



**European SeniorWatch Observatory and Inventory -**  
*A market study about the specific IST needs of older and disabled people  
to guide industry, RTD and policy*

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IST-1999-29086

## ***Seniors Economy***

*A policy initiative to stimulate the formation of a new  
business cluster in North Rhine Westphalia, Germany.*

Report Version:	1.0 by <i>empirica</i>
Report Preparation Date:	December 28, 2001
Classification:	<i>public</i>
Contract Start Date:	1 <sup>st</sup> of October 2000
Duration:	18 Month
Project Co-ordinator:	<i>empirica</i>
Partners:	WRC, STAKES, EURAG, NPOE



Project funded by the European Community under the  
"Information Society Technology" Programme (1998-2002)

## Short Title

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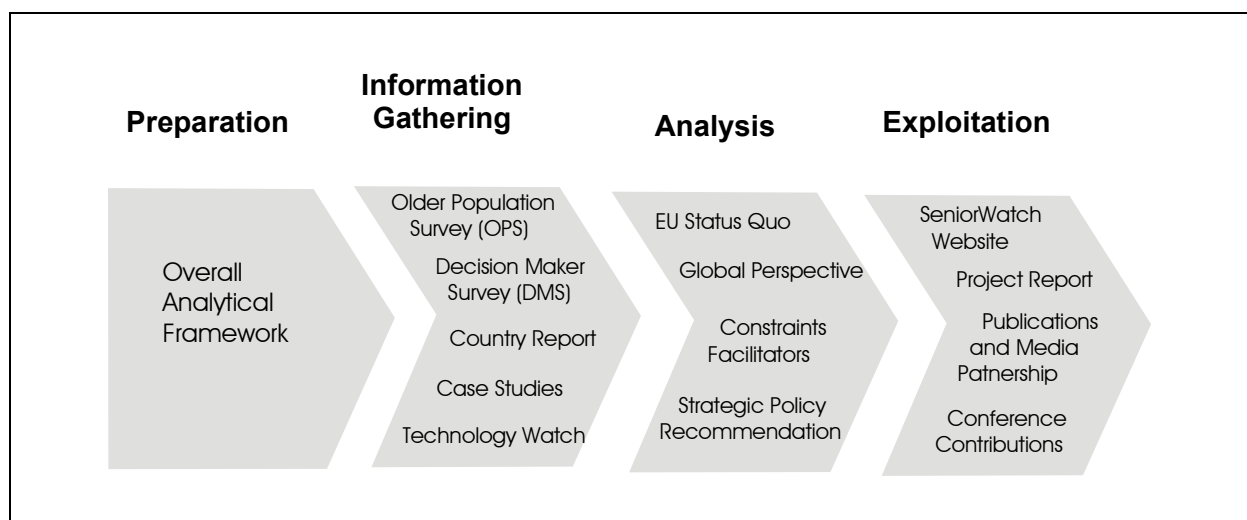
# 1 Introduction

The SeniorWatch project addresses the need to understand better and to monitor the market dynamics of Information Society Technologies (IST) applications and services targeted at older (and older disabled) citizens. Currently, there is insufficient empirical data about the needs of older citizens which could be met by IST-based applications and services, and a lack of awareness on the part of industry, users and politicians that hampers the rapid exploitation of new market opportunities arising from IST developments. In order to redress this state of affairs SeniorWatch will provide a European single source of empirical information on the market potential of IST-based products and services targeted at older people. The main objectives can be summarised as follows:

- to help and encourage European industry to address the market opportunities, and particularly challenge current competitive advantages of the US industries,
- to enable policy to really influence the current situation and to benchmark achievements between different European regions and countries and to make comparisons with competing world economies (Japan, US) most relevant to the field,
- to inform citizens about what is now possible with the support of IST and, thus, encourage them to demand IST products and services which meet their requirements.

As illustrated by Figure 1-1, these objectives require a comprehensive methodological approach to be applied. On the basis of an overall analytical framework, it integrates a set of complementary research methods such as European-wide surveys of older people and of decision makers in care services, best practice case studies, technology watch work shops and country reports. Synthesising the various types of empirical information gathered with help of these methods will finally enable the project to arrive at an holistic overview, to establish a technology and market observatory, and to derive policy recommendations to accelerate market development. Research results will be exploited by means of different measures.

**Figure 1-1: The Project Phases of SeniorWatch**



Source: © SeniorWatch, 2001

As part of the project's overall methodological approach the SeniorWatch case studies aim at providing a useful source of information on how the IST-related needs of the target groups in question can adequately be served. They are also intended to help to understand - in a qualitative manner - more deeply specific aspects of the market situation related to IST

products and services relevant for older citizens. To allow a comparative analysis of real-life examples, a common approach for selecting and describing suitable cases was developed. The main selection criteria applied in this context include:

- suitability of the case to provide input to the overall understanding and analysis of the market for IST among older people;
- suitability of the case to serve as an example of a success story (or failure) that can guide and motivate others to take actions that will support the diffusion and take-up of IST by or for older people.

In the following the SeniorWatch case study no.3 is described.

## **2 Seniors Economy. A regional policy initiative to stimulate the formation of a new business cluster in North Rhine Westphalia, Germany.**

### **2.1 Description**

#### **Seniors economy**

The initiative "Senior economy" aims at stimulating both, commercial enterprises as well as not-for-profit organisations to develop innovative products and services which meet the demands of an ageing society. Particular objectives include:

- improving the living situation of older people
- promoting innovative approaches to develop the "seniors market"
- generating new employment opportunities
- reduction of legal barriers to offer new products and services
- profiling the Federal State North of Rhine-Westphalia as a region with high competence regarding the ageing society.

The policy initiative "Seniors Economy" ("Projekt Seniorenwirtschaft") was launched in 2000 by the Ministry for Labour and Social Affairs, Qualification and Technologies (MASQT) together with the Ministry for Women, Youth, Family and Health (MFJFG) of the Federal State of North Rhine Westphalia (NRW), Germany. It aims at stimulating the formation of a new business cluster which explicitly addresses the elderly market. The initiative is supported by the Research Association for Gerontology (Forschungsgesellschaft für Gerontologie - FGG) located at the University of Dortmund.

The strategy pursued by this initiative traces back to a strategic document published by IAT together with FGG, the so called "Memorandum Ageing as an Economic Strength" (Memorandum Wirtschaftskraft Alter). The memorandum stressed out that the ageing society presents enormous market opportunities rather than merely burdening the social system. It was pointed out that older people dispose an enormous purchasing power. Also, it was argued that human resources provided through the honorary engagement of older people and through their life experience should be utilised for the purpose of strengthening the regional economy. This document can be seen as an important step towards a new policy paradigm to focus on the opportunities provided by the demographic development.

In 1999, the memorandum was discussed by a high level group of industry experts, government representatives and welfare organisations. A work shop was organised in order to identify strategies to involve the regional economy in actively developing innovative products and services for older people. It was also hoped that the formation of a new business cluster targeting the so called silver market would yield positive effects on the labour market. As a result of this work shop, ultimately the initiative "Seniors Economy" was launched, and a steering group together with three working groups were set up. Furthermore, a project office was set up at the Centre of Seniors Economy in Gelsenkirchen.

The steering group consists of representatives of employees' associations, of trade unions and of vertical unions as well as of representatives from the Federal Government of NRW. This body decides about the strategic orientation of the initiative and advises to the federal government regarding the implementation of concrete measures and projects.

Three thematic working-groups were set up to initiate concrete measures and to define individual targets for political actions:

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- a working group on telecommunications and new media,
- a working group on housing, handicraft and services,
- and a working group on leisure-time, tourism, sports and well being.

The project office transforms ideas generated within the working group into appropriate project designs. Also, it takes the role of stimulating co-operation between regional innovators, and it facilitates the creation of regional competence networks. Relevant trends and developments are continuously monitored and documented.

## Policy context

The initiative is jointly financed by two ministries (MASQT and MFJFG) of the Federal State of North Rhine-Westphalia. Politically, it is tied to the so called Alliance for Labour, Education and Economic Competitiveness (Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit), a policy forum involving different societal groups such as policy makers, employers, trade unions and researchers.

## Results

Within the initiative "Seniors Economy", the thematic working group on telecommunications and new media has successfully promoted a range of projects. This includes for instance:

- a media centre for senior citizens ("Bennohaus") to rise the level of skills and knowledge among older people with regard to broadcasting, multimedia, computers and the Internet,
- "Seniors On-line" (Senioren Online - SOL), an Internet-based information and support service for older people,
- a video telephony-based support service for family carers,
- an Internet-based support service for home care clients of a welfare organisation (Deutsche Paritätische Wohlfahrtsverband - DPWV)

Further activities are currently under way:

- A so called "competence paper" focusing on "new media and older people" is currently being elaborated. In form of a brochure, the paper will provide an overview about individual IST-related projects, activities and services with relevance for older people. In particular, it aims at identifying demands for new products and services. In this context, the foundation of a regional marketing association is to be stimulated.
- A curriculum for educating media experts is currently being elaborated. Here, the focus is on enabling professionals and volunteers to utilise new media within their individual field of activity, e. g., by setting up and running an internet café for seniors, by utilising the Internet in social work with senior citizens or by utilising computers and the Internet within elderly care.

Apart from the thematic working group explicitly focusing on new media, the other working groups also deal with IST-related issues. For instance, the thematic working group on "housing, handicraft and services" published a so called "competence paper" on intelligent housing in 2001.

## 2.2 Analysis

### Impact

Overall, the initiative "Seniors Economy" considerably increased the level of awareness among policy makers, private enterprises and the general public as regards market opportunities provided by the ageing society. The development of a so called "seniors market" has clearly been put on the regional agenda. Moreover, first concrete business activities have been stimulated, e.g. a video-telephony based support service as mentioned earlier in this report.

Currently, provision of information to seniors via the Internet is already at the focus of some social and commercial enterprises. The development of further online services is seen as target for further activities. Moreover, affordable intelligent housing technologies such as mobile alarms based on GPS technology are seen as a field for further activities. However, the lack of skills and knowledge about new media at the side of the older population seems to hamper a rapid development of an IST-related "seniors market". Hence, the improvement of media competence and skills is seen as an important task for the next time. Also, provision of support to older IST users as well as provision of better designed equipment are regarded as an important topic for the initiative. However, besides the development of new product ideas the initiative will have to support social and commercial enterprises in experimenting with new products and services in a day-to-day context.

According to the general manager of the project office, future work will require "many small steps" to be taken in order to involve further regional businesses into the development of the "seniors market". Even if they principally agree with the idea that there is a considerable market potential, social organisations as well as industry tend to move rather slowly into new fields of activity.

### Lessons to learn

The approach to stimulate the "seniors market" on a regional level is unique in Germany. An interview with the general manager of the project office revealed that its success is very much dependent on the personal and long running engagement of a limited number of key persons from industry, research and the federal state government. Those "partisans of innovation" often have to overcome strong resistance within their own organisations.

Due to the fact that the realisation of innovative ideas depends very much on the personal engagement of individual persons, staff fluctuation within commercial enterprises tends to take contra productive effects with regard to implementing new concepts. It often happens that innovative ideas "die" when a "pusher" leaves the organisation or when he takes over other responsibilities.

Against this background, policy measures such as the initiative described here seem to require a rather "long breath", and their outcomes should not be assessed in a short term perspective.

### Perspective

It is planned to steadily increase the existing network of enterprises and projects concerning themselves with the development of IST-based products and services for older people. Intensified dissemination of results and the ability to tell real "success stories" is expected to stimulate further interest among industry, policy and the general public.

## 2.3 Acknowledgements and links

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### Literature

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### WWW links

[www.seniorenwirtschaft.de](http://www.seniorenwirtschaft.de)

[www.seniorenwirt.de](http://www.seniorenwirt.de)