number of action paths appear particularly relevant. They include supporting innovation in order for private actors to best answer all consumers' needs, especially in a universal, inclusive design perspective. They also include exploring all innovative solutions (organisational, technological, etc) for public services to best meet citizens' needs. In order to meet this objective, harnessing all available resources is necessary, and this includes those increasing together with the older share of our population. All these types of action are means to develop and encourage a transgenerational, inclusive vision of society.

Such orientations have already been taken by various policy initiatives across and outside the EU: inclusive design initiatives, the “all-inclusive digital society” initiative at EU level, the World Health Organisation's “Global age-friendly cities” project for example. All these actions are certainly promising and pave the way for a clever and relevant harnessing of innovation to reach a better society for all.

This workshop was an exploratory workshop, and purposely gathered a limited number of persons in order to favour in-depth interactions. Its conclusions and outputs (a ministudy is to be produced in the framework of the INNO-GRIPS project) are meant to feed current debates on issues linked with population ageing, and to be used as a basis for further research and cooperation with all concerned actors.

## Annex 1: List of participants

- Jérôme Arnaud (Doro Care)
- Julie Basset (Louis Lengrand & Associés)
- Pierre Bitard (Association Nationale de la Recherche et de la Technologie)
- Peter Dröll (European Commission - DG Enterprise and Industry)
- Agnès Hubert (European Commission - Bureau of European Policy Advisers)
- Ralf Jacob (European Commission – DG Employment, Social Affairs and Equal Opportunities)
- Maxime de Jenlis (Bayard Presse)
- Florian Kohlbacher (German Institute for Japanese Studies, Tokyo)
- Louis Lengrand (Louis Lengrand & Associés)
- Ian Miles (University of Manchester)
- Heidrun Mollenkopf (German National Association of Senior Citizens' Organisations – BAGSO)
- Alain Quévieux (Association Nationale de la Recherche et de la Technologie)
- Louise Richardson (Older Women's Network Ireland)
- Anna Romboli (Ergonomidesign)
- Jean-Yves Ruaux (Seniorscopie)
- Doede Sijtsma (Province of Gelderland, The Netherlands)
- Stan Smits (Philips Healthcare)
- Sue Tempest (Nottingham University Business School)
- Hugo Thénint (Louis Lengrand & Associés)
- Henriette Van Eijl (European Commission - DG Enterprise and Industry)
- Evert Jan Van Lente (AOK)
- Erika Winkler (Austrian Ministry for Social Affairs and Consumer Protection)
- Peter Wintlev-Jensen (European Commission – DG Information Society)
- Alice Wu (European Commission - DG Enterprise and Industry)
- Naohiro Yashiro (International Christian University)

## Annex 2: Meeting agenda

### DAY 1: Thursday 18 December

- 9h10-9h15**     **Welcome** by Louis Lengrand, (LL&A, INNO-GRIPS co-ordinator)
- 9h15-9h45**     **Round-table: participants' self-presentations**
- 9h45-10h00**   **Opening: policy context** (Peter Dröll - European Commission, DG Enterprise and Industry)
- 10h-10h30**    **A generation turning elderly: societal changes**  
Introduction (Louise Richardson - AGE platform, Older women network Ireland) & discussion  
*Demographic evolutions do not only impact pension or social insurance schemes. They more broadly and most importantly question the very notion of what being "old" will mean in the coming times, as well as the role older people will play in our societies. This session will aim at defining and classifying the challenges posed by the ageing process to these societies.*
- 10h45-11h45**   **Future seniors' needs and current responses: identification of market opportunities and shortages**  
Introductions (Jean-Yves Riaux - Seniorscopie, Bayard presse and Heidrun Mollenkopf - BAGSO, AGE platform) & discussion  
*Future seniors' needs can be divided into ones related to health and autonomy (mobility, access to credit...) and those related to personal fulfilment (leisure, education...). This session will explore in which ways these needs are creating new market opportunities and how these opportunities are handled by market actors, including active ageing. It will also aim at identifying needs that are not or unsatisfactorily met by the market and analyse the reasons thereof.*
- 11h45-12h45**   **New patterns for product development: exploring various types of innovation**  
Introductions (Stan Smits - Phillips Healthcare and Florian Kohlbacher – German Institute for Japanese studies) & discussion  
*New needs induce new responses in terms of products and services, and thus innovation. This session will aim at identifying and analysing the various types of innovation processes and ways to integrate technological progress - i.e. user-driven innovation, disruptive low-end innovations ...*
- 14h00-15h00**   **Business strategies in the silver economy**  
Introductions (Sue Tempest - Nottingham University Business School and Anna Romboli - ErgonomiDesign) & discussion  
*New market opportunities induce innovative product developments, but also innovation in terms of business strategies. How do private actors position themselves vis-à-vis this new segment of consumers, what are the impacts in terms of business models, marketing or distribution channels, etc.?*

**15h00-16h00 Implication for public services: Social challenges and organisational changes**

Introductions (Jim Ogg - Institute of Community Studies / French national pension fund and Evert Van Lente - AOK Social Health Insurance) & discussion

*Public services progressively have the opportunity to integrate and support the adoption of new products and services (e.g. health monitoring systems, mobility & housing), as collective purchasers, standards setters, etc. But they also have to take into account and manage their societal impacts (e.g. acceptance and effective use of new technological devices, private data protection, care professionals' skills...). The organisation of public services is also questioned by the ageing process and related innovations: which should be the role of public-private partnerships, of the not for profit sector, etc.?*

**16h15-17h30 Barriers to innovations for an ageing society**

Introduction (Joseph Coughlin - MIT AgeLab) & discussion

*Although many needs can be met by market innovations, some of them remain ignored by private actors, some others are only partially met – may it be in qualitative or quantitative terms. This session will aim at identifying and analysing market failures (market conditions, information asymmetries, lack of reward for innovators, etc.) and barriers to innovation (financial, regulatory, organisational...).*

**17h30-17h45 Synthesis & Close** (Ian Miles - University of Manchester, INNO-GRIPS partner)

**DAY 2: Friday 19 December**

**9h00-9h15 Introduction: Innovation to provide solutions for social problems**

Link to a context of social innovation, markets and civil society.

(Agnès Hubert – EC Bureau of European Policy Advisors)

**9h15-10h30 Existing policies and regulation: the impact of current practices on innovation**

Introductions (Naohiro Yashiro - International Christian University and Erika Winkler - Ministry for Social Affairs and Consumer Protection) & discussion

*This session will explore current policies led in various countries in order to accompany and guide the ageing process. The impact of these initiatives on innovation will be examined and where appropriate, positive and negative links will be identified and analysed.*

**10h45-11h30 Improving innovation system's efficiency: policy implications**

Introduction (Peter Wintlev-Jensen – European Commission, DG Information society and media) & discussion

*Shortages in responses to ageing-related challenges can find their source in the way the system itself is organised (public organisations, enterprises and civil society). How far are public support programmes coherent and integrated? How do we optimise funding and how do we work together with various public authorities and other stakeholders in the complex value chain? (Including a case study on the programme “ageing well in the information society”)*

**11h30-12h45 Added-value and potential synergies of public support programmes and other policies at different governmental levels**

Introductions (Ralf Jacob – European Commission DG Employment, social affairs and equal opportunities and Doede Sijtsma – Gelderland Province NL, Silver Economy) & discussion

*Main recommendations for actions in the European Demography report and regional policy action in practice. What are examples of related multi-level governance initiatives (European, national and regional) in terms of support to innovation and response to age-related challenges? What are the main elements for success and what lessons can be learnt from these best practices in the perspective of broader implementation and dissemination at EU level.*

**14h00-15h00 How to mainstream innovation policy to solve ageing issues at the EU level?**

Introduction (Peter Dröll - European Commission, DG Enterprise and Industry) & discussion

*On the basis of all elements explored during this workshop, this session will aim at drafting the main features of an integrated and efficient EU action in terms of support to innovation in the ageing population context.*

**15h00-15h30 Next step: Issues and scope for the ministudy**

Synthesis & discussion (INNO-GRIPS team)

*The INNO-GRIPS team will produce a mini study mainly based on the workshop's outputs. Key issues to be detailed and further explored through this mini study will be selected and structured following discussion with participants.*