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Learning by developing – encouraging innovativeness in joint Japanese-Finnish elderly care research and development project

In the elderly care sector cost and productivity aspects are also becoming very topical due to the decline in financing possibilities for public services concurrent with increasing demand in most Western countries. While public financial resources for elderly care services are declining rather than increasing from the present level, the gap between demand and supply of welfare services will rapidly widen. The development of a more efficient and better working service concept will delay this disadvantageous trend. An interesting presumption is that productivity improvement in the welfare sector may rather be traced from business theories than from traditional health-care issues. This specific aspect has been a motivating factor for establishment of this research and development project.

The development of our elderly care Active project was begun in year 2000 due to following reasons:

- Population in Finland is rapidly aging and we will meet new challenges which may have positive or negative influences on our society
- The new, capability theories within business theories proved to be successful in the business sector (compare the success of companies such as Nokia, Aker, H&M, IKEA, Toyota eg). Hence arose an interesting question whether it were possible to modify the same operating ideas in the welfare sector, too
- The most rapidly aging societies in the world are Japan and Finland. In the joint Finnish Japanese R&D-project within elderly care it were possible to utilise experiences from both countries and through that, develop new common solutions and thereby better respond to the future service challenges of elderly care.

We understood already in the beginning that our own resources were too limited compared to the complexity of the research context. The success of the project is depending on how well we succeed to achieve capable partners. In partner search the following methods were used:

- Presentation of our ideas in well-known worldwide research conferences awaked interest within leading professionals
- Lectures of strategic networks for management of municipalities awaked interest within potential co-operating municipalities
- Co-operation with our welfare sector and though that, with leading companies operating in the welfare field, connected our project to practices

As a result of numerous negotiations, the co-operation agreement between Laurea University of Applied Sciences, Helsinki School of Economics, Tohoku Fukushi University, City of Espoo, City of Vantaa and Tohoku Research Center was undersigned in the year 2005. Also mutual oral agreements were made with accepted qualified companies, and Sendai-Finland Wellbeing Centre. The platform for successful research and development project extending from the basic research up to practical solutions was now created.

The objective of Active project is to be one of leading R&D- projects in the development of better elderly care services with lower prices. This means that we were interested in capable, skilled persons and organizations which are willing to work for common objectives. We already have engaged to our project several students preparing their bachelor or master thesis. Also we have experiences how to utilize students' innovativeness in the search of new solution in the field of elderly care through our learning by developing methods in which ordinary study entities are combined with development tasks. The new, learning by developing education method provides an interesting approach for finding and analyzing weaknesses in existing systems, producing new innovative ideas and development proposals and above all, offering a larger research capacity for use in our Active research & development project.

According to the new, capability theory-based marketing approach elderly care may provide new kind of business opportunities and through this, enrich our economies instead of being a withering burden because of its heavy and even increasing costs concurrently with a declining proportional share of taxpayers. However, it is essential to understand the main features, similarities and differences of elderly care systems in Japan and Finland to study how the systems could be improved in both countries. In Finland the public sector plays a commanding role in the organization of elderly care services partly due to the corresponding remarkable share of public financing. Municipalities have various and even contradictory roles in elderly care services; at the same time as they are themselves producing elderly care services they are also buying competing equal services from the private sector. The Japanese long-term care insurance system, Kaigo-Hogen, makes the Japanese elderly care system more market oriented than the corresponding Finnish system. The Japanese system covers all persons over 65 years as well as younger persons with chronic diseases. The share of an elderly person's own financing generally plays an almost minimal role in the total cost amount. The major difference between the Japanese elderly care system and the corresponding Finnish system is in the customer orientation. In the Japanese system an elderly person is a genuine customer entitled to buy services from the best possible supplier. In Japan Kaigo-Hogen has already opened a market for new business opportunities although the supply, especially regarding home-care services and rehabilitation, is still comparatively limited according to previous official reports.

Contradictory marketing orientations in elderly care systems completed with largely distinct cultural characteristics in Finland and Japan provide a great challenge to our research. We believe, however, that despite being complex and demanding this research context may make it possible to produce valuable findings. By the aid of learning by developing education methods we have succeeded to create the network of useful and large research resources which can be used in describing existing systems in Japan and in Finland and also to some extent, in the development of capability theory based new approaches and practical solutions.

To conclude, we hope that our endeavor to develop better services at lower prices in the area of elderly care could encourage all interested researchers of diverse academic backgrounds to join our research and development forum. . We already have experiences that students provide an useful and innovative resource in the development field of elderly care. We can expect, on the basis of our experiences, that our Active project has good possibilities to become a very interesting pioneering project of its kind and, because of its experimental character, to create such research and development circumstances which attract also other developers in other countries. In principle our development forum is open to everybody who can produce additional value for the whole and is motivated enough to work for our common purposes.

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