CURRENT CHALLENGES FOR THE INTEGRATION TENDENCIES OF THE SOCIAL AND SILVER ECONOMY: THE CASE OF THE CZECH REPUBLIC

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Abstract

The paper addresses current challenges and opportunities related to the integration tendencies of the social and silver economy in the Czech Republic in the context of demographic population ageing and transformations in the labour market. The aim of the article is to analyse the interrelationships between the social economy, focused on social inclusion and the employment of disadvantaged groups, and the silver economy, reflecting the growing economic potential of older adults. The text identifies key barriers to integration, particularly institutional fragmentation, insufficient support for innovative business models, and a low level of cross-sectoral cooperation. At the same time, it highlights the importance of social entrepreneurship and community-oriented approaches as tools for strengthening the synergistic effects of both sectors. Based on the analysis, recommendations for public policy are formulated, aiming at more effective support for the employment of individuals of pre-retirement and retirement age, the development of social innovations, and the strengthening of regional cohesion. The article contributes to the discussion on sustainable economic development in the context of an ageing society.

Key words: social economy; silver economy; population ageing; social innovation

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Introduction

Population ageing represents one of the most significant structural changes in advanced economies and substantially affects both economic and social systems. It is not merely a demographic phenomenon but a complex process reflected in the labour market, social protection systems, healthcare, and consumption patterns. As life expectancy increases and fertility rates remain low, the proportion of older individuals continues to rise, placing increasing pressure on institutional frameworks and economic models.

The Czech Republic is among the countries experiencing relatively rapid demographic transformation, characterised by a growing share of the population aged 65 and over and increasing life expectancy (Alina et al., 2025). This development poses challenges for public finances, as well as for the efficient use of human capital and the strengthening of social inclusion.

In this context, the social economy gains importance as a specific segment of the economic system that links economic activities with social objectives. It primarily focuses on addressing labour market inequalities, supporting disadvantaged groups, and fostering community cohesion. Its key instruments include social enterprises, non-profit organisations, and integration employment schemes. In the Czech environment, the development of the social economy is supported by public policies, although it remains constrained by institutional fragmentation (Defourny & Nyssens, 2017).

Complementing the social economy is the concept of the silver economy, which reflects the economic potential of an ageing population. Older individuals are not perceived solely as a cost factor but increasingly as active participants in the economy (Donéeová, et al., 2024). This perspective is evident in the expansion of services, lifelong learning, technological innovation, and employment opportunities for older people. The silver economy thus promotes the concept of active ageing and emphasises the productive role of seniors in society (Walker, 2002).

The integration of these two concepts provides a framework that combines social inclusion with the economic potential of demographic change. It creates opportunities for the development of innovative employment models and regional development strategies. The aim of this paper is therefore to analyse the relationship between the social and silver economies in the Czech Republic, identify key barriers to their integration, and propose recommendations for public policies supporting their synergistic development.

1. Data and Methods

The analyzed data confirm a pronounced long-term trend of demographic ageing in the Czech Republic. Table 1 presents a projection of the population aged 60 years and over for the period 2010–2065. The results indicate a clear increase in the absolute number of older persons, rising from approximately 1.8 million in 2010 to around 3.6 – 3.7 million, with a peak expected between 2045 and 2055. This development is primarily driven by the gradual

transition of numerically strong cohorts born particularly in the 1970s into older age groups, combined with the continuing increase in life expectancy.

Tab. 1: Age-specific projection of the population aged 60+ (2010–2065), in thousands

Age limit	2010	2015	2020	2025	2035	2045	2055	2065
60–64	520	550	650	700	690	620	560	530
65–69	480	500	520	640	720	650	580	540
70-74	360	390	420	520	710	680	610	560
75-79	240	270	310	400	650	690	650	600
80-84	140	170	200	260	460	620	680	660
85+	80	100	120	150	270	420	550	650
Total 60+	1 820	1 980	2 220	2 670	3 500	3 680	3 630	3 540

Source: Czech Statistical Office. Population statistics. 2021 and own processing

After reaching a peak in the medium-term horizon, the total number of older persons stabilizes or shows a slight decline. However, a fundamental shift occurs in the internal age structure of this group. While the number of individuals aged 60–69 gradually stagnates or decreases, the oldest age categories grow dynamically, particularly the 80+ group and even more so the 85+ group. This structural shift signals not only a quantitative but also a qualitative transformation of the population ageing process.

For these reasons, the analysis primarily employs analytical and comparative approaches. These focus on examining the interconnections between the social and silver economy, while taking into account the importance of the subsidiarity principle within policy-making at the local level. At the same time, this development is confronted with theoretical approaches to human capital.

2. Results

2.1 Interaction between the Social and Silver Economy

The interconnection between the social and the silver economy represents an important conceptual and practical framework for addressing the impacts of demographic ageing. Although these approaches are grounded in different theoretical perspectives, they share a common emphasis on the utilization of the human capital of older populations and the

promotion of social cohesion (Novotná et al., 2021). While the social economy primarily focuses on the inclusion and integration of disadvantaged groups into economic and social structures, the silver economy emphasizes the economic potential of older people as consumers, workers, and entrepreneurial actors (Moulaert & Ailenei, 2005). It is precisely at the intersection of these approaches that space emerges for synergistic effects capable of strengthening both social stability and regional economic performance.

In this context, the social economy serves as a key mechanism for activating older individuals and those approaching retirement age. Through social enterprises, non-profit organizations, and community-based initiatives, it enables their participation in employment and voluntary activities that are not primarily profit-driven but oriented toward broader social benefits (Donéeová et al., 2024). This approach is particularly significant in situations where segments of the older population face risks of long-term unemployment, social isolation, or loss of employment opportunities due to structural changes in the labor market (Volek & Novotná, 2015). The social economy thus provides an institutional framework for maintaining both economic activity and social participation among older individuals.

Conversely, the silver economy can be understood as a source of new employment, entrepreneurial, and innovation opportunities arising from the growing demand among older populations for specific products and services (Donéeová et al., 2024). This segment encompasses not only traditional areas such as healthcare and social services but also emerging sectors, including assistive technologies, age-friendly housing, financial advisory services tailored to older clients, and specialized educational programs. In this sense, the silver economy becomes a significant driver of regional development and innovation, while simultaneously creating opportunities for older individuals to participate not only as consumers but also as service providers and entrepreneurs.

The synergistic linkage between these two concepts can be observed in several specific areas. The first involves social enterprises focused on employing individuals aged 50+, combining economic activity with targeted support for the labor market integration of older workers (Defourny & Nyssens, 2010). These entities often operate in service sectors, crafts, and community care, enabling the effective use of older workers' experience and competencies. The second area includes community-based services for older people, such as day-care centers, outreach social services, and community education activities, which simultaneously strengthen social ties and prevent social isolation. A third important domain consists of intergenerational projects that support the transfer of knowledge and experience

between younger and older generations, particularly in areas such as digital skills, mentoring, and community development (Šetek et al., 2025).

The integration of the social and silver economy produces a range of positive outcomes. At the social level, it reduces the risk of social exclusion among older individuals, enhances their participation in social life, and improves overall quality of life. Economically, it contributes to higher employment rates among older workers, thereby supporting labor market stability and mitigating the fiscal impacts of population ageing (Leitmanová et al., 2021). From a regional development perspective, it strengthens local economies through the expansion of services, community initiatives, and small and medium-sized enterprises. Overall, the interaction between the social and silver economy creates a comprehensive framework for societal adaptation to demographic change. This approach not only mitigates the negative consequences of population ageing but also enables the effective utilization of its potential as a source of economic growth and social innovation (Šetek et al., 2025).

2.2 Key Barriers to Integrative Tendencies

Despite the growing importance of linking the social and silver economy, a number of structural, institutional, and cultural barriers continue to limit the full development of their integrative potential (Moulaert & Ailenei, 2005). These obstacles can be understood as an interconnected system of factors that slows the emergence of synergistic effects between the two domains and reduces the effectiveness of public policies aimed at active ageing and social inclusion.

One of the key barriers is the institutional fragmentation of public policies. In practice, the domain of the social economy and employment policy is often separated from strategies focused on population ageing and the development of the silver economy (Walker, 2002). This situation leads to fragmented competencies across individual government sectors and the absence of a unified strategic framework that would systematically integrate social, economic, and demographic objectives. As a result, there is limited coordination of measures and lower efficiency in the use of public resources.

Closely related to this issue is insufficient coordination among key stakeholders, including the state, local governments, non-profit organizations, and private sector actors. In practice, functional platforms for information sharing, joint planning, and the implementation of integrated projects are often lacking (Wildmannová, 2017). This weakens the capacity to

develop comprehensive solutions that simultaneously reflect both the social needs of older individuals and the economic opportunities associated with population ageing.

Another significant barrier is the limited support for innovative business models, particularly in the field of social entrepreneurship and services targeting older populations. Although partial funding schemes exist, their scope and long-term stability are often insufficient for the systematic development of such activities. Consequently, innovative projects face funding uncertainty and administrative burdens that restrict their scalability and sustainability. This is further compounded by the low level of systematic financing for social innovation. Support for these activities is often project-based and short-term, complicating their institutionalization (Moulaert & Ailenei, 2005). The absence of long-term financial instruments, such as investment funds or hybrid financing mechanisms, limits the creation of a stable ecosystem of social innovations linking the social and silver economy.

Cultural and societal barriers also play an important role. Age-related stereotypes persist in the labor market, leading to discrimination against older job applicants. The phenomenon of ageism manifests not only in recruitment processes but also in limited opportunities for career advancement and retraining among older workers. These issues are closely linked to enduring stereotypes about the lower productivity of older individuals, which are not supported by current empirical evidence regarding their work performance and experiential capital (Alina et al., 2025). Finally, regional disparities within the Czech Republic significantly influence the development potential of both the social and the silver economy. While some regions benefit from well-developed social service infrastructure and active social economy actors, others face limited service availability, lower economic activity, and weaker institutional capacity (Leitmanová et al., 2021). These differences lead to uneven development of integrative initiatives and deepen socio-economic inequalities across regions.

Overall, it can be concluded that the identified barriers are predominantly systemic in nature, and overcoming them requires a coordinated approach involving public administration, the private sector, and civil society (Alina et al., 2025; Leitmanová et al., 2023). Without addressing these challenges, the potential of integrating the social and silver economy remains only partially realized.

2.3 Social Entrepreneurship, Communities and Policy Implications

Social entrepreneurship represents a key integrative mechanism linking economic activity with explicit social objectives (Defourny & Nyssens, 2010). In the context of population

ageing, social enterprises play a significant role in integrating disadvantaged groups (particularly individuals aged 50+) into the labor market (Šetek et al., 2025). By combining market principles with social solidarity, they create sustainable models of employment and community development, characterized by local embeddedness and reinvestment of profits into social goals.

Community-oriented approaches further contribute to social cohesion and local activation (Moulaert & Ailenei, 2005). Community centers and local initiatives provide social, educational, and participatory opportunities for older individuals, while intergenerational cooperation supports knowledge transfer and reduces age-related stereotypes (Džbánková et al., 2026). Such practices enhance both social inclusion and regional resilience.

Empirical examples include social enterprises in care services, crafts, and community sectors employing individuals aged 50+, as well as community centers and regional initiatives engaging older persons as volunteers and mentors. These approaches foster both economic participation and social cohesion. To strengthen integration between the social and silver economy, a coherent public policy framework is required to overcome institutional fragmentation. This includes integrating policies on social inclusion, employment, and active ageing, as well as supporting social innovation and scaling mechanisms.

Policy measures should also focus on strengthening financial instruments for social enterprises, promoting active labor market policies for individuals aged 50+, and enhancing regional governance through decentralized cooperation. Additionally, support for intergenerational programs and digital inclusion is essential to increase participation and reduce exclusion risks among older populations. Overall, effective coordination and an integrated strategic framework are essential to fully exploit the potential of linking the social and silver economy in ageing societies.

Conclusion

The analysis of the relationship between the social and silver economy demonstrates that their integration represents a significant potential for addressing the impacts of demographic ageing in the Czech Republic (Volek & Novotná, 2015). The two concepts are complementary: while the social economy contributes to social inclusion and the activation of disadvantaged groups, the silver economy emphasizes the economic potential of an ageing population and its

participation in value creation. Their integration thus creates opportunities for the development of new forms of employment, services, and community-based activities.

A key prerequisite for further development is the systematic support of social innovation and the establishment of innovation incubators, which enable the creation and scaling of projects combining economic sustainability with social impact (Dohnalová, 2023). At the same time, it is necessary to strengthen financial instruments and ensure more stable support for social enterprises, which represent a fundamental institutional tool of this integration (Džbánková, et al., 2026). An important role is also played by active labor market policies targeting individuals aged 50+, together with the development of intergenerational programs and digitalization, which support their participation in the modern economy. Furthermore, enhancing institutional coordination and strengthening the regional dimension of public policies are essential for effectively responding to the diverse conditions across territories.

Overall, it can be concluded that the integration of the social and silver economy constitutes an important direction for sustainable economic and social development. However, its successful implementation depends on the capacity of public policies to create an integrated and long-term stable framework that enables the full utilization of the potential of an ageing society.

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