



IMPACT OF COVID-19 PANDEMIC IN RURAL AREAS FROM THE PERSPECTIVE OF RURAL

Background

Rural communities in Albania, similar to those in the region and globally, are experiencing a series of problems caused by the lockdown measures imposed in the fight against the coronavirus outbreak¹. The lockdown has made more visible and deepened the existing problems of rural communities, particularly as regards the most vulnerable groups of society, the most affected group by the crises. The odds that these groups will be affected by the effects of the crisis even after re-opening are low.

Rural residents and the self-employed on family farms are one of the groups with the highest level of poverty, along with the unemployed and people with the lowest level of education². Rural youth are also the most vulnerable group of the rural population. Their low interest in engaging in agricultural activities, limited market access, or low income have led to unemployment, poverty, and limited prospects for their future. Moreover, one of the most striking problems in this period is the low level of digital connection of rural areas and their residents.

As part of its thematic work with young people in rural areas, ANRD conducted a webinar aiming at listening and consulting rural youth and young entrepreneurs. The webinar intended to find out how the Covid-19 crisis has affected young people, their families and businesses, and the communities where they live. What can be practical solutions to overcome the challenges and problems? The input will be shared with other important stakeholders such as policy and decision-makers, donor community supporting rural development and youth, central institutions and municipalities to orient their actions to help address challenges and problems identified.

The impact of the pandemic on the rural economy and life – challenges and problems

While central institutions consider agriculture as unaffected by the Covid-19 crisis, **the discussion on the impact of the crises on the quality of life of rural communities has been lacking**. Such a discussion should take into account the fact that not all rural residents are farmers, and not all farmers own large or medium-sized farms. Most of the farms in Albania, 74%, are small family farms with very small land area, on average 0.5 ha. Although most of the farm's income derives from farm activities, a significant portion of it is generated by wages in other non-agricultural sectors and by self-employment. Therefore, the discussion of the pandemic's impact on the agricultural and rural sector should go beyond data on agricultural production and exports, taking into account small

1 Letër e hapur drejtuar Kryeministrit të vendit z. Edi Rama mbi problematikat dhe rekomandimet në mbështetje të banorëve të zonave rurale në situatën e krijuar nga COVID-19. ANRD (Prill 2020) aksesuar në <https://anrd.al/lajme/>

²Dokumenti Politik i Përfshirjes Sociale 2016-2020 aksesuar në https://www.undp.org/content/dam/albania/docs/report_shqip_web.pdf



family farms, women and youth, agro-tourism, and other rural non-farm economic activities.

Covid-19 crisis will likely worsen inequalities between rural and urban areas, as well as between different areas³. Studies have identified increased poverty indicators in rural areas compared to urban areas. The World Vision study⁴ on the impact of Covid-19 on the well-being of children and families in Albania showcases that 76% of families report that they do not fully meet their nutritional needs, while 68% of respondents claim that the situation created by Covid-19 pandemic will affect their employment or self-employment. The interviewed population was mainly inhabitants of rural areas and women. Existing challenges, worsen by the crisis, are testing the resilience of various society groups, families, farms, and enterprises, as well as rural communities. Territorial inequalities that condition the direct and indirect effects of the Covid-19 crisis have not been considered during the design of government financial support packages. Rural areas are not included in the package of government support measures, carrying the risk of deepening inequalities in the future.

The high informality that associates the agricultural and rural sector limits access of the rural population to social protection programs. The lack of NIPT (VAT certificate) has restricted farmers and rural entrepreneurs from obtaining movement permits to exploit limited hours' bands. According to official data, only a very small percentage of farms, about 15%, are equipped with NIPT. The other remaining part of farms cannot apply at the e-Albania portal to obtain free movement permission. This fact, along with the season of farm work, has caused shortages and delays in services to be performed on the farm. Meanwhile, rural families and residents have low access to social protection programs due to land ownership issues, while altogether the population is characterized by low and unsustainable income, mainly informal employment, etc. These should be taken into consideration to expand the groups that are eligible for social protection programs in response to Covid-19 to alleviate poverty and social exclusion..

Due to restrictive measures on the movement and exercise of economic activities, many families have lost their sources of livelihood. Market access issues – an existing challenges even in normal times – deepened during the crisis. Small farmers, young people, women, producers' groups, etc. have not been able to sell their products and provide raw materials (seeds, chemical fertilizers, etc.). Many families in rural areas generate incomes on daily bases, mainly from sales of the agricultural and processed products. 43% of respondents who own agricultural land reported that the situation created by Covid-19 has affected the sale of agricultural products (World Vision, 2020). Found in this situation, farmers have produced only for family consumption.

³ FAO (2020). Adresimi i pabarazive në kohën e COVID-19. Aksesuar në <http://www.fao.org/3/ca8843en/CA8843EN.pdf>

⁴ World Vision (2020). Vlerësim mbi ndikimin e COVID-19 në mirëqenien e fëmijëve dhe familjeve në Shqipëri. Aksesuar në <https://www.worldvision.al/gjetjet-kryesore-te-vleresim-mbi-ndikimin-e-covid-19-ne-mireqenien-e-femijeve-dhe-familjeve-ne>



Agro-tourism enterprises, in particular start-ups, are the most affected types of economic activities by the crisis. The riskiest are start-ups (established by investing time and energy in the last three years), as the year of the crisis coincides to the first year of their profit. Moreover that start-ups are not eligible subjects of national agricultural support schemes. In addition, such type of economic activity are not part of the coverage by the Covid-19 government's financial package, while it is characterized by several disadvantageous factors such as: they operate in tourism sector which is the most affected sector by the crisis; they operate and are located in rural areas; are new ventures characterized by low resilience to face such adverse effects, etc.

The weakening of local co-operation structures, the generation of disappointment, and the deepening of pessimism about the future outlook on rural life are the hitherto unconsidered effects from the public discussion of Covid-19 impact on agriculture. Various rural enterprises are sustained through significant investment in time and energy in creating the network of collaborators in the value chain. At a time when challenges of cooperation and building mutual trust between actors at local level are huge and well known. Closure of economic activities has caused disappointment in the value chain. At the same time it has increased the responsibility of main actors who are at the core the local nuclei to keep co-operation, optimism, and hope alive.

In response to the crisis and increased responsiveness to partners in the value chain, local enterprises have developed new innovative solutions. Aware that the existing collaboration local structures need more work to re-establish if they fail, enterprises have tried to find alternatives. The intention has been to keep the network operating even in times of pandemic and to maintain optimism in local value chain. As a result, some enterprises have created and launched new agri-food or other types of products to keep the local associates' network functioning, by purchasing their local products and by-products.

Being under quarantine and restricted from mobility and economic activity, many of the young people or their families have lost their source of livelihoods, access to education, and health and decision-making processes that affect their lives, etc. ***Digital skills, combined with other interventions, could be the solution to address some of the challenges, while the digital connection is a challenge in itself to rural communities.*** Currently, 69% of families report that they do not have access to Internet packages (World Vision 2020). The use of digital technology requires tools such as computers, laptops, teaching methods, and special curricula, internet coverage, uninterrupted power supply, and so on. Vulnerable groups, or remote and hard-to-reach communities, are far behind in terms of their digital capabilities, or the possibilities of using digital technology to address not only the challenges from pandemic but also geospatial challenges that always associate these areas. The geospatial challenges of rural communities have consistently weakened the resilience of families living in remote and isolated rural areas.



Recommendations

Short-term actions to help minimize the impact of the Covid-19 crisis on the most vulnerable groups in rural communities are important, however from a long-term perspective it is also crucial to support the return to “new normality”. The Covid-19 pandemic could present an opportunity to change the perception that rural areas have been forgotten. Recommendations are provided below as a way to guide the actions of key stakeholders supporting the agricultural and rural sector:

1. Discussion regarding the crisis effects on the agricultural sector should be expanded, including also the effects on the rural economy and community life as well. The rural economy goes beyond agriculture and fishery and includes all alternative income generating opportunities for the livelihood of rural families and communities.
2. Awareness of the vulnerability and poor resilience of the rural population should be increased. Official statistics on poverty indicators are clear and evidence-based policy documents on social inclusion have been drafted, but remain largely unimplemented. Decision-making on government financial aid packages should be based on poverty indicators to address the deepening of inequalities in the future.
3. The young entrepreneurs in the rural areas – who for setting up their activity have relied on their own energy and work without public financial support – should be assisted with a specific financial support measure. The aid would help maintain and promote positive models of local leadership as well as infuse hope and enliven the perspective of rural life.
4. The nuclei of local cooperative structures should be assisted with specific support package. The nuclei are the entrepreneurial activities whose work results in benefits to the wider community. Many families generate income from the sale of their farm products, by-products, and services through collaboration networks. These networks, mainly created by agro-tourism farms, have conveyed the most significant messages to many rural families: emigrating is not the solution⁵; there are no deprived territories, but only territories lacking development action⁶; solutions come from ourselves, not from the government⁷ etc. Supporting the local nuclei in rural communities would help renew cooperation in the value chain and above all optimism.

⁵ Ferma Caravan Horse Riding. Pyetsor i zhvilluar nga ANRD mbi nismat vendore. ANRD (2019).

⁶ Ferma Grand Albanik. Pyetsor i zhvilluar nga ANRD mbi nismat vendore. ANRD (2019).

⁷ Ferma Alpine Bees. Travelling Workshop organizuar nga Qendra Burimore e të Rinjve Rural. ANRD (2019)



5. Research on new products and services created by rural enterprises in response to the crisis must be done for several reasons. Identifying, documenting and sharing these new products and services can cause a spillover effect on other farms, thus encouraging innovation. However, the national agricultural support scheme should include the support of new products created in response to the Covid-19 crisis as a way to mitigate the negative consequences of the crisis in the rural economy.
6. The crisis has created an opportunity to accelerate the use of digital technologies in rural areas, while also it poses a challenge in itself. Mobilizing solutions offered by digital technologies remains a development opportunity for rural communities. The public and private sectors can take advantage of this opportunity to invest in increasing Internet access, digital skills, and digital technology devices in rural areas. This would help improve the resilience of rural communities to face challenges and constraints. The European model of Smart Villages serves as a benchmark for piloting rural communities using innovative solutions to improve their resilience, based on local strengths and opportunities⁸.

This document was drafted by Evelina Azizaj, Desjana Grymshi and Gent Imeraj based on the input gathered from the webinar “Rural youth amid Covid-19 pandemic and digital challenges: How can the European model of the rural development SMART Villages help?” organized by the Rural Youth Hub of the Albanian Network for Rural Development.

Our gratitude goes to Elona Bejo, Ferma Grand Albanik, Rinaldo Gjolaj, Alpine Bees, Labinot Murrja, Camping ‘Drini i Zi’ and Ana Zacharian, Executive Director of Albanian Skills for their valuable contributions and all the young people who participated in the virtual discussion.

⁸ ENRD (2019) Rrjeti Evropian për Zhvillimin Rural, aksesuar nga https://enrd.ec.europa.eu/smart-and-competitive-rural-areas/smart-villages/smart-villages-portal_en