

# Silver economy – an opportunity for development for the countries of Central and Eastern Europe

**The percentage of people aged 65+ in the countries of Central and Eastern Europe is going to increase threefold from 11.4% (Slovakia) – or 16.2% (Bulgaria) in 2000 to 27.7% (Hungary) or 31.5% (Lithuania) in 2050. / The best situation in respect of income is in Slovenia, where only 4.6% of households are in the group of the 25% households with the lowest income in the society. Bulgaria and Romania are at the opposite end (as much as 83.6% and 79.7% of households respectively). In all the countries of the region women are in a worse position than men in respect of income. / In all the countries of the region, except one (Czechia) over a half of the elderly struggle to make ends meet. / In Poland 23.1% of older people often experience constraints caused by a shortage of money.**

**A** growth of share of ageing people in populations has been observed for years in all the European countries. So far, the countries of Central and Eastern Europe had younger age structures than the countries of Western, Northern and Southern Europe, but in recent years the pace of the process has increased in CEE countries. In 2000 the share of people aged 65 and older in these countries was between 11.4% (Slovakia) and 16.2% (Bulgaria), while in 2019 it was between 16.2% (Slovakia) and 21.3% (Bulgaria). According to Eurostat population projection, it can be expected that by 2050 the percentage of older people will rise to 27.7% (Hungary) – and 31.5% (Lithuania).

The income situation of people aged 65+ in the region is very diversified. It was analysed using information about average monthly income per person in a household. To compare incomes among the countries, the data were presented in the form of quartile groups, calculated for the entire sample. Thus, the population was divided into four equal groups arranged by

income, from the lowest to the highest. The best situation in respect of income of older people is in Slovenia, where only 4.6% of households are in the first quartile group, or the group of 25% households with the lowest income in the society. Older people in Czechia, Slovakia and Estonia are in almost equally good situation – the percentage in these countries is not more than 7%. Bulgaria and Romania are at the opposite end, where as much as 83.6% and 79.7% of households respectively are the poorest in Europe. Against this background, the situation of Poland looks good, with the rate of 20.9%, higher only than the 4 countries with the best situation. Slovenia has definitely the highest rate of the wealthiest households, classified in the fourth quartile group: 57.9%. Relatively high rates of wealthy households are also observed in Czechia, Slovakia and Estonia, the lowest are in Bulgaria and Romania.

An important dimension of evaluation of financial situation are differences between men and women. In all the countries of the region the income situation of women is worse – they have a higher percentage of those classified in the first (poorest) group and a lower percentage of those classified in the fourth (wealthiest) quartile group. These differences are significant in Hungary, Bulgaria and Romania, while in Poland, Czechia, Croatia and Lithuania the percentages of the poorest among women and men are almost the same (although men still prevail among the wealthiest).

In all the countries except one (Czechia) over a half of the elderly struggle to make ends meet. The biggest difficulties are encountered by households in Bulgaria, where 88.4% experience some or big problems. Big difficulties are also experienced by older people in Latvia and Hungary, where over 3/4 of households have financial troubles. Relatively the best situation, except Czechia (29.4% of households experiencing difficulties) is in Slovenia and Estonia. The situation in Poland against this background is average – slightly more than 60% of households experience financial difficulties.

**TABLE 1. Monthly income per person in a household (quartile groups) by age group (%)**

Quartile group	CZ	PL	HU	SI	EE	HR	LT	BG	LV	RO	SK
	65 years and older										
1.	6.8	20.9	22.4	4.6	7.0	27.5	24.8	83.6	23.9	79.7	4.6
2.	14.1	44.6	43.4	12.2	26.0	40.4	58.9	14.0	62.0	15.6	27.9
3.	55.5	20.5	25.5	26.0	49.5	17.3	10.8	1.7	8.6	3.1	46.9
4.	23.7	14.1	8.7	57.3	17.6	14.9	5.6	0.7	5.6	1.6	20.6
N	990	3521	1122	209	168	492	367	1045	270	2176	541

Source: own study by SGH Warsaw School of Economics and the seventh wave of SHARE survey, weighted data.

In all the countries of the region women report greater problems making ends meet than men. Particularly large differences are observed in Slovenia, Croatia, Bulgaria, Latvia and Romania. In Poland women also encounter more financial problems than men (63.4% of women have large or some problems, while the percentage for men is 53.8%).

**TABLE 2. Subjective evaluation of financial situation (how a household makes ends meet) by age groups (%)**

Answer	CZ	PL	HU	SI	EE	HR	LT	BG	LV	RO	SK
	65 years and older										
with large difficulties	6.4	19.6	19.5	14.8	14.9	23.1	18.1	38.0	29.1	40.0	12.2
with some difficulties	23.0	40.7	58.7	42.6	39.5	45.2	42.5	50.4	50.0	32.1	48.4
relatively easily	38.3	27.6	19.8	30.3	32.5	23.5	29.5	7.8	18.2	21.0	28.6
easily	32.4	12.1	2.0	12.4	13.1	8.2	9.9	3.8	2.8	6.9	10.8
N	1215	4241	1259	254	178	527	390	1070	301	2424	542

Source: own study by SGH Warsaw School of Economics and the seventh wave of SHARE survey, weighted data.

Shortage of money may be a serious constraint for older people. The highest percentage of respondents feeling that they cannot do many things because of financial problems is in Lithuania, where 43.6% of people aged 65 and older declare such constraints. It is surprising, because both in respect of objective measures and the assessment of financial situation of households, Lithuanians were not in the worst position compared to other countries. Constraints caused by shortage of financial resources are not just a derivative of income, but also expectations and opportunities that the elderly can see but cannot use.

High percentage of those experiencing constraints caused by financial problems is also observed in Lithuania, Romania and Bulgaria. The research shows that citizens of Czechia, Slovenia and Slovakia feel the least constrained, as they are in the best financial situation in the context of objective measures. In Poland 23.1% of older people often experience constraints caused by a shortage of money.

**TABLE 3. Subjective assessment of financial situation (how often shortage of money prevents the respondents from doing things they would like to do) by age groups (%)**

Answer	CZ	PL	HU	SI	EE	HR	LT	BG	LV	RO	SK
	65 years and older										
often	15.4	23.1	22.6	17.7	23.3	25.7	43.6	33.0	39.3	36.6	16.3
sometimes	29.0	29.8	21.6	29.0	30.1	28.8	28.2	34.2	32.2	27.7	32.4
rarely	22.7	22.7	29.2	15.6	19.9	19.8	14.3	20.9	16.5	19.5	27.5
never	29.1	21.1	24.8	32.7	21.5	22.8	13.6	11.1	9.9	16.1	22.5
difficult to say	3.8	3.3	1.8	4.9	5.2	3.0	0.4	0.8	2.1	0.2	1.3
N	1970	6043	1802	378	250	794	534	1480	390	3355	769

Source: own study by SGH Warsaw School of Economics and the seventh wave of SHARE survey, weighted data.

## SILVER ECONOMY AND COVID-19

Last but not least, the issue of the COVID-19 pandemic concerning especially the elderly, posing new questions as to how the silver economy and some of its sectors could include older generations in their actions and enable them activities in specific areas in the conditions of social isolation / sanitary regime. New sectors of the economy that have to develop along with technology progress should also take into account various needs and preferences of the elderly, which change with time. Therefore opinions, attitudes and needs of old people should be monitored in order to adjust various solutions, products and services to the "silver generation".

**ANITA ABRAMOWSKA-KMON**, doctor of economic sciences, Institute of Statistics and Demography of SGH Warsaw School of Economics; **RADOSŁAW ANTCZAK**, doctor of economic sciences, Institute of Statistics and Demography of SGH Warsaw School of Economics; **PAWEŁ KUBICKI**, habilitated doctor of economic sciences, Institute of Social Economy of SGH Warsaw School of Economics; **JOLANTA PEREK-BIAŁAS**, habilitated doctor of economic sciences, Institute of Statistics and Demography of SGH Warsaw School of Economics; **ZOFIA SZWEDA-LEWANDOWSKA**, doctor of economic sciences, Department of Social Policy of SGH Warsaw School of Economics