



NPA Covid-19 Call: Economic Impacts Theme



Focus for Economic Impacts project

- Economic impacts of Covid on **health sector systems** (East Finland and comparative analysis from other regions)
- Economic impacts on specific **sectors** on the ground in different regions: tourism, the primary sector with special emphasis on the bioeconomy, the cultural sector, and other?
- **Cross or inter-sectoral economic impacts** triggered by Covid (regional analysis of Highlands & Islands in Scotland)
- Special attention to **young people** and **young voices**
- Special focus on **human rights** casestudies and analysis

Research will identify

- **economic impacts of Covid-19**
- **resilience factors, adaptations and innovations**
- **changes in economic factors/perspectives/mindsets**
- **future trends and pathways to sustainable and resilient economies**
- **a roadmap to local/regional recovery and redesign**

Drawing on ...

- ... significant diverse but complementary experience and expertise that different partners bring, including regional partners 'operating on the ground'
- ... a wide range of casestudies of practice

One key theme: Resilience and adaptability

- To what extent do characteristics of remote and peripheral areas help localities and regions in meeting the challenges of Covid-19 and other crises?
 - Example from health sector (2 small hospital districts in Finland)
 - Examples from economic sector (entrepreneurs in Faroes & Greenland)
 - Emerging themes from Highlands and Islands of Scotland
 - Emerging themes from Atlantic Canada
- *Note from human rights perspectives: do we have to make choices between saving lives and saving the economy?*

Resilience and adaptability in 2 small hospital districts in Finland

Challenges:

- Chronic lack of personnel, including MDs
- Covid has reduced tax revenues for municipalities while increasing costs
- Vulnerable groups suffer in particular
- Non-urgent treatment and care postponed creating backlog in future

Adaptations:

- **(Re-)Training:** Pre-emptive personnel training on-the-job; short-term training for health staff for new activities; specialized training programs for non-health staff as community nurses and carers
- **Flexible** approaches to task performance
- **Agile teams** and regional resource management
- On-going Strong effort to **digitalization** in health care

Resilience factors:

- integrated health and social care service model
- Cooperation and communication: cross-sectoral with private and NGO health providers (including transfer of staff) and with regional educational institutions
- Also effective national test-trace-isolate strategy and tracing app



Resilience and adaptability among entrepreneurs in Faroes & Greenland

Adaptations:

- Businesses target local rather than international markets, and in Iceland some areas experience best tourist season ever based entirely on local tourism
- Businesses move their services on-line
- Some businesses shift their objectives/mission to focus more on long-term investments/projects.

Negatives and positives

- Some businesses shut down or decrease production
- 52% of respondents have identified new business opportunities as a result of Covid
- New thinking, e.g. on sustainable tourism and local markets

Resilience factors:

- Close-knit communities support their local businesses
- Collaboration much easier in small communities where people know each other
- Entrepreneurs also reported closeness to nature makes them less restricted and that dispersed populations have meant the virus has spread less



Some emerging themes from the Highlands and Islands in Scotland

- Impact on dominant tourism, hospitality and cultural sectors particularly negative, including impact on employment
- Some economic and health impacts less severe than in other parts of the UK due to relatively low levels of Covid-19 infections (the lowest in the UK).
- Acceleration of underlying trends with post-Pandemic implications – home rather than office working, push for improved digital connectivity, rise in demand for rural housing, offshore wind development, other climate change reduction initiatives, oil & gas-related employment reductions, increased local and sub-regional value-added, and new business partnerships.

Some emerging themes from Atlantic Canada

**The
Atlantic
Canada
provinces
have fared
very well
in keeping
COVID
cases low
(80 deaths
in total)**

- **Resilience factors that have helped during Covid**

- Provincial jurisdiction (incl. health authorities and border control)
- High levels of bonding social capital
- Comfortable dependence on government support programs
- Smaller year-round populations, largest urban centre < 500,000 ppl

Changing points of view:

- Attention to health and wellness, mental health in particular
- Engagement with technology
- Leisure and recreation without travel
- Guaranteed low income programs



Do we need to rethink peripherality?

Characteristic	Pre-Covid	Now
Low population density and declining populations	Long-term sustainability of peripheral regions under threat	Low population densities have meant lower infection rates and far greater access to nature/outdoors during lockdowns. Some reversals of population trends with urban flight and higher wellbeing achievable in rural areas (note these trends were emerging pre-Covid, but have been accelerated)
Low accessibility	Delivering services challenging and costly – new management approaches, centralisation, etc. to reduce costs and manage decline	Low accessibility has made restrictions (e.g. on travel) easier, contributed to lower infections rates and enabled greater freedom during lockdowns. Greater reliance on local and community networks has enabled quick, flexible and resilient responses, often based on effective collaboration and strong community leadership



Do we need to rethink peripherality?

Characteristic	Pre-Covid	Now
Economic challenges, incl. small markets and low diversity	Strong focus on international markets (e.g. exports and attracting international tourists)	International markets have turned out to be high risk, with the collapse of many such market channels. Much greater focus on local markets to sustain local economies. Businesses, including social enterprises, have often been shown to be resilient, with strong local support, flexibility and adaptability. These characteristics reflect pluralistic approach of individuals and businesses in having diversified portfolios of work/services which reduce risk.
High impact of climate change	Peripheral areas will experience strong negative impacts of climate change	Covid-19 has shown how unsustainable urban life has become. Living in peripheral areas seen to offer opportunities for reducing health and economic risks, for enhanced quality of life and lower impact lifestyles, rooted in community, environment, cultural identity, etc.



Some emerging recommendations for better health and economic outcomes

- Build on local **assets and strengths** to enhance resilience and adaptability, and reduce risks, in peripheral areas
- These **assets** include many things, not just natural resources: e.g. strong communities and collaboration; flexible/multiple skill sets; quality of life and low-impact living; diverse, pluralistic and holistic approaches, etc.
- **Rebalance economies** away from an over-reliance on exports
- Focus on greater **localism**, developing dense web of flexible public institutions, enterprises (especially micro-enterprises) and NGOs
- Continue to develop **technology innovations** for enhancing reach and quality of services and enterprise
- **Human rights** factsheets, on-line training and information, and expertise (e.g. ombudsmen/councillors) for regions/localities



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