

Pauline Gschwendtner Silver Economy Strategies

a Comparative Study of the Japanese and South Korean governments' strategic measures

Topic and Research Question

Population ageing is a challenging phenomenon of the 21st century touching upon many industrialised and emerging market countries in the world. In recent years, however, it was discovered that in spite of the challenges, this phenomenon holds a variety of opportunities for societies and their economies. The consumption power of the growing elderly consumer group reflects an emerging market or new economic sector – the so-called *Silver Economy*. This evolution and change of thought has resulted in a multitude of publications discussing the innovation and development of products and services especially designed to fulfil the elderly consumer's needs and desires in order to, on the one hand, help senior citizens lead a comfortable and purposeful life, while, on the other hand, simultaneously boosting economic growth and productivity through the commercialisation of the new products and services. Therefore, it has become clear that with the right approaches population ageing can be turned into an opportunity to develop new markets and products, as well as direct innovation capacities and R&D towards the Silver market.

Hence, the main objective of this Master's thesis is to uncover the differences and similarities of the Japanese and South Korean governments' strategic measures in order to answer the following research question: *What are the main differences and similarities of the Japanese and South Korean governments' measures undertaken as part of a Silver Economy strategy?*

State of the Art

The *Silver Economy* is a complex concept touching upon a variety of different fields, such as health and medical care, technology and innovation, R&D, social inclusion and industrial and economic policy. Research has shown that despite previous efforts demonstrated in various sets of activities and discussed in numerous action plans and policy programs, no one overarching framework for understanding, managing and executing a global strategy on ageing has been established.

The literature review provides an overview of the chronological evolution from the general topics of 'ageing' and 'population ageing' to the concepts of active and healthy ageing, building up to the emergence and understanding of the *Silver Economy* concept. A more specific discussion of technology and

innovation for the elderly elaborates on the potential products and services that can be commercialised for the gain of economic and social benefits under the term *gerontechnology*. Lastly, the various factors and contributors, such as the role of companies in the R&D process and the inclusion of the targeted consumers, as highlighted in the secondary literature sources that play into the overall task of creating and directing measures as part of a *Silver Economy strategy* are deliberated, leading to an eclectic analytical framework serving as the foundation of this comparative analysis.

Methodology and Approach

Analytical Criterion	Factors/Guiding Questions
1. Actors and Plans	eg. Who is responsible for developing strategic action plans?
2. Contributors and Factors	eg. What role does R&D/STI play in the strategy? What role do firms play? What is the sectorial focus on targeted products and services?
3. Actions and Content	eg. Which overall strategic measures are implemented by the government? Which measures are implemented to direct R&D and STI policy?

The Analytical Framework. Source: own depiction

Combining among others Kohlbacher/Herstatt's 2011 (2008), Laperche et al.'s (2018) and Interreg Sudoe; ICT4SILVER's (2018) systemic methods discussing the state's role in approaching and directing the Silver Economy with elaborations on the consumer side regarding a demand-led and consumer-driven approach by, for example, Dosi (1982), the World Economic Forum (2015), OECD (2016), Yang et al. (2017), Östlund et al. (2014) and Petermans/Piau (2017) it could be concluded that approaching the research question with an integrative three-fold framework containing guiding questions may help to identify relevant governmental actors, their strategies regarding certain contributors and factors on how to approach the Silver Economy, and, thus, consequently identify the governmental measures and actions that have been

developed or are being developed and implemented as part of a Silver Economy strategy.

For the application of the framework in the empirical part, the main and most recent strategic action and policy plans issued by both governments and their respective agencies were used.

Main Facts

For **Japan** a centralised, top-down approach in the development and formulation of strategic action and policy plans can be detected. The Japanese government has acknowledged R&D as possible solutions to societal and economic challenges. As such, key national policy issues are concerned with guiding R&D advancements, the strategic development of future industries and STI solutions for arising challenges. All analysed action and policy plans emphasise government-academia-industry collaboration in this regard. Further governmental measures aim at boosting the economy via raising SME productivity with new technology. A special focus is laid on the SME sector, as well as start-ups and young entrepreneurs in order to create an innovation friendly, supportive, future-led environment. Targeted products and services in the form of ICT solutions, robotics, medical technology and AI form the sectorial focus of these measures. Although the Japanese government has recognised the importance of gaining the acceptance and support of society for STI, and has been encouraging dialogue forums and roundtable discussions to connect researchers and scientists with the public concrete inclusion of the elderly in the development of strategic measures could not be detected. As an exception the Council for Designing 100-year Life Society can be highlighted.

In **South Korea**, a similar top-down approach executed by President Moon, the Prime minister and the State Council in the development and formulation of strategic action plans can be observed. Concrete strategic measures in the R&D/STI field include high R&D spending on development research for the commercialisation of new products and services, structural reforms of the R&D sector, a focus on strategic innovation and an analysis of the aged care market sector. Moreover, the fostering of future growth industries through a focus on SMEs, start-ups and innovative entrepreneurs are reflected in the governmental policies. South Korea's strategic action plans target elderly businesses, such as anti-ageing technology, home service and assistant robots and

other related medical devices and leisure items. Moreover, the current administration has shown a general increase in possibilities for citizen participation. However, with regard to the Silver Economy only marginal inclusion of senior citizens in the development processes of strategic measures were observed.

Results

The analysis of various recent governmental action and policy plans issued by the Japanese and South Korean administrations showed that the respective governmental measures in both countries are characterised by great similarity. Most notable similarities in measures include the targeting of the small and medium enterprise sector for innovation in newly emerging industries and markets, an improvement of the R&D environment, and the evaluation of social transformations for the development of strategic solutions. The sectorial focus lies on ICT solutions, AI and robotics, and, additionally, focuses on health and medical care devices related to *gerontechnology*, as well as independent living and mobility. Additionally, a marginal effort in inclusion and participation activities of civil society representatives in the formulation of governmental strategies with regard to the *Silver Economy* could be detected. Furthermore, contrary to previous expectations, it was revealed that neither Japan nor South Korea have an explicit *Silver Economy strategy* plan in place.

References

All references can be found in the full version of the MA thesis available at <http://othes.univie.ac.at/>

About the Author

Pauline Gschwendtner holds a BA in Political Science with a minor in Chinese Studies from the University of Vienna, Austria. She has previously studied and worked in the public sector in Taiwan and Thailand, and is currently interning as an academic associate at the Australian Embassy Vienna.

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Examination Date: 15th October 2019