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# *RESILIENCE FACTORS IN PERIPHERAL AREAS OF THE NPA*

NPA COVID-19 RESPONSE PROJECT ON  
ECONOMIC IMPACTS  
MAIN REPORT: PART 5

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*drawing on 10 partner reports*  
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## 5.1 Challenges of peripheral regions and traditional policy responses

The NPA Cooperation Programme 2014-2020 states that “the large Programme area shares a number of common features, such as low population density, low accessibility, low economic diversity, abundant natural resources, and high impact of climate change. This unique combination of features results in joint challenges and joint opportunities that can best be overcome and realised by transnational cooperation.”

To illustrate these challenges, take the example of the 14 northern counties in Norway, Sweden, and Finland which make up the distinct Northern Sparsely Populated Areas (NSPA), which was established in 2004. The NSPA share a similar natural environment – a harsh climate, abundant natural resources, relative lack of agriculture, a strong potential for renewable energy, long distances from markets, and high cost of land transport. They are also specifically affected by globalisation, energy-supply, climate change and demographic change. Because of a high outflow of people, public authorities in the inland are struggling to provide the same services within health care, education, and other areas as provided in the rest of the country.

The characterisation of NSPA is in line with much EU, national and regional policy, where most of the common features of peripheral<sup>1</sup> regions across the NPA area are regarded as challenges, focused on demographic imbalances and outmigration, dispersed populations, remoteness and low accessibility, fragile local economies distant from major markets and with low diversity, and being the most vulnerable to the impacts of the climate emergency.

The main mindset to frame policies for peripheral regions has been to enable them to ‘catch up’ with more developed and central regions, defining peripheral regions as backward and under developed. Policy prescriptions and investments have focused, for example, on growth enterprises to allow peripheral regions to catch up in terms of economic growth, linking these regions to large more prosperous markets (e.g. attracting ever more tourists from urban centres and abroad), and attracting inward investments by large businesses and corporations in both the primary and manufacturing sectors.

In spite of recognition that peripheral economies may not be sufficiently diverse, all of the above policies risk creating imbalanced local economies that are over dependent on particular markets (e.g. international tourism markets) or individual businesses. The lessons so long available from industrial decline, where, for example, the closure of a mine would lead to the demise of whole communities, have still not been learnt. In addition, and especially in times of financial austerity since the financial crisis of 2007-8, most local and regional governments have had to cut and

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<sup>1</sup> The Nordregio report highlights that the term peripherality is not an easy concept, a geographical concept that is often used as an explanatory factor for uneven economic development, “essentially a spatial theory linking geography and economic process”. Goodall (1987) defined peripherality as the condition experienced by individuals, firms, and regions at the edge of a communication system, where they are away from the core or controlling centre of the economy. In this sense peripherality is a social concept (the perception of individuals and businesses of being isolated from other communities) and a relational concept, in that ‘the periphery’ must be defined in relation to something else (i.e. ‘the core’ or ‘centre’).

rationalise their expenditure, in effect imposing a policy framework of managing decline, demographic and economic, rather than investing in their future.

*“In recent years, the delivery of public services in the Nordic Region has become increasingly challenging as capacity and resources at the regional and municipal level vary greatly, often making regional and local authorities dependent on national level support. Resource deficiencies have been exacerbated by periods of austerity following the 2008 financial crash.” (Nordregio)*

*“Cost-efficiency and retrenchment measures ... implemented ... prior to the pandemic ... had negatively affected human resources in East Savo Hospital District by causing staff shortages in the region. ... re-organising of public health and social services often creates unrealistic expectations towards the ability of management gimmicks to improve service quality despite simultaneous resource retrenchment in other areas of organisation.” (Finnish report)*

However, this policy framework defining peripheral areas as backward and, so, needing to catch up, ignores many of the realities and strengths of peripheral areas. To take an important economic example, this policy framework ignores the reality that many peripheral economies are sustained by a dense and diverse web of micro and small enterprises (some below the radar of some official data sets). These micro and small enterprises are often flexible, adapting quickly to changes in local markets, and resilient, for example by providing essential services and trades that local communities cannot do without and thereby often having a loyal local customer base. While there is significant flux within the micro-enterprise sector, with businesses coming and going, this sector is also the seedbed for emerging enterprises that reach out beyond local markets, for example through on-line marketing or technology innovation.

A significant part of the micro and small enterprise sector can also be made up by community and social enterprises that emerge in response to local needs within the community. In the Scottish context, the social enterprise census clearly indicates that the remoter a community is, the greater the density per head of population of social enterprises, with the three island authorities, Shetland, Western Isles and Orkney, having the highest density, followed by Argyll and Bute with its many islands and remote mainland communities. Community and social enterprises not only meet local needs, but are also a response to ‘market failures’ that can emerge in small local economies that cannot sustain the full spectrum of private (or indeed public) service provision that they need. Community and social enterprises are able to fill the gap, for example by tapping into mixed sources of finance, from trading but also from public and charitable grants and soft finance.

The flexibility and resilience that this dense network of micro and small enterprises, both private and social, delivers for many peripheral local economies can stand in stark contrast to the sometimes wildly swinging fortunes of larger businesses that have been attracted for inward investment. Often not fully rooted in the local economy, and dependent on fluctuating distant markets, some have had to rely on repeated injections of public funding to keep themselves afloat or set up again when market forces have forced their closure. Among the four Atlantic provinces in Canada, Newfoundland and Labrador is the province that is least diversified and doing least well economically because of its dependency on the oil industry. During Covid-19 some of these businesses have faced additional challenges. For example, mining is a high-risk environment for infectious diseases like influenza and Covid, and most of Sweden’s mines are located in its

Northern region, with large outbreaks in Gällivare, Kiruna, and Haparanda, but also in connected industries like Northvolt in Skellefteå.

Nordregio's REGINA project directly addresses the challenges of large-scale inward investments. The project sought to reduce the vulnerability and increase the preparedness of municipalities in remote and sparsely populated areas of the Nordic Arctic and Scotland towards the development of large-scale, resource-based industries. REGINA's output, the local benefit analysis toolbox, supports the retention of local economic benefits through development of local supply chains and growth of or spill over opportunities presented by new industrial activities.

However, the project also sought to build capacity for municipalities when such large-scale industries decline and close, clearly recognising the devastating effect this can have on small peripheral communities and economies. From the start the project rationale stressed the challenges of such inward investment strategies if they are not rooted and integrated within the local economy, for example:

- demographic challenges that can make recruiting a local work force difficult with the companies often resorting to regular “fly-in fly-out” solutions, which leak economic benefits out of the local area
- potential land use conflicts and their impacts on wide-ranging social, cultural and economic activities within local communities
- managing the integration of more resilient green growth and circular economy strategies.

A focus on growth and growth enterprises to enable peripheral regions to catch up often leads to neglect of the contribution that micro and small enterprises, community and social enterprises make to peripheral economies. Most of them do not aspire to grow beyond the local markets they serve. Most of them contribute to diversity within local economies and to pluralistic livelihoods among individuals and households in peripheral areas who engage in multiple economic activities that deliver resilience when one of these activities declines. Many community and social enterprises are deeply rooted in their local communities and do not want to expand, which would take them outwith the community that they understand so well, but instead will constantly adapt, diversify and evolve their services to meet the evolving needs within their local community.

Above all, the catch-up mindset ignores the reality that peripheral communities have a long history of responding and adapting to changes and crises.

*“Islands, and the Atlantic Region, are known to have relatively tight-knit social structures and small populations, and an ability to pull together in the face of adversity. This rich social capital and ‘lifeboat’ mentality enables islands to demonstrate resilience in the face of external threats.”*  
(Canadian report)

## 5.2 Performance of peripheral regions during Covid-19

Covid-19 has brought such resilience in peripheral areas strongly to the fore. In almost all the reports for this project our researchers point to the low infection and death rates in peripheral regions.

“**Finland** and its female-led government has been praised for its handling of Covid-19, with one of the lowest infection rates in Europe. Nevertheless, the rates of confirmed cases vary a lot across the country placing the Helsinki capital city area as the most infected region in the country. The so-called peripheral districts, on the contrary, have been able to keep the infection rates comparably low as of November 2020.” As a result, “restrictions on movement were also made to and from ... the capital city area of Finland where population, its density and consequently also infection rates have been the highest in Finland.” “Compared to other regions in Finland, East-Savo [the smallest hospital district in the country] had only a few Covid-19 patients during the first wave of Covid-19 in the spring of 2020. The personnel in ISSHP were not over-exhausted due to extensive workload but rather tired from anticipation and preparation for growing case numbers.”

The **Highlands and Islands region in Scotland** “has suffered less severe health impacts of Covid-19 due to lower rates of infections, hospitalisations and mortalities – although there have been clusters in local areas. The region has been fortunate in the main not to have experienced high levels of demand for hospital facilities and home treatment. ... Similarly, vaccinations have been relatively high in the Highlands and Islands. By 11 Feb 2021, the Outer Hebrides had the highest proportion of its population vaccinated of Scotland’s health board areas, Orkney the second highest, and Shetland the fourth highest (with Dumfries & Galloway the third highest)” (all of these areas fall within the NPA). By mid-March, 64% of the population in the Outer Hebrides had received their first dose.

Compared to other parts of Great Britain the rates of infection have not been as bad in **Northern Ireland** overall, partly helped by geography. GP (general medical practice) services became 97% virtual with good acceptance from the population, and many hospital services also became virtual with significant success. Problems have occurred with the capacity of the hospitals with many working at capacity or beyond capacity.

The COVIDWATCHEU-NPA project reports that “relatively speaking, **the Faroes, Iceland and Greenland** have seen much less Covid-19 activity than the other country groupings [within the NPA]. Due to the ability to create comprehensive SARS-CoV-2 testing systems very quickly, ... these countries [very early on] had the ability to detect the majority of their SARS-CoV-2 infections. They clearly shut down community transmission quickly and in the process prevented much Covid-19 morbidity and mortality. The majority of deaths in Faroes, Iceland and Greenland have been seen in late 2020 [and] small outbreaks were effectively quashed as soon as they arose. While their remote island nature is an advantage for these countries, none of them have escaped importation of SARS-CoV-2.” The TechSolns notes the achievements of Iceland in particular, where they completed their own contact tracing app in just 10 days by volunteers, and the Icelandic directorate of health allowed the general population to book Covid-19 tests without the intervention or supervision of a doctor.

“**The Atlantic region [of Canada]** has performed very well during Covid-19 with among the lowest case rates in the country and only 91 Covid-related deaths in the entire region as of February 2021. Prince Edward Island has the lowest case rate in the country, at 71 per 100,000, compared to a rate of 2,150 nationally, and no recorded Covid-19 deaths. The case rates and death counts for the Maritimes closely mirror those of Canada’s northern territories (Yukon, Northwest

Territories, Nunavut) resulting in this group of peripheral Canadian regions having drastically different Covid-19 experiences from the rest of the country.”

Of course there have been outbreaks, and individual communities and areas in peripheral regions have been hard hit, while the second and third waves of Covid-19 have affected many peripheral regions more than the first. See Box 5.1 for the mixed performance in peripheral areas of Sweden in particular. Some island communities in Scotland suddenly found themselves with some of the highest infection rates, although they were quickly able to suppress these outbreaks through their community cohesion. And overall Scotland, Northern Ireland and Ireland have been severely hit by Covid-19 in comparison to Finland and Norway.

**Box 5.1. Covid-19 in NPA regions of Sweden (from Human Rights report)**

The spread was low in the Arctic regions in early Spring 2020, with 65 cases in Västerbotten as of April 1, and 47 in Jämtland. Boden, on the other hand, a city in the Arctic, was in the top list in April for cases per capita [because] no quarantine or travel restrictions were imposed. The first wave of the virus reached Norrbotten region in the early summer, when the region was the hardest hit in Sweden around midsummer. Early in the pandemic, it appeared that mines were a “hotspot” for the spread of Covid-19. In February 2021 region Norrbotten stated that the second wave had been even more severe than the first, with people travelling from other parts of Sweden into the region to celebrate Christmas and New Year.

The second wave came to Sweden in October/November 2020. Statistics on 1 February 2021 show that the Arctic region during winter was again one of the hardest hit regions ..., after the most densely populated southern part of Sweden. Region Skåne had 380 cases/100,000 population, while region Norrbotten had 231, Västernorrland 232 and Jämtland 190 compared with Stockholm 149 and Gothenburg 247. Åre county in Jämtland, with Sweden’s very popular ski-resort, had a spike in cases in February 2021, due to tourists and seasonal workers.

These regional comparisons show a mixed picture, which repeated itself in vaccination rates, with Norrbotten above the national average, although all the others were below. And northern Sweden demonstrated the highest Covid-19 cumulative death rate in the Arctic region as of July 2020 (23.6 per 100,000). The drop in workplace mobility contributed to less cases in the Arctic region from the middle of March with a subsequent stabilisation or rise from mid-April through June, except in Northern Sweden that “exhibited lower reductions compared to its neighbours, according to its relaxed policy, which led to a sharp rise in infections” (Petrov et al, 2020)

The miscalculation was that all of Sweden had to be treated the same, without any considerations for variations in vulnerability due to location, businesses and population composition. The Arctic region could have avoided hard hit areas if targeted measures had been applied to them out of regional considerations. And because the Arctic region in Scandinavia is usually a cross-border society, where personnel and goods commute across the borders, and its remoteness makes it more dependent on cooperation with its bordering neighbour states, the NPA-region could have been treated as a whole across Norway, Sweden and Finland, although this was never considered. “This is something for the NPA to consider in the future, to adopt recommendations for an NPA-sensitive pandemic response, valid for the specific features and characteristics of the region.”



So, not all peripheral areas have done well. Some regions, like northern Norway which was so highly dependent on tourism, have been particularly hard hit economically. And as we finalise our research reports, the situation in April 2021 is somewhat different, for example in the peripheral areas investigated in the University of Eastern Finland (UEF) report which reflects most on the first wave of Covid-19. With the new more aggressive variant virus types in the second wave, infection rates have risen more rapidly in all regions, including the rural East-Savo district which is the focus of the Finnish report. However, in line with our key findings, the rates are still comparatively low in the districts investigated by UEF compared to the larger districts in Finland.

It seems that, like the case of the contact tracing app in Iceland cited above, more sparsely populated areas in Finland have been able to benefit more from effective use of testing and tracing, and the smartphone app used for these, compared to larger regions, especially the Helsinki area, where the chains of infection (and thus, the people exposed to the virus) have been more difficult or even impossible to trace. Many of the new infections in peripheral districts are found among people who are already quarantined.

Recently, Finland has also begun to suffer from 'corona fatigue', much like elsewhere: quarantine restrictions have been broken in East-Savo district, too. At the same time, the underlying negative factors reducing the prospects of health and social care service provision in remote areas (such as the shortage of medical doctors) is beginning to affect how they cope with Covid-19.

Comparisons from many of the other peripheral regions covered in our research, such as Atlantic Canada, Greenland, Iceland and the Faroe Islands, also suggest that these regions have continued to do relatively well even in subsequent waves of Covid-19, and some peripheral regions like the Outer Hebrides and other Scottish islands have achieved the highest rates of vaccination in the whole of Scotland, allowing the Scottish Government to ease restrictions more on the islands than on the Scottish mainland (as of 17 May 2021).

And so, a clear pattern emerges from our research and its diverse sources that on balance peripheral areas have performed well during Covid-19, providing they have benefitted from the right policy environment and have reasonably adequate health infrastructure. And in some cases, peripheral areas have been able to sustain their economies through significant flexibility, adaptation and innovation, and even start reversing some of their demographic challenges (see Parts 3 and 6 of this report).

The focus of our research was, in fact, not to analyse comparative health data in depth, but to identify the many factors, often existing before the pandemic, that have helped peripheral and rural communities to respond well to the pandemic: such as low population density; cohesive, engaged and personalised communities; effective local governance, strong networking and partnerships across sectors; flexible and innovative businesses and social enterprises rooted in their communities and local economies. All of these 'preconditions' have often helped peripheral communities in their response to Covid-19, in terms of both health and economic outcomes.

In the next section we seek to draw out from the different partner reports the characteristics and factors that have helped peripheral communities and localities to be resilient in the face of Covid-19 across different sectors.

### 5.3 Resilience factors in peripheral regions

In looking at resilience factors, it is important to acknowledge the contribution of government support (public sector employment and public support schemes during Covid-19) and of geography.

#### Public sector employment

Individuals, households and communities in peripheral areas still need access to key services, but it is often challenging to deliver these across widely dispersed rural populations. One distinct impact of this reality has been the higher relative proportion within the labour force of public sector workers delivering services in peripheral areas. In the past this has been seen as a disadvantage, especially when public sectors were contracting under the impact of austerity. However, Covid-19 has shone a different light on this factor.

The relative importance of public sector employment in the Highlands and Islands of Scotland has proved to be a resilience factor for the region during the pandemic (with the effects of Covid-19 falling mainly on the private sector). Health and social work activities, education and public administration together totalled 28% of all employment in the Highlands and Islands in 2019. A 2011 report found that public sector dependent employment represented 47% of the region's full-time equivalent employment in 2009/10 (although this proportion will have reduced over the past ten years through austerity policies).

Likewise, the Atlantic provinces in Canada have fared well in securing public service jobs with federal government service centres located in the region to provide employment. For every 1,000 people, Newfoundland and Labrador has 109 public sector workers. Nova Scotia has 99, Prince Edward Island has 95 and New Brunswick has 85. To date there have not been pandemic related cuts to these public services.

And the same will of course apply to countries or autonomous territories like Iceland, Greenland and the Faroe Islands which need most of the governmental functions of larger countries.

#### Government support

When analysing the success many peripheral regions within the NPA have demonstrated during the pandemic, it is also pertinent to acknowledge the special actions taken by governments at all levels, from national to local, to provide financial support for individuals, businesses and non-governmental organisations. Our research from across the NPA is full of examples of the quick and ongoing public support that has allowed the vast majority of society to keep functioning.

And peripheral regions, which have sometimes relied heavily on public support in the past,<sup>2</sup> have been good at accessing such support during the current Covid-19. For example, the Highlands and Islands region in Scotland has benefitted significantly from public support. The Highland

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<sup>2</sup> and sometimes been defined by that. The Atlantic provinces in Canada have been "habitually derided ... as a bunch of aging hard-luck cases reliant on federal transfer payments" (article in the [Financial Post](#)).

Council area had Scotland's highest proportion of its workforce furloughed (i.e. laid off temporarily with Government payment towards their earnings) – 35%; with Moray closely behind at 34%.

Box 5.2 illustrates the extent of financial support for businesses in Finland. What is striking about these policies is their focus on sole entrepreneurs and the self-employed, with much support for them delivered through municipalities on the ground. This is in tune with the importance of micro-enterprise across so many local areas.

### **Box 5.2 Finnish support for economy and enterprise**

The government [in Finland] presented the first emergency package, effective on 31 March 2020, to support the economy and invited social partners, that is, three central organisations of trade unions (STTK, SAK, and AKAVA), to discuss further measures to secure the economic situation together with the employers' central associations EK and KT. As a result, a package of common initiatives was introduced to secure jobs and companies. The joint initiatives included temporary reductions in pension contributions for employers, postponement of payments, increased flexibility to implement temporary lay-offs, and improvements in access to and conditions of unemployment security. Further government measures to secure people's livelihoods were negotiated together with the social partners and implemented during spring 2020. The government also urged municipalities to refrain from temporary layoffs to secure the availability of the workforce in critical/essential positions such as health care.

Further measures were taken by the government, including temporary access of self-employed and freelancers to unemployment benefit, and direct support to businesses that was increased from €200 million to €1 billion in the government supplementary budget approved by the parliament. On 31 March, the government introduced a financing model for sole entrepreneurs that consisted of a fixed sum (up to €2,000/month) to cover fixed expenses such as rents. As of 1 April, employees laid off were entitled to unemployment benefit even if they were engaged in business activities or studies. The government presented the second additional budget of €3.6 billion out of which €1 billion was to offer further support for companies (€500 million in budget, €500 million as loans), €600 million for protective equipment, and €150 million on direct support to the self-employed (to be distributed by the municipalities). In addition, the government decided on a family contribution of €723/month (equivalent of minimum parental benefit) to parents unable to work due to unexpected childcare responsibilities during the crisis. A third supplementary budget was presented in May 2020 to support municipalities.

At a local level, in the autumn 2020, the Ministry of Education and Culture granted special funding to the East Savo Association of Educational Municipalities for the implementation of community-based nurse training in Savonlinna agglomerations and neighboring municipalities. This highlights the importance and crucial role of the welfare state in financially supporting their economic vitality and employment. Investing in social and healthcare infrastructure can be understood as a *social investment* measure by the state, [adding] to society's existing stock of human and social capital .... Studies show positive consequences of such investments for the competitiveness of national and regional economies.

And the section in this report on tourism (Section 4) illustrates the substantial financial and other investments made, including by regional and local government in Canada, Greenland, Iceland and the Faroe Islands, to sustain tourism, not least in supporting local and domestic tourism to substitute for the loss of international or distant tourism.

On the other hand, it is important to recognise that such public support has not reached everyone or every business that needed it. The survey of 62 entrepreneurs, many involved in tourism across Greenland, Iceland and the Faroe Islands, asked about public support schemes (1) alleviating the financial burden, (2) enabling knowledge-sharing and (3) developing marketing strategies. In terms of what they had received themselves, only 22% of respondents had received support from public actors. Almost a third were not aware of any support available, one-fifth reported that their business was not eligible, and 3% applied for funding but did not receive it. These statistics are surprisingly low and suggest that the reach of financial and other support to peripheral areas has not been as effective, or that measures were not well suited to the characteristics of peripheral economies and/or enterprises, characteristics which are often distinct from urban centres.

### **Geography and nature**

In addition to significant public support peripheral regions have benefitted from their geography. This is most striking for islands: “In a time of global pandemic, where viruses have no regard for borders, islands have an advantage: a natural geographic boundary, the water. They are natural at physically distancing. And this ‘moat’ means limited access points where screening to keep the virus out can take place. Thus, islands with a strong and effective governance structure, with the ability to control their borders and create ‘made-on-the-island solutions’ – and which have the power to enact them – are more likely to weather the pandemic than those that do not.” (Canadian report).

The COVIDWATCHEU-NPA report reinforces the advantage of the natural geographic boundary that islands enjoy, not least in warning, “Given the emergence of new and likely more infectious strains of Covid-19 with origins in Brazil, South Africa and England, the importance of reducing importation, while also reducing regional and community spread, cannot be overstated”; and recognises that “border control strategies have varied greatly from region to region during the pandemic to date”.

However, it is wrong to assume that the island geographic advantage comes only from their clearly defined boundaries. COVIDWATCHEU-NPA reports on Greenland, Iceland and the Faroe Islands that “while their remote island nature is an advantage for these countries, none of them have escaped importation of SARS-CoV-2”. The report also points to their “ability to create comprehensive SARS-CoV-2 testing systems very quickly, ... and ... very early on ... to detect the majority of their SARS-CoV-2 infections. They clearly shut down community transmission quickly and in the process prevented much Covid-19 morbidity and mortality. ... small outbreaks were effectively quashed as soon as they arose.” This points to much more than just a well defined geographic boundary, including cohesive communities and significant local innovation, both of which we look at below, in addition to a strong and effective governance structure and the ability to create local solutions that the Canadian report highlights.

Geography also contributes to many peripheral communities, not just islands, being sparsely populated, so that the virus has in some cases spread less rapidly, or been quickly suppressed, and to familiarity within remote communities with remote working. Icelandic entrepreneurs reported that because of harsh weather conditions and great geographical distances between people, they are used to working remotely. As a result, a strong practice of virtual work has already been established, which has been helpful in adjusting to the pandemic. And ready access to nature has allowed people to spend time outside their homes during lockdowns in particular, which has made them feel less restricted in terms of their mobility.

These factors may be contributing to the findings of the NPA Covid-19 response project, RE-MIND, on mental health, that peripheral regions have fared better in terms of mental health also, not just Covid-19 infection rates:

“... the evidence for a more negative impact on mental health appears to be on urban populations where the social structures and economies are dramatically different to those of rural communities in sparsely populated areas where isolation, self-reliance and ‘social distancing’ are the norm. In these areas, work and social life are not wholly dependent on external service provision and public transport is invariably rare. Moreover, municipal bodies and public health agencies in remote and rural communities can be seen as exemplars, leading the way in the use of e-health, providing personal and social services through a range of digital platforms.”

Again, this does not mean that all peripheral areas have experienced better mental health outcomes, as the RE-MIND report states: “... our public health experts working in remote and rural areas also sought to underline the point that while common urban-rural differences may exist across national borders, rural differences exist *between and within* countries and regions too. Thus, some rural areas are more affluent and well-resourced. In others, particularly those areas with large minority ethnic and indigenous populations which have a long history of structural disadvantage and marginalisation, have significant barriers to utilisation of eHealth across many small villages and communities. Thus, the lack of internet access or coverage is commonplace, as is a lack of access to electronic devices. As our Canadian expert has highlighted, there may be very low levels of literacy in general. For example, in New Brunswick, more than 60% of the population cannot read, write or type on a keyboard.” This is in line with the evidence we cite in Section 2.5 of this report on inequalities of Covid-19 impacts on certain groups, such as indigenous populations.

Access to nature has also delivered economic opportunities, for example in growing more local food (there has been a steep rise in sales of vegetable and other seeds as a result of the pandemic) or creating outside experiences directed at locals, which has been good for both entrepreneurs and the local community, as well as developing new offerings for the upcoming season.

*“Great access to nature has allowed us to not feel caged/restricted. More time and opportunity to visit nature has allowed us to prepare and plan new trips/concepts for the upcoming season”*

### Box 5.3 Stories from the past

The Nordregio report states that several stories from the past reveal how the benefits of remote sparsely populated areas become obvious during crisis times, whether at war or during a pandemic. The spread of a pandemic like the Spanish flu in the beginning of 20<sup>th</sup> century is an example of this and puts our current times and the strength of rural regions into perspective.

*“Mr. Nageak remembered a story his mother would tell, about one winter a century ago, in 1918. She was a small child, maybe 3 or 5, living to the east in what is now the Arctic National Wildlife Refuge, when word came that people were dying of a strange flu.*

*So, the families moved inland, up into the mountains. His uncle told of a large lake they found, where they could get any fish they wanted. There they stayed, through the winter, until they heard that people were not dying anymore.*

*‘People say it is a cold snowy wasteland,’ he said. ‘But for us it is a good place to live.’” (NY Times, 2020)*

Balancing such examples, the Human Rights report (in Part I) describes how the Spanish flu pandemic presented clear risks in the Arctic. Many Arctic communities experienced underdeveloped medical health care systems and infrastructure, and Professor Sköld writes:

*“In **Alaska**, there were communities where the entire population died. The remote location of Arctic communities often means that the successive immunisation that usually takes place in populous towns does not happen. Remote populations are particularly susceptible when the virus reaches them (as they have no prior experience of the disease and no following immunisation). The later waves of a pandemic are often more aggressive.”*

The causes of the northern region in Sweden being hard hit can also be found in the fact that a lot of military troops were present in the Arctic region due to World War 1. Moreover, industrialisation had seen workers gather in cities under substandard living conditions and malnutrition due to WW1, in which Sweden did not participate, but which triggered ransoming of food and necessities. In the north, the military lived in close proximity to towns, and there were migrant workers constructing the Swedish railway systems, and people came to work in the forest industry and in mining.

The Sami, the indigenous people in the Arctic, with a population of between 20,000 to 50,000, suffered from a higher risk from pandemic influenza also. This was due to chronic underlying health conditions, infectious diseases such as tuberculosis, inadequate access to health care, and a lack of basic infrastructure.

Beyond geography and access to public support, peripheral communities have often shown a remarkable resilience during Covid-19, turning what were often regarded as challenges to their advantage during the pandemic. We start with a factor that is commonly recognised – close knit small communities in peripheral regions, – but also refer to characteristics like diversified economies and significant innovation that are often not considered typical of such regions.

*“The view of resilience factors and assets is not straightforwardly better versus worse because what is considered an asset in one context is often a liability in another. For illustration purposes, take the case of health care in peripheral places. Typically we view them as lacking personnel and equipment. In the case of the pandemic, this lack gave birth to the resilience to close borders and keep the virus out of communities.” (Canadian report)*

## Close knit small communities

Smaller population sizes and strong community connections have sometimes allowed for outbreaks of the virus to be suppressed rapidly in peripheral communities, as well as for successful contact tracing, with the case of Iceland cited below being a striking example.

*“While peripheral communities may be vulnerable to infections, they also have an ability to respond coherently to get things under control, because ‘it is everyone’s business’ to do so.”*

Project partner

The same characteristics are likely to contribute to better mental health outcomes in communities where people ‘look out’ for each other (see the examples of extensive voluntary action in remote communities cited below).

And it is these same characteristics that can also contribute economically. Findings from surveys, interviews and workshops involving entrepreneurs from across Greenland, Iceland and the Faroe Islands all placed a lot of emphasis on the advantages of living in a closely knit and small community. This has often delivered strong support among local people for local businesses.

*“It has been a strength/benefit to be a small community”*

*“A very strong sense of community between local providers”*

*“Big demand for local products.”*

Strong local connections have supported entrepreneurs through the crisis. And the case of isle20.com listing over 500 island businesses across Scotland shows that the sense of community can go beyond a local area. The early success of isle20 was largely driven by a strong island identity among islanders themselves, international island diasporas and repeat visitors to the islands in the past.

Smaller populations and close-knit communities can also deliver high levels of participation in civic and community engagement, including volunteering, voting and immunisation. Covid-19 outbreaks in Uist and Barra in the Outer Hebrides were quickly suppressed by island communities often going further than the publicly mandated measures. When Iceland allowed the general population to book Covid-19 tests without the intervention or supervision of a doctor, resulting in a much more efficient system with decreased workloads for doctors, fears that the system would be abused by patients turned out to be unfounded. In Prince Edward Island the 20-29 age demographic showed their support to vulnerable communities when the Chief Public Health Officer requested all be tested for Covid-19: more than 4,000 young people turned up at testing sites.

The effective role of the Chief Public Health Officer in PEI (and their equivalent in the Outer Hebrides of Scotland) also points to effective leadership that can often arise within close-knit peripheral communities.

*“Oxford University published their assessment of the various provincial and territorial responses to Covid across Canada. ... One of their primary findings was in the differences in leadership across the nation. ... In the case of provincial chief public health officers, they point out that in British Columbia and PEI ‘both led their province’s largely successful pandemic responses and have been commended for gaining public trust due to their personable and*

*straight-forward communication style.’ I like to think that in PEI we would be hard-pressed to find anyone who would argue that Dr. Heather Morrison’s leadership hasn’t been stellar. Quite the opposite: she has become cherished by many. How did she achieve such regard? By being the best of us. By being an engaged member of her tight-knit community. By caring deeply about the individuals in her community. And we responded in kind. We tuned in and did what was recommended by leaders who have continued to earn our trust and respect. And it has worked well for us. ... there is something about the dynamic of the community — cohesion versus competition, caring versus questioning — that is playing a role in the success of pandemic responses.” Marlene Chapman, [Saltwire](#), 14 April 2021*

Community support in peripheral areas is also repeatedly seen in generosity, with high rates of volunteering and donations, and has been frequently reported on during the pandemic. The Canadian report cites the case of “volunteer angels delivering care packages in New Brunswick, countless food donations, books for newcomers, friendships programs with seniors, and the list goes on”. A survey by Scottish Rural Action (June 2020) highlighted the extraordinary level of activity by rural communities in response to Covid-19 and consequent lockdowns.

*The survey evidences the power, efficacy and responsiveness of localism. Resourced, enabled local organisations, which were trusted to respond directly to local needs, were able to act in a targeted and dynamic way. Rural responses to Covid-19 are a collective, whole-community effort involving Community Councils, Development Trusts, local businesses, third and statutory sector organisations.*

There can also be downsides to strong bonds, when communities become fearful of outsiders – the Canadian report gives examples of this: “The Covid-19 pandemic has highlighted the insider-outsider tensions inside Atlantic Canada through the rise in confrontations and conflict with seasonal residents and rotational workers. Some have taken to publicly shaming their own community members on issues like wearing masks, but most shaming is reserved for outsiders.”

Responses to the pandemic within close knit communities in peripheral regions also demonstrate strong vision and energy within communities for imagining positive futures beyond the pandemic which can have positive impacts on mental health and community morale. Visioning programmes delivered by the Social Enterprise Academy for six rural communities across the Highlands and Islands of Scotland and at the youth session that opened the Scottish Rural Parliament in March 2021, and by CoDeL for all the Irish islands across four regions (Donegal, Mayo, Galway and Cork), have generated many diverse visions, but often underpinned by similar values and aspirations, for example towards community sustainability. These programmes have shone a light on coherence and positive values within peripheral communities, and on the similarities across such communities. The visioning has supported positive motivation and interaction among community participants, created common and powerful community voices, for example for the Irish islands (developed into podcasts) and for young people, and set out action and innovation that participants are seeking to take forward in practice. In this way the programmes have contributed positively both to mental health and to action in response to the pandemic.



## **Diversified economies**

The lack of economic diversity is one of the main characteristics of peripheral regions set out in the NPA's Cooperation Programme, and this is certainly the case with regions and localities that depend heavily on one industry, from mining to tourism, or one large employer.

However, this is not the case everywhere. We have already suggested that many peripheral economies are sustained by a dense and diverse web of micro- and small enterprises that is not always fully recognised. Some are not captured in official data, for example, if they fall below tax thresholds. Some are difficult to capture in census and similar data because of the pluralistic work portfolio of many residents of peripheral communities, engaging in several different occupations and even several different micro-enterprises.

And the dense web of enterprises often includes community and social enterprises, as outlined above, adding further diversity and resilience. "There is real optimism within the social enterprise community as we begin to emerge from the current pandemic. A [report](#) by Social Enterprise UK seems to reflect a level of confidence across the sector – both in terms of recovery and growth that runs counter to a number of trends being suggested amongst conventional businesses."

This micro- and small enterprise sector also acts as a seedbed for new businesses, developments and innovations, including in a wide range of innovative economic sectors, from the bio-economy in Nordic countries and technology for health care in Northern Ireland to the exponential growth in traditional music in Scotland. There are also many micro- and small businesses in the primary sector or that deliver critical services, from servicing machinery through retail to haircuts, which cannot easily be imported from outside the local economy. This contributes to the resilience of the sector, and to an often strong and loyal local customer base that many micro- and small businesses in peripheral economies enjoy.

And even at a regional level, lack of economic diversification is not a given in all regions of the NPA. In fact a diversified economy in at least three of the Atlantic provinces in Canada has been a strength in light of the pandemic. "Segments such as financial services, professional services, transportation, IT, food production and the public sector have been impacted to a lesser extent. If a crisis of the same nature as Covid-19 were to have taken place in the 1980s or earlier, this region would most likely have been more severely impacted economically due to its high dependence on farming, fishing, forestry and tourism. Since then, Atlantic Canada's economy has diversified. ... Innovative sectors including the digital economy, clean technology, aerospace and biosciences have all been doing well. The bioscience sector in Prince Edward Island added 200 jobs since the pandemic began and seven of its companies are planning expansions, and the technology sector is growing in Newfoundland and Labrador also."

## **Flexibility and adaptation**

As set out in the section of this report on enterprises, small businesses tend to be more flexible and are able to change faster during a crisis. The response of small businesses to the financial crisis in 2007-8 demonstrated that small companies are more likely than large ones to increase their growth during crises. Our research has uncovered plenty of evidence to support this, including the many small and micro technology businesses surveyed in the TechSolns project.

Analysis of five small businesses, across diverse industrial sectors, in Jämtland in Sweden, demonstrates their strategic flexibility in response to Covid-19. Of 62 entrepreneurs surveyed across Greenland, Iceland and the Faroe Islands, 52% considered Covid-19 to have brought about new business opportunities that they are either already pursuing or intend to pursue in the future. Similar findings came from surveys of tourism entrepreneurs in Greenland and entrepreneurs in Atlantic Canada. So many tourist businesses, and destination management organisations, pivoted their business to local markets during Covid-19 rather than international tourists as in the past. And much of traditional music in Scotland moved on-line.

The flexibility and adaption of micro- and small enterprises is a critical resilience factor for many local economies in peripheral regions. And their ability to innovate new products and services, including in response to a crisis, highlights significant dynamism and resilience within the sector.

But it is not just in the business sector that we find such flexibility and adaptation. The same may apply to small public sector organisations also. The Finnish research demonstrates that health providers in small hospital districts demonstrated significant flexibility and adaptation during the pandemic. They cite other recent research from Finland that small units had better ability to act effectively and creatively in the face of the crisis.

Our Finnish researchers provide examples of such adaptation in small and peripheral hospital districts. The North Karelia hospital district had engaged with lean management practices pre-Covid, including an emphasis on 'agile teams'. The district had implemented a specific model based on multi-occupational teamwork for its health centers shortly before Covid-19 to start handling client cases immediately and, if possible, to complete each case within the same day. This was adapted during Covid-19, with remote operation being the central part of the team model: patients are accessed and treated remotely so there is no need to come to the health centre or hospital.

East-Savo hospital district introduced various innovations in response to Covid-19, such as re-organising of facilities, activities, and staff recruitment practices. A great effort was made to secure an adequate number of nursing staff during and after the pandemic.

*"In a small municipal center, community-based nurse training is about to begin in a way that everyone has the opportunity to take part in the training for an assistant nurse and from there to proceed to a community-based nurse, i.e. to see that people who have not studied for a while would have the lowest possible threshold. And in recruitment we have tried to take into account the educated people in sparsely populated areas who currently work in agriculture, so that they'd be able to work part-time, even in home care, around their own residential area. So, there have been attempts to use such means, but we have not been able to recruit significant number of people through this. But these measures are constantly being considered and we have a good cooperation with our educational institutions in the area." (Expert interview).*

*"There is the commonly held notion that a scarcity of resources on small islands is a vulnerability. ... Dr. Ilan Kelman, a researcher on disasters, health and islands ... argues that a scarcity of resources in health care, leaving small islands ill-equipped to respond to major outbreaks, pushed places like Prince Edward Island to move early and hard with restrictions. In other words, scarcity was leveraged to build resilience." (Marlene Chapman, [Saltwire](#), 14 April 2021).*

*Holly Parker at the University of New England in Maine tells how Maine did not have the needed rural infrastructure to roll out vaccines, so created it, using local pharmacies rather than big chains, mobile vaccination stations, emergency responders offering vaccinations, as well as mass vaccination clinics in more densely populated areas of Maine.*

## **Innovation and digitalisation**

The NPA Covid-response project, TechSolns, has discovered a wide variety of small and micro technology companies within the NPA that have innovated new products and services, adapted existing ones or simply increased their markets – the pandemic has provided significant opportunities for all of them.

In some cases such innovation has had an immediate and direct impact on Covid-19 impacts. While “six of the nine countries within the NPA have developed their own bespoke track and trace app, a particular highlight is the development of the Iceland app, Rakning C-19. While many countries worked for months developing their contact tracing app, Iceland completed theirs in just 10 days by volunteers.” The COVIDWATCHEU-NPA report cited above provides clear evidence of the positive effect of such striking innovation.

Because of the characteristics of peripherality, many remote communities have in fact been at the forefront of technological innovation, including digitalisation. The growth of web-based activity, sharply accelerated by Covid-19, has long supported the emergence across the NPA area of micro- and small businesses in the digital economy and technology innovation

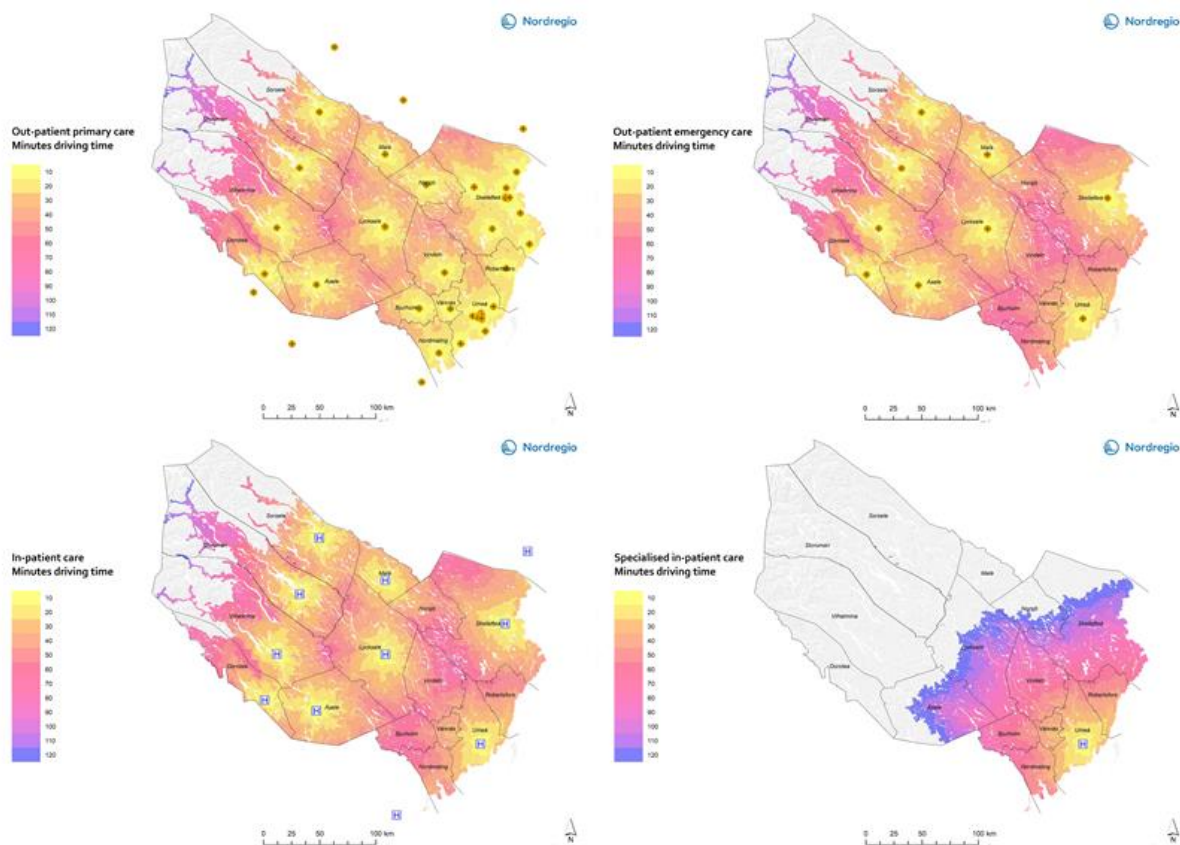
For example, Västerbotten in northern Sweden has a long history of advanced broadband connectivity and a focus on digitalisation. This includes the regional authority’s Digital Västerbotten initiative seeking to use existing and emerging digital technologies to provide services and equal standards of living for people in all the municipalities.

*“The need to contain current and future costs of care will also accelerate the digital steps already taken by the health care sector in recent years. For example, the usage of telemedicine services has already increased during (and due to) the pandemic.” (Finnish report)*

It is not surprising that Västerbotten was a focus in Nordregio’s project, Regional disparities and the geography of service within the Nordic countries. The project itself demonstrates innovation in response to peripherality and is developing a GIS tool to map, analyse and visualise the degree of regional disparities around accessibility to services. Here are some examples of distances from health care services in Västerbotten.<sup>3</sup>

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<sup>3</sup> More detailed maps on other Nordic countries’ distances to different levels of health care can be seen in the publication “In-depth accessibility study, Annex to Digital Health Care and Social Care Regional development impacts in the Nordic countries” (2020) by Penje, Wang and Wolk. And the Nordregio report for this Economic Impacts project has examples of maps for distances to schools in the Ostrobothnia region in Finland and to grocery shopping in the Westfjords of Iceland.



**Figure 5.1. Access to different levels of health care services in Västerbottens County 2018**

Västerbotten’s digital agenda is also seen in the Centre for Rural Medicine (GMC). The geographic challenges of being a sparsely populated area pushed actors in local health care services to innovate, including initiatives by individual doctors at the Storuman hospital. The development of the CRM in 2010 sought to develop techniques and practices that combine high-quality health care provision and cost-efficiency with a development trajectory around technical and organisational innovations in local health care. As the process was driven by local doctors, organisational change was driven from inside, leading to a change in the culture of local health care services. The fact that the CRM has developed ‘at the margin’ of the regional health-care system has enabled the centre to incrementally test new ideas about how to organise health care provision in Storuman through small-scale experimentation, such as a Virtual Health Rooms initiative. Based on the success of these small-scale experiments, the CRM has scaled-up and increasingly institutionalised these innovative practices into the organisation’s routines.

As a result of such initiatives the Nordic and other NPA regions generally have often been at the forefront of tele and digital health service provision. This has accelerated during Covid-19, as is clear from the evidence from the TechSolns report on 35 companies across the NPA that have innovated and adapted technologies in response to Covid-19.

*“Exceptional times have certainly called for exceptional measures, but in the case of Finland, the peripheral regions have also relied on already established innovations such as integrated models in health care, training and education, a strong public sector and its co-operation between*

*regional and national level actors, and strong regional infrastructure. The strong effort to digitalise health care throughout the 21st century has also eased the transition to on-line, remote service provision during the pandemic.” (Finnish report)*

## **Collaborative services**

Collaborative public service delivery is becoming increasingly prominent in the Nordic Region due to highly decentralised systems of governance. This type of cooperation is grounded in the concept of collaborative governance which emphasises the need for local and regional actors to pool resources to deliver public policies and services efficiently and effectively. Collaborative governance is regarded as particularly beneficial for smaller Nordic regions and municipalities as they can potentially increase financial resources and administrative capacities, reduce transaction costs and establish economies of scale and critical mass, although such collaboration also comes with challenges.

In health care, local providers operating with integrated service system models have fared better than others when it comes to preparation for the pandemic, according to the Finnish report. The East-Savo hospital district (ISSHP), the smallest hospital district in Finland, operates with a hybrid model, which is typical in the Nordic and more specifically the Finnish welfare state model. The model includes close co-operation between public sector, private sector operators and non-governmental organisations. In the case of East-Savo this has been all the more important as the four municipalities within the hospital district deliver their health services in different ways (e.g. two of the municipalities have outsourced primary health care to private sector providers). A joint pandemic management team that initially met daily, then once or twice a week, enables close communication between the municipalities.

Co-operation between diverse actors within the public, private and third sectors has increased during the pandemic. Regular meetings, sharing of the latest information and instructions were typical forms of such co-operation between actors and across sectors. This is a way to maintain – and perhaps also to improve – transparency in the management of various services while containing the Covid-19 situation. For instance, remote digital platforms have been used extensively: *“There have been regular Skype meetings in Sulkava and Rantasalmi. We have exchanged information and instructions. In fact, we have received praise from the private sector precisely for keeping them well involved and keeping them posted”* (Expert interview).

In North Karelia representatives from different NGOs are part of the Covid-19 Task Force team organised by the hospital district. NGOs have helped with fulfilling residents’ basic needs through services such as delivering groceries to those belonging to groups at risk, distributing masks as well as translating instructions to residents from language groups other than Finnish, Swedish or English. NGOs have thus been focusing on the most vulnerable groups.

Close collaboration has also made it easier to relocate staff between posts: *“During the pandemic, some of the workforce in health services has shifted their employment from the private to the public sector when necessary; this was the case, for example, when private sector medical doctors transferred to the public sector due to a reduction in the number of occupational health care patients that are typically treated by the private sector clinics.”*

Overall, joint action areas have had better options for human resource planning, even in the first phase of the epidemic, for example by transferring staff from one task to another, such as from school health care to telephone counselling. East-Savo hospital district (ISSHP) is also working on new staff recruitment strategies. The possibility of working part-time is being emphasised to attract new workers who can work even as little as one day a week.

Collaboration with educational institutes has also benefitted staff recruitment. ISSHP decided that students would have the possibility of doing their on-the-job-training during the pandemic. Thus, trainees got familiar with the practices of the hospital and, in case of need, could themselves be more easily recruited as regular staff members.

*“just-in-time (re-)education of personnel was one of the key innovations implemented in ISSHP. The vocational training for facility maintenance services and for service housing and home care (especially for elderly residents) were planned together with the local vocational institute, the city of Savonlinna, and the regional Employment and Economic Development Centre.” (Finnish report)*

Small innovations in the region of ISSHP included the development of new staff recruitment strategies. The possibility to work part-time was emphasised to attract new labour force participants and to encourage them to work even as little as one day per week.

Collaboration has also been used in services where care debt has already grown, such as care for older people. To alleviate the situation and the future costs of growing care debt, ISSHP decided to contract out selected services to private service providers:

*“We have a framework agreement for contracting out eldercare services. That cooperation has increased. We have meetings with service providers once a month where we take stock of the situation. We will ensure that we act in accordance with shared policies and recommendations and try to support their work by being available.” (Expert interview)*

Finally, the National Emergency Supply Agency (Nesa) is tasked with planning and measures related to developing and maintaining supply security. According to them, private-public partnership is the primary method for securing security of supplies for health districts. A unique resilience factor for peripheral regions in Finland has in fact been that NESA, a government agency established in 1924 by the National Wartime Economy Committee, holds stockpiles of materials necessary to maintain viable production of energy, food, and health-care services or for military purposes in the event of major crises. The stockpiles include hospital supplies, and these nationwide stockpiles have proved helpful to small hospital districts in reducing their dependence on the just-in-time delivery of materials. The on-going global pandemic has obvious impacts on global logistics operations. Improvement of local/national manufacturing of health care supplies could diminish the dependence on global operators and increase the sustainability of supply production in various ways.

While this section has focused primarily on Finland, a questionnaire for health experts in other NPA regions suggested some similarities. The peripheral regions of (rural) Ireland and Northern Ireland, Iceland and the Faroe Islands share various similarities with one another and with peripheral Finland. One of the key elements behind the successful handling of Covid-19 with all of them has been a solid co-operation between public and private sectors.

For example, health care in Iceland is funded over 85% by public funding either with public health care institutes (hospitals and health care stations) or by way of contracts with the private sector. The private sector helped with Covid-19 testing, and access to health data for all those diagnosed was a key factor in keeping the infection rates low. Iceland also established a reserve force of health care personnel for Iceland including retired health care workers and those not working in the public sector.

In a rural community in Ireland, the strength of the medical practice is the high level of patient trust and the small size of the community. The pandemic has had a positive impact on how the role of General Practice is viewed. There is a new appreciation of Community Health Care that has been transformative. Also, the impact of Covid-19 has been on strengthening relationships between different sectors and the lines of communication and integration.

It is reasonable to argue that a strong integrated and hybrid model in health care and social services is beneficial to regional resilience and vitality.<sup>4</sup>

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<sup>4</sup> An **integrated model** refers to organising of social and health care services under one administration, while a **hybrid model** to the way social and health care services are provided, i.e. in co-operation among public, private and non-governmental organisations. Even in the hybrid model, though, the state and the public sector (municipalities) are responsible for quality assessment of services outsourced to private and non-governmental service providers through procurement contracts.