Finiq rebirth through digital transformation and "digital nomads"

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Abstract- *The topic of shrinking cities is multifaceted and affects cities, regions of cities, or entire metropolitan areas that have seen a rapid decline in their economic and social foundations. Therefore, urban shrinking is frequently a problem for metropolitan regions on a large scale and necessitates that policymakers rethink conventional regional government models. Also, Albania's population overall decreased yearly. This problem is very known in the case of Finiq municipality, which is part of Vlora city. Most of the settlements that are part of the municipality of Finiq present a social framework consisting of a shrinking and always aging population. For various reasons, mainly economic, unemployment and lack of services, the young population of these areas has mostly migrated to Greece. In order to restructure rural areas in response to shrinkage, information and communication technology (ICT), digitalization, and knowledge intensive activities are essential. It is important to understand the different aspects of the digital revolution, since the situation is evolving into a new normal where "digital" is not only a response to an emergency but also an ongoing investment against risk. Studies has shown that digital nomads often prefer settlements outside urban areas so they can be a significant contributor to the recovery of the economy in Finiq, which largely depends on ICT infrastructure level of municipality. A lot of researches for digital nomads concluded that digital nomads could be crucial in promoting entrepreneurship and the development of technology clusters all over the world. So, the research question is: how can digital nomads be developed as a new market segment in Finiq and how can digital nomads be utilized in the local digital ecosystem? This study focuses on digital nomads as an emerging market group and the possible knowledge transfer function they might play in the local digital environment.*

Keywords:
shrinking, digital transformation, digital nomads, ICT infrastructure, urban planning, isolation.

Introduction

Europe's changing demographics are increasingly posing difficult policy problems. The topic of rural shrinkage has so far received much less attention than the phenomena of urban shrinkage, which has been the focus of an emerging study and policy agenda. The United Nations (UN) report that approximately 54.5% of people worldwide live in urban area. The rate of citizens living in urban areas will increase to 60% by 2030 globally. By 2030, cities with over one million people will number 662 in the world (Sejdini, 2010). According to the UN forecasts, by 2050 the population of Albania is expected to decrease to 2.5 million inhabitants and by the year 2100 it will shrink to 1.1 million inhabitants, thus reaching the levels of 1960s (Albania's Population Will End Up as in 1960, UN Finds, 2023). The number of emigrants was 46,460 persons: 10.5 % more compared to the year 2021. That means that between 2001 and 2023, Albania's population overall decreased yearly. This problem is very known in the case of Finiq municipality, which is part of Vlora city. The general signs of shrinkage are well-explained: when the population decreases, there is a rising imbalance between the supply and demand for services, which causes problems for both the public and private sectors. Weak local markets cause services to be underutilized, inadequately maintained, and frequently become unprofitable, necessitating their removal. As unemployment increases and trained labor becomes more difficult to find, local living circumstances and quality of life decline, giving rise to desertion and obsolescence. Due to declining birth rates and the forced aging of the remaining population, these further damages a region's appeal and causes a negative spiral of demographic decline. It is necessary to revert this process to avoid final collapse of a zone which has a lot of resources and a long-lasting history. In order to restructure rural areas in response to shrinkage, information and communication technology (ICT), digitalization, and knowledge-intensive activities are essential (ESPON Policy Brief on Shrinking Rural Regions.Pdf, n.d., p. 8). This includes new, clever ways to use ICT to perform public services more effectively and create new employment opportunities. Smart strategies can ensure that the digital needs, priorities and capacities of rural inhabitants are addressed at a local level and help to link these grass-root-level action with broader national and regional strategies for digitalization.

Digital nomads

The COVID-19 pandemic fundamentally changed the way people work. The development of remote work has been made possible by the rapid growth of information and communication technology (ICT), which is only now being surpassed by the Industrial transformation as a workplace transformation: the rise of remote work. Remote jobs are primarily knowledge work, which involves "manipulating and transmitting ideas, rather than goods." (Work and Pleasure; Investigating The Rise of Digital Nomads In Mexico | Stanford Institute for Economic Policy Research (SIEPR), n.d.) Work-from-anywhere, which gives employees the freedom to live anywhere they choose, is here to stay, and nations around the world are competing to woo the expanding group of global remote workers known as "digital nomads." Digital nomads create connections with local knowledge workers and invest their time and money in the local economy without taking jobs there, which benefits both remote workers and local communities. The information and resource flows that could be generated by digital nomads would be advantageous to each country, their enterprises, and the nations in which they are based. Short-term travel and even brief periods of co-location with remote coworkers can help workers access information and resources that can help grow new ideas and projects, which is advantageous to both the mobile worker and their organizations. This is according to Prithwiraj (Raj) Choudhury an Associate Professor at the Harvard Business School, who has conducted extensive research on geographic mobility and innovation. His study with Do Yoon Kim also demonstrated how competent immigrants provide special

knowledge from their home countries' cultural context to their host communities. Additionally, local innovators practice "knowledge recombination" by fusing the knowledge they already possess with that which immigrants have brought with them. In following research with Hillel Rapoport and Dany Bahar, they demonstrated that immigrant inventors not only "import" knowledge from their home countries, which results in higher patenting, but they also increase patenting in the same technologies that their home nations are known for. As a result, it is likely that immigrants will have the majority of the first-ever patents for any new technology. They came to the conclusion that digital nomads could be crucial in promoting entrepreneurship and the development of technology clusters all over the world. There is no doubt that digital nomads and other remote employees may benefit any economy by spending money, fostering cooperation and encouraging innovation. (Choudhury, 2022) Rina A Christiansen carried out research about the how to develop digital nomads' culture and he pointed out that there are some of the most important gaps that makes this culture to be increased. One of those was Digital Nomad Visa which in Albania are known as Unique Permit, was granted in 2021. Also, the presence of a strong communications infrastructure is essential for luring new customers and motivating current employees to look into new opportunities. (Christiansen, 2023) There are a lot of changes that Finiq should undertake in order to be attractive for digital nomads, and these can be successful through digital transformation. The question to answer is: How can digital nomads be developed as a new culture in Finiq?!

Objectives

As previously stated, the study focuses on digital nomads as an emerging market category and the potential knowledge transfer role they may play in the local digital ecosystem. Based on that, studding the current state of Finiq on perspective of digitalization and urban planning is the main objective. Also, it is meaningful to explore and identify potential prospects for digital nomads in Finiq, keeping into consideration their specific requirements and aspirations. Innovative tactics can help to close the digital gap by understanding the diverse starting points of rural regions and villages and codesigning digital channels from the ground up while also bridging with critical top-down approaches. The long-term objective of these tactics is to build partnerships with both urban and rural populations while also catching up with metropolitan regions and closing the digital gap. Analyzing successful digital transformation initiatives in small villages around Europe might lead to new ideas and strategies for the Finiq municipality. So, one major goal remains: to research various initiatives for village digitization.

Methodology Used

The methodology will be based on a site-survey, a literature review to analyze similar experiences and analysis of the opportunities offered by current urban plan. Technology solutions have been also considered to solve issues emerged in the analyses. The methodology has been implemented by some steps such as: analyze the current urban plan of Finiq, analyze the shrinking process in Albania, identify the opportunities that digital nomads can bring for the municipality, identify the most important requirements of digital nomads etc. Also, one of the steps has been analyzing successful projects of digital transformation on small villages. During the study, was needed to answer some questions such as: What are the conditions that managing authorities need to ensure in smart villages to support digital transformation? How can digital nomad boost local economies? How can this change help in reverting the shrinking process of Finiq and make the municipality an attraction for tourist all over the world, especially for digital nomads?

Overcoming the rural digital divide

Information technology and digital services are a "wind" that are fundamentally altering government and commercial operations, as well as how resources are organized and allocated. (Digital technology - the case of Albanian agriculture, n.d.) Cities have been a part of the Internet of Things: today, sensors are everywhere in metropolitan areas, generating a raw data stream that is growing exponentially and spanning a variety of urban environments, from traffic to human behaviors. As a result, ICT firms have begun to play a significant part in the decision-making procedures involved in city management (Ali & Titah, 2021). But apparently such an impact is not so visible in the in the deep rural areas of Albania such as Finiq where the digital divide seems to be evident. (Digital technology - the case of Albanian agriculture, n.d.) Without the aid of cutting-edge technology, such as big data analytics (BDA), maintaining the urban environment and giving residents a good urban lifestyle is a challenging task. Big data-powered smart cities are an effective way to address these new problems. Albania's rural areas have had serious issues over the past few decades, including a significant decline in population, poor public services, limited access to public services and markets, inadequate public infrastructure, etc. According to research, rural areas' socioeconomic indicators are worse than those in urban and peri-urban areas in terms of poverty levels and the quality of life for residents is generally worse in rural areas than it is in metropolitan areas. The following are the main structural and resource-related constraints and issues that are impeding rural development: small agricultural holdings, a lack of land titles, poor product marketing, underdeveloped agricultural infrastructure, low technology adoption, limited access to public services, poor coordination and cooperation among farmers and among various stakeholders, low social capital, etc. Rural connectivity is "one of the major gaps" that hinders the nation's development. Numerous current research and UN policy documents contend that effective urban management has good effects on resource productivity (Ali & Titah, 2021), climatic change, economic growth, social mixing and solidity, citizens' health and the quality of urban life, and cultural aspects (Feroz et al., 2021). All the benefits of sustainability can be achieved through proper solutions, which offer secure, habitable environments for people with minimal resource requirements and, consequently, less ecological impact (Bestelmeyer et al., 2021, pp. 17, 29) (Engin et al., 2020). Prosperity through the use of technology is a complicated topic that involves a wide range of enablers, such as broadband accessibility, sectoral estrategies, regulations, and programs specifically promoting digital inclusion or the growth of innovation communities. However, with new socioeconomic development opportunities also come new concerns associated with the emergence of new categories of inequality. One of these risks is the "digital divide," or, to put it another way, the unequal access to the opportunities provided by the Internet. The digital gap is a phenomenon that affects both individuals and regions, or even entire nations. Not everyone possesses the expertise necessary to fully utilize ICT's potential. It is crucial to clarify what kind of inequality the "digital divide" notion refers to. The material and immaterial planes are typically used to define the digital divide in literature. The first-order digital gap focuses on a person's physical access to a computer and the Internet, while the second-order digital divide takes into account the knowledge, motives, and needs that are met. (Kos-Łabędowicz, 2017) Concerns about persistent inequality within nations that are at the forefront of digital technology are growing as digitalization affects more and more aspects of work and daily life. Nevertheless, there are still serious access problems in environments with limited resources. The ITU's most recent statistics indicate that 72.2% of Albanians utilized the Internet in 2020. The result comes significantly short of the 84.9% regional average for Europe. However, year over year, the number of Internet users is growing steadily and slightly faster. In the past three years, there have been more users than climbed by 3.3 percentage points on average. (Digital Development Albania, n.d.) But, in order to ensure that digital strategies benefit rural communities and set the stage for smart villages, they must address all three aspects of the digital divide while concurrently taking into account the unique needs of each rural area and the state of the policy support landscape. If not handled jointly, these three factors would result in low levels of knowledge, demand, and adoption of digital technology, which would harm the business case for more investments.

-Broadband infrastructure in Finiq should be consolidated.

-Promoting the uptake of digital services. In order for rural areas to fully benefit from investments in broadband infrastructure, they must see the value of digital apps and actively want to use them. Working with the community to create and encourage the adoption of digital services is crucial.

-Digital skills and literacy. The critical barrier to the growth of the first two components is rural inhabitants' inadequate level of digital literacy. Access to digital services and a broadband connection may not automatically translate into having digital skills. They depend on having at least a basic understanding of a variety of subjects, such as security, privacy, or app usage, and they demand a level of expertise and proficiency in using technologies. (Smart_villages_briefsSmart_villages_and_rural_digital_transformation-V07.Pdf, n.d., p. 3) One way can be using Web-based education for farmers in Finiq. These websites can help them to understand how to use the internet, different

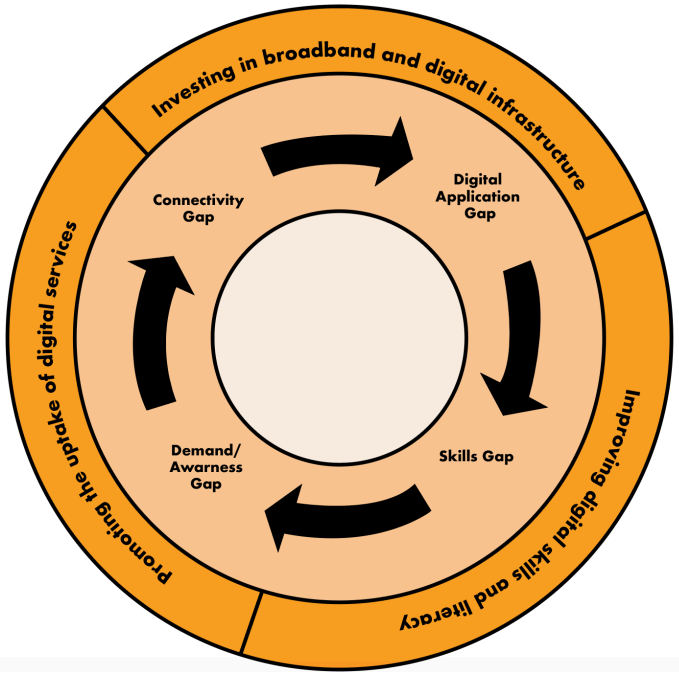

Fig1 / Links between connectivity, digital applications, skills and demand gaps source / Tiwasing et al., 2022

Fig2 / Illustration of the communication scenario source / https://ec.europa.eu/enrd

applications they may need, can contain a lot of informative videos in Albanian language etc. Another way can be teaching local businesses how to design effective digital strategies and identify new opportunities and markets for their business development by mapping the needs of all businesses in their area, carrying out detailed digital audits of interested companies, producing individualized digital roadmaps etc.

Digital Villages - The case of Germany

Rural depopulation and marginalization are an increasing phenomenon across Europe. The repercussions of demographic change and rural depopulation are also being felt in Germany's villages and rural areas. This pattern prompts some significant considerations about the future, such as how settlements will change as the population ages. Will families and young people continue to relocate to rural villages? Will villages be able to retain their infrastructure, including their businesses, transportation, and medical facilities. Rural places will still have enterprises, right? What ideas can help to revitalize rural communities and maintain them appealing to people of all ages? The project "Digital Villages", coordinated by the Fraunhofer Institute for Experimental Software Engineering (IESE) by the ENRD (European Network for Rural Development), tested a holistic approach to the digitization of rural services in several pilot through the creation of a common digital platform in different villages (Smart_villages_briefs- Smart_villages_and_rural_digital_transformationV07.Pdf, n.d). This is a leading project in Germany with regard to digital services with social impact in rural areas and showed that the German rural areas' general position could be improved by using digital services. Main objectives of the project are: innovation within a smart rural ecosystem, develop cross-sectoral solutions, create a culture of collaboration between residents, local authorities and local industry, build solutions that are sustainable and develop digital solutions that are affordable (Tg_smart- Villages_case-Study_de.Pdf, n.d., p. 1). Three applications have been created with the goal of enhancing local business and fusing it with cutting-edge ideas of online volunteerism as a unifying concern. Local goods and services, volunteerism, and communication were the key priority areas for digital services. A local internet market (BestellBar) serves as the foundation for the scenario of local goods and services, where local vendors can offer their goods there. Communication, a fairly broad topic, was the second application area. One of the services created so far is DorfNews, a local news portal that allows towns to instantly notify citizens about news and events in their area. This news system has been expanded by the DorfFunk app to a "my village in the pocket" solution, making it easy to get all local news in one location. DorfFunk serves as the primary entry point to the virtual communities, where users may browse calendars of events, arrange carpools, advertise their services to the neighborhood, and much more. This standardized platform that connects villages and communities was an intelligent way makes all of this feasible. A consortium made up of Fraunhofer IESE, Fraunhofer IIS, and Technische Hochschule Deggendorf is also carrying out a project comparable to Digital Villages in Bavaria. Working with early prototypes is crucial, as the Digital Villages project has demonstrated. When locals can discuss workable solutions to a particular problem while expressing their likes and dislikes, this works effectively. An important aspect of these living lab sessions' success is determining the demands of the inhabitants, which are frequently the source of difficulties.

Smart Strategies

By recognizing the various beginning points of rural areas and villages and codesigning digital pathways from the bottom up while also bridging with the crucial top-down methods, innovative strategies can aid in closing the digital divide. The long-term goal these strategies is to forge relationships with both urban areas and rural communities in addition to catching up with urban areas and closing the digital divide. This may encourage rural communities to move through the many phases of a true digital transformation from digital exclusion to connection and eventual emergence as independent digital participants. By adding a cross-cutting aim for "fostering and sharing of knowledge, innovation, and digitization in agriculture and rural areas, and encouraging their uptake," CAP (Common agricultural policy) offers an avenue to advance toward these objectives. The EU's common agricultural policy (CAP), which was first implemented in 1962, is a cooperation between agriculture and society as well as between Europe and its farmers with the main goal to bolster farmers' efforts and raise agricultural output. Albania presently holds the status "candidate" in this project. The greatest issues affecting Albanian agriculture are: movement away from rural areas, very small size of properties (1.2 hectare on average, versus 14 ha in the EU), poorly built irrigation and drainage systems, inadequate product marketing, low levels of technology etc., although the Albanian economy's primary sector is agriculture, which accounts for about 23% of the nation's GDP and employs about 43% of all workers (Candidates, 2023). The idea of digitalize villages through applications in terms of sharing agricultural goods can be applied for example in Karahaxh. Karahaxh is a small village with a Greek minority, which in 2015 joined the municipality of Finiq. It is currently known for its water sources and restaurants, which offer dishes related to the typical local cuisine. The idea is to implement the services that the village can offer, especially the sale of products that derive directly from local agriculture, creating a small market as a local hub. In addition, the connection between Karahaxh and Finiq should be regenerated and implemented. Also, there is the problem of "isolation" that is related to the geomorphologic characteristic of the area (mountains and narrow valleys); other factors that has determined the segregation of the area is the lack of infrastructures and maintenance of the existing roads. In this case, information technology will make it easier for users to change from one vec-

tor to another and move in the most efficient and sustainable manner for example using an application that directs people to the shortest ways, places to visit, archeological sides etc.

Results

In response to shrinkage, information and communication technology (ICT) digitalization is critical, which includes innovative methods to use ICT to improve public services and generate additional employment possibilities. Furthermore, a good communications infrastructure is critical for attracting new habitants and motivating current employees to look into new opportunities. Despite technological support in Albania is established in urban areas, accessibility in rural regions remains a challenge, however it is crucial to note that significant progress has been achieved in enhancing network infrastructure. That is the reason that there are a lot of changes that Finiq should undertake in order to be attractive for digital nomads, and these can be successful through digital transformation. If not handled jointly, all the impact factors would result in low levels of knowledge, demand, and adoption of digital technology. As a result, through this research is demonstrated the potential of digital services to improve the overall situation of rural areas in Albania.

Conclusions

Depopulation necessitates innovative approaches to rural development that reframe the loss of population as a potential asset rather than a burden. In order to restructure rural areas in response to shrinkage, information and communication technology (ICT), digitalization, and knowledge-intensive activities are essential. This includes developing innovative, clever ways to use ICT to perform public services more effectively and create new job opportunities. It is crucial to include local leaders and offer residents several involvement options.

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