Opinion of the European Economic and Social Committee on The digital pillar of growth: e-seniors, a potential 25 % of the European population

(own-initiative opinion)

(2016/C 389/04)

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On 21 January 2016 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on:

The digital pillar of growth: e-seniors, a potential 25 % of the European population.

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The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 21 June 2016.

At its 518th plenary session, held on 13 and 14 July 2016 (meeting of 13 July 2016), the European Economic and Social Committee adopted the following opinion by 189 votes, with 1 abstention.

1. Recommendations

With a view to harnessing the economic power of the EU's older citizens, who make up 25 % of its population, the EESC believes that in growth terms it does not make sense to consider them as a population category outside the mainstream of life, but that both their abilities and their expectations should be recognised and they should be included as economic and social players of the digital age. The EESC recommends that as soon as possible:

1. the approach to the 'silver economy' be changed in view of the fact that digitalisation bridges the age divide and that older people are active agents in the value chain and in their own lives;

2. the meeting of the EU Ministers for Employment, Social Policy, Health and Consumer Affairs in June 2016, and the European summit on older people in December 2016, promote the digital inclusion of older people to address the two transitions: digital and demographic;

3. a global system of governance be developed bringing older people into the digital world and developing efficient public services that are resourced at every level, including local level, and exempted from the requirements of the European semester;

4. a horizontal EU clause be framed on 'equality for older people', with the government ministries responsible for equality in the Member States encouraged to implement it;

5. the EESC and associations representing older people be invited to take part in the discussions of the stakeholder group on the sharing economy sector recommended by the European Parliament;

6. older people's access to digital technology and the accessibility of that technology based on acquisition of knowledge and skills be facilitated, and their education and lifelong learning, adaptation of equipment and software, and mentoring be developed without delay so as to ensure their successful inclusion;

7. indicators be devised to measure the economic impact of older people, their quality of life and the benefits provided by innovation;

8. older people's access be facilitated to an EU programme for exchanging good practice, which could be a platform called for instance 'Seneca: Erasmus Senior Programme';

9. trust be developed and the public made aware of EU rules on digital technology by publishing them in the form of a code and a multilingual digital one-stop shop;

10. internet access be recognised in all the Member States as a right to a universal service based on the criterion of affordability, and — in the event of price barriers — setting of regulated tariffs be encouraged, or even unrestricted and free access provided in designated places for disadvantaged older people;

11. public-private partnerships (PPPs) be promoted whose profits are in the form of human capital, with IT giants providing free courses for older people as part of their corporate social responsibility (CSR) policy; the courses would take place in all EU primary schools outside of school hours;

12. obstacles to older people being granted bank loans be removed;

13. promote a form of 'community service' as a way of addressing digital illiteracy.

2. General comments

2.1.   The European Union faces a challenge never before faced by any human society, namely the coincidence of longevity and widespread digitalisation, which together call for sound economic as well as social strategies.

2.2.   By 2060, as shown by the projections (*The 2015 Ageing Report*, European Commission), there will be two older people for every young person, and the number of very elderly people will exceed the number of children under five: based on median age (Eurostat), the first countries affected will be Sweden, Germany, Poland, Romania and Slovakia, followed a few years later by Belgium, Denmark, Ireland, and subsequently by all the other Member States.

2.3.   Older people and older workers are seen both as a threat for social protection systems and as an opportunity for the goods and services sector. In 2011 the Union took action to help the adult population ([1]), introducing five strategic guidelines with the aim of creating a 'job-rich' economy and improving the quality and effectiveness of education and training opportunities for adults.

2.4.   The Committee notes that older people were not directly concerned by these initiatives.

What is a 'senior'?

2.5.   The baby-boomers (a term denoting the large numbers of people born just after the Second World War) are the first generation to have lived without war on their common territory and, together with their parents, they have been the most 'pro-European' people in history. They are now described as 'seniors'. In its background paper 'Growing the European Silver Economy' of February 2015, the European Commission talks of readiness to meet the 'needs of the population over 50'. This population group is sometimes divided into three subgroups: the active, the fragile and the dependant. The EESC also adopts this definition, giving substance to its recommendation that a different approach be adopted towards 'seniors' so as treat them as agents of growth.

2.6.   Demographic ageing means the increase in the proportion of older people in a population resulting from a decrease in fertility and mortality. The Japanese (*Étude comparative du marché des seniors français et japonais — Opportunités croisées*, David Barboni, in *Eurasiam*, 'Management No 001' series, 2007) are ahead of us in terms of an ageing society. They have created a dynamic consumer culture specific to 'seniors' in the spheres of well-being, health, finance, insurance, distribution and tourism. Information and communication technologies (ICTs) have become integral to market goods that are intended to improve quality of life, designed for an older 'consumer' of targeted products rather than an older 'stakeholder' in the digital society, which suits the short-term profit motive of producers. This is an important development, but the approach is oversimplistic.

2.7.   In the EU, baby-boomers have not become merely older consumers of goods: huge numbers of both men and women have, for the first time in the continent's history, been students, and after that 'active' and 'productive'. Many of these people can now choose to remain active, either in the productive economy or in the social and solidarity economy.

2.8.   Their take-up of ICTs is sometimes perceived as slow and difficult, whereas they have often been the first to adopt them and have even produced innovations (*The Seven Myths of Population Aging*, Julika Erfurt et al., Accenture, February 2012). In 2010 over 16 % of business start-ups in France were by people over the age of fifty, and nearly half of those start-ups were self-financed. These over-50s were older workers, job-seekers, entrepreneurs who were still active, and even retired people (see the article by Yann Le Galès in *Le Figaro*, 27 April 2012).

([1])   OJ C 372, 20.12.2011, Council Resolution on *A renewed European agenda for adult learning*.

A change of approach

2.9.   It has only been since the 2002 UN Declaration and International Action Plan on Ageing and the 2012 Council Declaration on the European Year for Active Ageing and Solidarity between Generations that we have been talking about the 'silver economy' in the EU. Moreover, the Commission believes that every effort should be made to support 'ageing well', with the help of ICTs in particular, thus enabling the European Union to play a key role: 'The Silver Economy covers new market opportunities arising from public and consumer expenditure related to the rights, needs and demands of the (growing) population over 50' (see the European Commission's silver economy web page).

2.10.   The EESC believes that issues of well-being, independence, dependence, and the market must be addressed. That said, Europe has almost 125 million older citizens who are **active agents** of their own lives, of the economy and of growth. Information technologies must be just as much a part of these people's lives as they are of the 'active' population's.

2.11.   This is why the Committee wishes to emphasise the need to adopt an approach to age that **dovetails** with other stages of life, without rigid boundaries, so that every healthy senior maintains their digital skills and experience without being disconnected from all the other people in the value chain. A dynamic and inclusive approach must be adopted towards older people: they should not be treated just as being in the final stage of life and digitalisation should not be limited to 'technical/medical aid'.

2.12.   This should not have any implications for pension rights (Articles 25 and 34 of the EU Charter of Fundamental Rights, and Articles 153 and 156 TFEU), or for pension systems, which are different in each Member State.

2.13.   A holistic and inclusive approach could give all 'older' Europeans the assurance that digital innovation is relevant to them. From the Committee's perspective, it is by accepting responsibility at every level that the Union could play the key role to which it aspires in the realm of the 'silver economy'.

3. **Specific comments**

3.1. ***All European over-50s must become e-seniors as soon as possible***

ICTs and familiarity with them are imperative. This calls for political will and for resources. **All the institutions** have embraced the digital transition, and the **EESC** would like the more than 125 million Europeans over the age of fifty to be part of this.

3.1.1.   The now ageing baby-boomers have a tool to help them: the revolution in new technologies. There is a pressing need to look beyond the market and to ensure that nobody is left on the sidelines of IT practice and knowledge, since connectivity is all-pervasive. The EU must tread the line between the need for interoperability in Europe and the requirement to provide protection in the Member States in very fragmented contexts, but the Commission communications published in April 2016 (COM(2016) 176, 178 and 179 final) concern only the technical issues and do not mention the social dimension. The Commission's communication of June 2016 on 'A New Skills Agenda for Europe' (COM(2016) 381/ 2) and its proposal for a Council Recommendation on establishing a Skills Guarantee (COM(2016) 382/2) both focus on employability and productivity. They make no mention of older people, and little of digital technology. The Committee hopes that the EU ministerial meeting in June and the summit in December 2016, at which the issue of older people is to be discussed, will be able to promote their digital inclusion and an improvement in their living and working conditions. This is necessary in order to respond to the two transitions: digital and demographic.

3.1.2.   To facilitate cohesion, and to ensure accessibility and raise awareness among older people, and all population categories, the Committee recommends that all relevant EU texts that have already been adopted in connection with digitalisation be published in the form of a code, and that the possibility be considered of creating a multilingual digital one-stop shop.

3.2. ***Being a senior in the digital society*** [2]

3.2.1.   Digitalisation enables people to learn and be proactive, especially when they are older and their mobility is reduced. It helps to avoid 'segregation' and facilitates knowledge transfer. It can lead to a reversal in the tutor-pupil relationship between the generations and eliminate the age divide.

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[2]   OJ C 11, 15.1.2013, p. 16.

3.3. *One way of absorbing the shock of baby-boomer ageing is to consciously focus on digitalisation*

3.3.1.　　**The Committee** has published a large number of opinions on the technical, economic and social aspects of digital development: infrastructure, rights, costs, telemedicine, online health ('e-health'), active ageing, cybercrime, smart cities/mobility/islands, internet neutrality, etc.

3.3.2.　　**The Commission** should include every generation, avoiding geographical divides, and should have a long time horizon (to 2060) (³), since the ageing curve is set to steepen in all the Member States.

3.3.3.　　In its communications of 19 April 2016 (⁴), the Commission indicates that it will be looking at ICT standardisation, 'a crucial element of the Digital Single Market', the digitisation of industry and cloud computing.

3.3.4.　　**The Dutch and Slovak presidencies** asked the Committee to draw up an exploratory opinion on the social impact of technological development. That opinion, entitled *The changing nature of employment relationships and its impact on maintaining a living wage and the impact of technological developments on the social security system and labour law*, was adopted on 26 May 2016.

3.3.5.　　In its resolution of 19 January 2016 on *Towards a Digital Single Market Act* (point (80), **the European Parliament** encourages the Commission 'to set up a stakeholder group in charge of promoting best practices in the sharing economy sector', which the EESC also refers to as the collaborative economy, whose existence is highly dependent on digitalisation. Representing civil society is typically an activity that older people can engage in. The EESC would like to be a part of this initiative.

3.4. *Are the associated risks greater for e-seniors?*

3.4.1.　　With the advent of big data, cloud computing, the internet of things, 3D printing, and other new technologies that have appeared with the very rapid expansion of the internet into modern life, certain crippling fears are still very widespread. Older people are more susceptible to these than younger 'digital natives'. They get stuck because they are afraid that:

— a technology will be complicated to use;

— it will intrude into their private life;

— they may be a victim of fraud when they make online payments;

— a technology is dangerous.

3.4.2.　　The Committee agrees with the European Parliament that 'the trust of citizens and businesses in the digital environment is vital to fully unlocking innovation and growth in the digital economy'.

3.4.3.　　The crisis situation and state of emergency measures are reinforcing the sense of imperilled freedoms and hypersurveillance, as well as fears about the risks posed by cybercrime.

3.4.4.　　People are not familiar with the protection provisions that exist in the Member States and at European Union level. Raising awareness among this population group without scaring it, when school is no longer the mediator, informing and training them, would allow progress to be made by reducing the information asymmetries between the major operators, which are almost always from other countries, and the citizens who are using the digital tools.

3.5. *Action by the EU, national governments, businesses and services*

3.5.1. *At European Union level*

Digitalisation should reduce the social cost of ageing. Some 58 million EU citizens aged between 16 and 74 years have never used the internet (*Bridging the digital divide in the EU*, European Parliament briefing). According to a 2014 estimate from one charitable organisation (Secours Catholique, cited in *Le Monde*, 6 November 2014), the percentage of people aged 50-59 receiving assistance in France increased from 13 % to 17 % between 2000 and 2013. This reflects the increase in unemployment among older people and the increase in precarious employment among older workers, underscoring the urgent need for action, since this situation is holding back the digitalisation that should be driving economic growth.

(³)　　http://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing
(⁴)　　COM(2016) 176 final.

3.5.1.1. The principle of equality (Article 20 of the Charter) cannot be reduced to 'care'.

The EESC would recommend that the EU frame a horizontal 'equality for older people' clause and encourage the ministries responsible for equality in the Member States to implement it. It costs to be connected. The EESC believes that in view of the risks hanging over pensions older people in all the Member States should enjoy unrestricted and free internet access in designated spaces and that regulated tariffs should be considered in the event of price barriers.

3.5.1.2. Global governance

3.5.1.2.1.   Under a holistic approach, a new type of governance could establish proactive solidarity between the generations and sustainability in the social sector.

— The EESC believes that civil society representatives, including potential beneficiaries of innovations to maintain health and independence, should therefore be included in dialogue arrangements.

— The EESC recommends that older people join forces at every level to ensure that their voice is heard.

— The Committee agrees about the need for 'active participation of citizens', who should 'benefit from the digital shift', and also asks the Commission 'to continue to assess how the digital revolution shapes European society'. The EESC believes that this assessment should take account of developments affecting older people.

3.5.1.3. Financing

Major changes have already been set in train (^{5}) across industry and services.

3.5.1.3.1.   Specific funding (research, broadband, information), as well as financing from the Structural Funds and special programmes, has been earmarked for developing digital technology. However, no figure has been put on the investment needed to maintain the EU's leading position, whereas the needs of Europe's population — from primary school children to older people, including lifelong learning — should be costed. It is important to ensure that the funding made available is not subject to the dictates of budget austerity. Finally, there is an urgent need to remove obstacles limiting older people's access to private financing (bank loans) (^{6}).

3.5.1.3.2.   The Commission is proposing public-private partnerships (PPPs). The Committee is dubious about this approach because there is always a risk that the private sector will become involved only if it sees a likely profit, while interest costs would increase government debt and ultimately part of the public domain would have been privatised.

3.6. *Role of national and regional authorities*

3.6.1.   *A genuine digital public policy for older people*

The EESC has already suggested that internet access should be regarded as a right to a universal service, stressing the affordability aspect, so as to combat social and geographical inequalities. One approach would be to provide public spaces where people have free internet access.

Public services must obviously address the issues faced by older people: transport, health, the postal service, services of general interest (SGIs), services of general economic interest (SGEIs), social services of general interest (SSGIs), social services of general economic interest (SSGEIs), etc.

3.6.2.   National and regional authorities must ensure that older people get into new habits as regards protection and security of digital data. It is especially important to make social inclusion inseparable from digital inclusion as people become less independent. Local government facilitates this because it is close to local concerns. The EESC advocates a form of 'community service' as a way of addressing digital illiteracy.

3.6.3.   *Launching national awareness-raising campaigns*

3.6.4.   **Inclusion of older people:** it should be the responsibility of the Member States to inform their citizens about all the digital training possibilities they offer older people. Awareness-raising campaigns in the media could serve this end.

(^{5})   See OJ C 13, 15.1.2016, p. 161.
(^{6})   Directive 2013/36/EU (OJ L 176, 27.6.2013, p. 338).

3.6.4.1. T h r o u g h s k i l l s a n d t r a i n i n g

3.6.4.2. Older people need to acquire or maintain digital skills. Although NGOs are very active, this is not enough: Older people need to see their qualifications recognised and to engage in lifelong learning. For example, Slovakia has 18 universities of the third age and a large number of 'academies' for older people with few educational qualifications.

3.6.4.3. **Through digital literacy and apprenticeships**: the Committee reiterates its call for media and internet education (^{7}) to be promoted for all EU citizens, especially vulnerable people, and commends the introduction of a 'grand coalition for digital jobs' at European level. It notes that training involves many different players.

3.6.4.4. The EESC believes that the Commission would gain from working with the Member States and with universities to ascertain the skills needs of older people and identify ways of meeting them, e.g. by creating formal links with universities to facilitate older people's access to massive open online courses (MOOCs).

3.6.5. *Through accessibility and participation of all senior citizens.*

3.6.5.1. The EESC agrees with Parliament (^{8}) on the need to 'overcome gender stereotypes', recognising 'the significant potential of female innovators and entrepreneurs and the role they can play in digital transformation', and would also like to see 'their integration and participation in information society'. The Committee is aware that older women have often suffered fragmented careers and that they are more likely than men to be living in poverty after they retire. This should be taken into account in measures intended to include women in the digital world of senior citizens.

3.6.5.2. The EESC also recognises 'the potential of the Digital Single Market to ensure accessibility and participation for all citizens, including people with special needs, elderly people, minorities and other citizens belonging to vulnerable groups, regarding all aspects of the digital economy' (^{9}), but it would prefer 'elderly people' to still be economic players and not be stigmatised and put in the same bracket as 'people with special needs'.

3.6.5.3. The EESC has stated its support for the proposed Directive on accessibility (^{10}), while lamenting the tardiness in drawing up the directive and also the failure to ratify the Marrakesh Treaty. In relation to digitalisation, the Committee understands accessibility to concern both hardware and software: it would like to see easier access for older people and better adapted and multilingual software, and digital public spaces that create interpersonal contacts. Social contacts are vital for vulnerable people.

3.6.6. The EESC recommends adding a 'senior' strand to the EU Erasmus+ programme. This could be a platform for exchanging good practice, called for instance 'Seneca: Erasmus Senior Programme'.

3.6.7. **Encouraging creativity and innovation at every age** through digitalisation, older people being best at identifying their own needs and guiding organisations and individuals offering support.

3.7. *Businesses: activity and employment*

— The EESC recommends setting up a PPP whose profits are in the form of human capital, with IT giants providing free courses, as part of their own CSR policies, mentoring older workers who are retiring and providing courses for all older people, in every state school in the Member States outside of school hours.

— People lack digital skills in the EU (900 000 jobs not filled) (^{11}). Re-skilling of older workers could help to improve this situation, which must be assessed in the light of global competition. Encouraging digital entrepreneurship, training and business start-ups, and developing every person's skills and well-being, will require sustained public investment.

— In a situation of mass unemployment, the economy 4.0 allows older people to establish networks and create new businesses, as well as long-term, local employment with high added value, such as jobs in the caring and health professions, jobs that help people remain independent and jobs relating to prevention (^{12}).

(^{7}) OJ C 451, 16.12.2014, p. 25.
(^{8}) European Parliament, *op. cit.*, point 113.
(^{9}) European Parliament, *op. cit.*, point 114.
(^{10}) OJ C 303, 19.8.2016, p. 103.
(^{11}) http://europa.eu/rapid/press-release_IP-14-518_en.htm
(^{12}) OJ C 21, 21.1.2011, p. 39.

— With regard to the sharing economy in its different forms, the EU has not clearly laid out its principles on abuse of dominant positions and how this can be reconciled with the objective of a 'social market economy', considering that a growing proportion of the workers concerned find themselves to be *de facto* outside the law in terms of labour rights. Older people are likely to be more affected than other population groups by the effects of digitalisation on social cohesion.

3.8. *Revolutions*

3.8.1.   Digitalisation simultaneously facilitates both a top-down and bottom-up approach to social relations, and above all to age.

3.8.2.   The sharing economy can bring people closer together through learning methods that encourage all types of intelligence, and through innovative health solutions that allow disabled and older people to play a full role in society and to be agile even if they are not mobile ('pervasive computing').

3.8.3.   However, digitalisation changes the structure of work relationships. As societies age, digitalisation is overturning the order that has underpinned the cohesion of European societies since the second world war, namely solidarity-based systems that cushioned the impact of crises (as in 2008).

3.8.4.   The 'fourth industrial revolution' is shaking up employee hierarchies as a result of network activities, the inflow of older people and the breaking down of 'barriers'. At the same time, around 10 % of e-seniors are connected to the internet but still poor. These seniors could become 'old people' again, unable to support themselves (nuclear families) as in previous centuries. This raises the question of whether transition with knowledge transfer is feasible.

3.8.5.   It is vital for a digital social market economy [13] that includes everybody to maintain pension systems. By 2060, these systems will inevitably be based on sources other than paid work, but avoiding the risks of pension funds. The basis for calculating contributions and redistribution of wealth must be considered in detail so as to prepare people psychologically and intellectually for the changes.

Brussels, 13 July 2016.

The President
of the European Economic and Social Committee
Georges DASSIS

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[13]   OJ C 318, 29.10.2011, p. 9.