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Financial Law for Silver Economy Development

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Abstract: ***Population aging is increasing the need for financial frameworks capable of supporting the development of the silver economy. This article examines the principal components of financial law relevant to mobilizing, using, and allocating financial resources for silver-economy development. Drawing on legal analysis and selected international experiences, it considers the roles of State-budget resources, private investment, credit, taxation, and other financial mechanisms. The analysis shows that an appropriate combination of public and private resources can support essential services for older persons while encouraging investment and innovation. The article proposes recommendations for countries experiencing population aging to strengthen financial laws governing resource mobilization, resource use, and the allocation of funds generated through silver-economy activities.***

Keywords: Silver economy; Development of the silver economy; Financial resources; Financial law

1. Introduction

Silver economy is the system of production, distribution, and consumption of goods and services aimed at using the purchasing potential of older and ageing people and satisfying their consumption, living, and health needs. The European Union has defined the silver economy as all economic activity serving those aged 50 and above. The silver economy is analyzed in the field of social gerontology, not as an existing economic system, but as an instrument of ageing policy and the political idea of forming a potential, needs-oriented economic system for the ageing population (European Commission, 2018). Its main element is gerontechnology as a new scientific, research, and implementation paradigm (Klimczuk, Andrzej, 2012).

The silver economy originates from the term "silver market", referring to markets for older persons in such sectors as health care, finance, energy, housing, telecommunications, entertainment, and tourism in Japan. This country had one of the world's highest proportions of people aged over 65 in the 1970s. In 2014, the OECD defined the silver economy as an environment in which people aged 60 and older interact and develop in the workplace, engage in creative activities, drive markets as consumers, and live healthy, active, and productive lives (Duy Anh et al., 2025). Accordingly, the silver economy may be understood as the totality of production, business, and service activities undertaken to meet the consumption needs of older persons, harness their purchasing power, and create new markets and employment opportunities. In the context of population ageing, the silver economy can serve as a driver of growth. Older persons are not merely beneficiaries of social security and consumers, but may also be active investors.

Research has identified the characteristics of consumers in the silver economy: (i) they have high purchasing power and are relatively free from economic burdens; (ii) they use their time to do what they have long wished to do, such as travel, enjoy new experiences, and treat themselves; (iii) they are active people who value self-care, sport, healthy eating, fashion, and leisure; (iv) they tend to be loyal to brands, may consume more than younger people, and demand more specific and personalised products and services; and (v) they have more free time and seek to use it for cultural and leisure activities (European Commission, 2018).

Although older persons may have less physical strength than younger persons, they generally possess substantial life experience, knowledge, and professional skills that can contribute to economic activity. Financial law for the development of the silver economy should therefore be examined from the different forms of contribution that older persons may make.

First, older persons participate in and contribute to socio-economic development. They are not only beneficiaries of social welfare but also a labor force and an important resource for development. Many older persons, after reaching the statutory retirement age and receiving social security benefits, continue to participate in the labor market in jobs suited to their abilities. The issue for countries is to establish and strengthen the legal system, including financial law, to provide a legal basis for older persons to continue working in accordance with their professional competence, capacity, and experience. This can generate financial resources to develop the silver economy. Older persons may increase their income by continuing to work after becoming eligible for social security, thereby increasing their spending capacity and stimulating demand in the silver economy. They may also use their own financial resources to invest in the silver economy.

Second, older persons create opportunities to promote the development of the silver economy and to generate new markets and employment. In the context and trend of population ageing, countries need strategies and financial mechanisms to develop the silver economy, including the development of health-care sectors and care services for older persons, pharmaceuticals and health-related food products, wellness tourism, physical exercise, and entertainment suited to the needs of older persons, housing, transportation, public facilities, long-term care institutions, assistive technologies, and financial services for older persons. The central legal question is how to regulate financing for the silver economy to support its development.

The development of the silver economy and financial law for its development have a dialectical relationship. The nature and substantive characteristics of the silver economy shape the content of financial law. Conversely, financial law operates as a legal instrument that may promote the development of the silver economy when appropriately designed, or constrain it when unsuitable. This relationship gives rise to the need for research to establish and improve a system of financial law with provisions appropriate to the development of the silver economy.

2. Research Methodology

The article adopts the methodological approaches of dialectical materialism and historical materialism to examine the relationships and reciprocal effects between finance, financial law, and the development of the silver economy. It proceeds from the nature of the silver economy, the principal contents of financial law governing its development, and the practical impact of financial law on the silver economy in selected countries in order to propose appropriate solutions.

The specific research methods employed are as follows:
- Interdisciplinary and multidisciplinary systems approach: This method is used to conduct interdisciplinary and multidisciplinary research across economics, social sciences, and legal studies. It thereby clarifies the nature of the silver economy and the relationships among the silver economy, finance, and financial law in its development. Because the silver economy spans most sectors and fields, including both production and services directed toward older persons, research on financial law for the silver economy must examine the principal legal-financial provisions that affect each sector and field within the overall silver economy, as well as their social impact on older persons.
- Analytical method: This method is used to identify the nature of the silver economy and the principal contents of financial law for its development. The analysis begins with the characteristics of older persons as the principal subjects and consumers of the silver economy. It examines each component of financial law that affects it to formulate assessments. It also analyses the reciprocal relationship between the silver economy and financial law in relation to their development, based on which recommendations are proposed.
- Comparative method: This method is used to compare the financial requirements of developing the silver economy with the system of financial law governing such development, and to compare these requirements with the practical development of the silver economy in selected countries. The comparison provides a basis for recommendations to countries undergoing population ageing.

3. Principal Contents of Financial Law for the Development of the Silver Economy and Practical Experience in Selected Countries

Financial law for the development of the silver economy encompasses both public financial law and private financial law.

First, provisions governing financial resources for the development of the silver economy, including investors' equity capital, the State budget, credit resources, and other sources.

Investors' equity capital: It is the most important source of capital for the development of the silver economy. To encourage organizations and individuals to invest in economic sectors that meet the needs of older persons, the law should contain provisions that create incentives for investors to commit capital. Consumers of silver-economy goods and services are older persons who may often face financial constraints. Consequently, investment in the silver economy may yield low returns or even be non-profit-making, necessitating specific legal and financial incentives. In Japan, for example, private investment has been mobilized through a range of measures, including provisions encouraging enterprises, research institutes, and start-ups to participate deeply in silver-economy sectors. Through innovation support programs, tax relief, and public-private cooperation, Japan has developed a dynamic silver economy ecosystem. Japan's experience demonstrates that the success of the "silver economy" derives not only from social security policy but also from a "knowledge economy" approach centered on technology, innovation, and human values (Pham Minh Tuan, 2025). The Japanese Government has set the pension eligibility age at 65, encouraged companies to retain workers for longer, and promoted the employment of retirees as advisers, consultants, teachers, and in similar roles. These measures mobilize both human and financial resources from older persons themselves to develop the silver economy. In China, legal measures have also been adopted to encourage private investors, including foreign investors, to invest in elder-care activities.

State-budget resources: Developing economic sectors oriented toward older persons requires substantial financial inputs, while outputs may be non-profit-making. This creates a need for investment from the State budget, for example, in geriatric health care, public transport, community facilities, and digital infrastructure for older persons. The circumstances and conditions under which State-budget resources may be invested in the silver economy must be prescribed by law. Most countries use State Budget resources as "seed capital" to develop the silver economy. In addition, the State budget finances social-security benefits for older persons, thereby creating purchasing power that stimulates the silver economy. Japan, which has a very high proportion of older persons, has implemented comprehensive and flexible strategies to develop the silver economy, including financial strategies. Under the Society 5.0 model, technology and human empathy are integrated to improve the quality of life for all generations (Cabinet Office, Government of Japan, 2020). Japan provides State budget financial support for areas such as medical care, therapeutic robots, entertainment services, and food products for older persons. Singapore has also established and implemented subsidies and financial support from the State budget to enable older persons to access health-care services. The Government also invests State budget resources in home care services and telehealth systems (Pham Thi Trang, 2024). In France, through the France Relaunch program in 2022, the Government allocated EUR 4.5 billion to health-care infrastructure and digitalization and EUR 1.5 billion to long-term care for older persons, thereby expanding home-care services, long-term

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care facilities, and telehealth systems (Nguyen Van Thanh & Luc Anh Tuan, 2025).

Credit resources: Investment in health care, care services, pharmaceuticals, food products, wellness tourism, physical exercise, entertainment, housing, transportation, public facilities, long-term care institutions, and assistive technologies for older persons require access to credit. To provide preferential credit that meets the needs of the silver economy, the law must appropriately reconcile the nature of the silver economy, which serves and responds to the needs of older persons, who may constitute a vulnerable group, with the nature of credit, which requires repayment of principal and interest. The law should transparently regulate preferential credit, including procedural and interest rate incentives, and specify the circumstances and extent of such preferences. On that basis, commercial banks can design appropriate credit facilities for investment in the ecosystem of health-care services, specialized real estate, and other activities serving older persons.

Many countries have introduced preferential credit programs to develop the silver economy. In Germany, for example, the 2025 “Pflegeunterstützungs- und Entlastungsgesetz” (PUEG) introduces key measures to strengthen the long-term care system and ensure financial stability. Accordingly, the German development bank KfW provides preferential loans to small and medium-sized enterprises, social organizations, and other entities implementing programs to develop products, technologies, and services that meet the needs of older persons. Japan has implemented provisions enabling enterprises to borrow at low interest rates when investing in the silver economy. In France, Bpifrance provides a range of credit financing and guarantee programs to support start-ups in assistive devices, health technologies, and home care services for older persons.

Other financial resources may include insurance funds, socially mobilized resources, donations, inheritances, and similar sources. To create and expand financial resources for investment in the silver economy, financial law should establish appropriate financial instruments to mobilize social resources, such as investment trust funds for health care, care services, and smart housing for older persons.

Second, provisions governing the use of financial resources for the development of the silver economy.

The law should regulate how, and in what circumstances, owners’ capital and State-budget resources may be used, when credit resources may be used, what preferences may apply, and how funds, donations, gifts, and similar resources may be deployed. Such provisions should be designed to encourage organizations and individuals to invest in the silver economy. State budget resources should be invested in silver-economy sectors that play a catalytic role for private investors and ensure the provision of essential, non-profit services for older persons, such as geriatric health care, long-term care, public transport, and digital infrastructure. Financial law should also include provisions that mobilize non-State resources and public-private partnerships to develop the silver economy, through rules governing the efficient and feasible use of capital.

With respect to credit resources, the law should ensure effective access for all silver-economy activities. For example, Japan has implemented provisions that allow enterprises to borrow at low interest rates to invest in health care, care services, and assistive technologies for older persons. China has promoted the silver economy through public-private partnership (PPP) and build-operate-transfer (BOT) models to attract investment capital to silver-economy activities.

Third, provisions governing the allocation of funds generated from silver-economy activities.

The law should regulate the allocation of revenues from silver-economy activities to encourage development. After deducting expenses, taxes, other payments to the State budget, and statutory funds, the remaining income belongs to owners or investors. To encourage organizations and individuals, including older persons, to invest in silver-economy activities, the law should provide exemptions from or reductions in direct taxes for silver-economy entities and for older individuals who participate in such activities. Examples include corporate income tax reductions or exemptions for silver-economy establishments and personal income tax reductions or exemptions for older persons who continue to participate in the labor market and earn taxable income. Consumption taxes, such as value-added tax, may also be exempted for certain essential services for older persons. These measures strengthen the financial capacity of older persons, enabling them to increase consumption to meet their living needs and thereby stimulate the silver economy.

For example, China provides corporate income tax incentives for enterprises investing in elder-care services (Global Times, 2025). Singapore provides tax exemptions or reductions for older persons in certain circumstances. Japan provides corporate income tax incentives to enterprises investing in health care, health services, and science and technology that develop products for older persons, and personal income tax incentives to support the finances of older persons. Japan also exempts medical services, community welfare services, and elder care services from the consumption tax. Germany provides corporate income tax exemptions or reductions for qualifying non-profit elder-care services and may exempt certain silver-economy activities from value-added tax or apply reduced VAT rates; it also provides incentives to enterprises hiring unemployed persons aged 50 and over. In France, VAT rates of 5.5%–10%, rather than the standard 20%, apply to certain elder-care and home-support services (Nguyen Van Thanh & Luc Anh Tuan, 2025).

In Vietnam, financial law for the development of the silver economy remains in its early stages, reflecting an initial shift from a social-protection approach toward the development of the silver economy. Certain provisions have already been introduced to encourage older persons who receive social-insurance benefits to continue working, particularly in sectors requiring workers with high levels of professional expertise and experience. This enables older persons to obtain additional financial resources to access higher-quality services while simultaneously increasing demand and creating incentives for enterprises to invest in the development of the silver economy.

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4. Recommendations for improving financial law for the development of the silver economy in countries experiencing population ageing

According to the United Nations, the world has entered an unprecedented period of population ageing. By 2050, the number of persons aged 60 and over is expected to exceed 2.1 billion, representing nearly 22% of the global population (World Health Organization (WHO)). Against this background, improving the financial legal system to establish a legal basis for mobilizing financial resources for the development of the silver economy is necessary, particularly for countries experiencing rapid population ageing and with middle- or lower-middle-income levels. In Vietnam, for example, population ageing is occurring even as the economy has not yet accumulated sufficient resources and the social security system remains incomplete. The proportion of older persons receiving pensions, social-insurance benefits, or regular allowances remains low. These realities imply substantial financing needs for the development of the silver economy and require an appropriately designed system of financial law. The following orientations should be considered:

First, financial law for the development of the silver economy should be established and strengthened to ensure that the State provides financial resources to play an enabling role, protect the rights and interests of older persons, and maintain a healthy competitive environment. The State budget should serve as seed capital to guide investment in foundational and essential sectors. Public-private partnerships should be strengthened, non-State resources mobilized, and enterprises, organizations, and individuals encouraged to invest. At the same time, the legal framework should be improved to develop financial instruments for older persons, including insurance products and other safe financial products.

Second, financial law for the development of the silver economy should be established and improved in a manner that combines and mobilizes both public and private financial resources, including the State budget, private investors' capital, credit, insurance, and other sources, while ensuring that older persons are both beneficiaries and creative economic actors.

Third, financial law governing financial relations involving older persons should shift from a policy orientation centered on ensuring social security to one focused on investment to create new value, in parallel with digital and green transformation. In the current Fourth Industrial Revolution, legal provisions are needed to secure financial resources for investment in digital infrastructure that connects digital services, to develop a national database on older persons, to train and upskill human resources for the silver economy, and to develop a digital economy for older persons. Experience from Japan, the Republic of Korea, China, Singapore, and other countries demonstrates the use of legal measures to mobilize and combine public and private financial resources and to integrate public policy, digital technology, and innovation in order to create a "smart silver economy" that both ensures social welfare and provides momentum for sustainable economic growth. China has identified investment in the silver economy as a new driver of growth across multiple sectors, including health care, smart health-care solutions such as AI and robotics, financial services for older persons, and cultural, entertainment, and tourism activities. These sectors create new employment and promote a positive cycle between population ageing and economic growth (Global Times, 2*025).*

Several recommendations may therefore be made to countries experiencing population ageing in the process of establishing and improving financial law for the development of the silver economy:

First, establish and strengthen legal provisions to mobilize financial resources for the development of the silver economy.

- Improve the system of financial law for the development of the silver economy by adopting specific provisions that encourage organizations and individuals to invest in the silver economy, including investment incentives such as tax incentives and preferential credit, as implemented in countries such as Germany, France, Japan, China, and Singapore.
- Adopt provisions ensuring that the State budget invests in and/or supports the development of the silver economy in areas where public expenditure functions as "seed capital" that guides and directs private investors. Examples include investment in long-term care facilities, health care, and transportation for older persons, as in Japan, China, France, and other countries.
- Improve provisions on preferential credit for investment in the development of the silver economy, including preferential interest rates and loan terms, as well as simplified procedures and appropriate borrowing conditions, drawing on the experience of Germany, Japan, France, China, and other countries.
- For older persons who remain able to work, the law should enable them to continue participating in the labor market and contributing their experience and knowledge to economic development. This includes provisions to increase the retirement age and to allow older persons to subsequently enter into further employment contracts, particularly in education, health care, and culture. The law may also provide personal income tax exemptions for older persons who earn income through continued participation in the labor market. These measures both mobilize the capabilities of older persons for economic development and increase their income, thereby strengthening consumption demand and promoting the silver economy.
- Adopt provisions to strengthen the mobilization of resources from investment funds and other non-state sources for investment in the silver economy.

Second, establish and improve the system of provisions governing the use of financial resources for the development of the silver economy.

- State-budget resources and other public funds should be invested in infrastructure that provides essential, non-profit services for older persons and thereby catalyzes co-investment by organizations and individuals. Governments should adopt provisions to ensure public financial resources for investment in health-care systems, long-term care services, digital and urban infrastructure, and transportation that meet the needs of older persons. Where silver economy activities operate under market mechanisms, the law should facilitate the attraction of private financial resources, as in China, Japan, Singapore, and other countries.

- Regulate the use of credit resources across all silver-economy activities as an indispensable source of capital and a genuine financial lever, as demonstrated in Germany, Japan, France, and other countries. Such regulation should include preferential credit for essential activities in the silver economy.
- Establish provisions enabling Governments to combine public financial resources with private financial resources to invest in research, commercialize research outcomes, and provide products and services for older persons, thereby promoting the development of the silver economy.

Third, establish and strengthen legal rules governing the allocation of funds generated by the silver economy for development.

Countries experiencing population ageing, or transitioning into an ageing-society phase, should use tax instruments through tax legislation to provide income-tax exemptions and/or reductions, including corporate income tax incentives for enterprises producing goods or providing services for older persons and personal income tax exemptions or reductions for older persons who earn income while participating in the labor market. Preferential treatment may also be provided for consumption taxes, following approaches adopted in China, Germany, Japan, France, and other countries.

In the Fourth Industrial Revolution, one key to the silver economy will be technological innovation. Advances in home automation, Artificial Intelligence (AI), the Internet of Things (IoT), eHealth, and other services typical of smart cities are expected to play an important role (European Commission, 2018). Financial law should therefore direct and concentrate financial resources toward developing a technology-based silver economy. Japan's experience illustrates an early transformation of demographic challenges into opportunities through a high-technology silver-economy strategy. The Japanese Government treats the super-aged society as a driver for the development of new industries, particularly robotics, artificial intelligence (AI), and the Internet of Things (IoT).

In Vietnam, Decision No. 383/QD-TTg dated 21 February 2025, approving the National Strategy on Older Persons to 2035, with a vision to 2045, sets out specific objectives and targets for the development of the silver economy in each period. By 2045, the objective is to complete and improve the quality of the system of mechanisms and policies concerning older persons in a manner that is comprehensive, synchronous, modern, and sustainable, while ensuring social progress and equity.

5. Conclusion

Developing the silver economy requires a financial-law framework capable of mobilizing substantial resources while recognizing that some services for older persons may generate limited commercial returns. The analysis identifies three central areas of regulation: mobilization of financial resources, effective use of those resources, and allocation of funds generated through silver-economy activities. International experience indicates that coordinated use of public finance, private capital, preferential credit, tax measures, and other financial instruments can strengthen both social protection and economic participation. Countries experiencing population aging should therefore develop coherent financial laws that encourage investment, protect older persons, support innovation, and enable sustainable silver-economy development.

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