Economic crisis: resilience of regions

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September 2012
• Crises are a recurring phenomenon. In spite of every effort to prevent them (they) will continue to occur (Lars Heikenstein)
• Economic shocks are like earthquakes, we don't notice the little ones
• The question is not about preventing crises but mitigating their effects
• Why do some economies manage to renew themselves whereas others stagnate and others remain locked in decline
Economic Resilience

The ability of an economy to withstand, absorb or overcome an (external) economic shock
Components of Resilience

- Innate components
- Sectoral structure
- Adaptive components
- behaviour
- choices

Figure 4: Four Dimensions of Regional Economic Resilience to Recessional Shock

- Resistance: Degree of sensitivity or depth of reaction of regional economy to a recessional shock: scale of decline in output, jobs, etc.
- Renewal: Extent to which regional economy renews its growth path: resumption of pre-recession path or hysteretic shift to new growth trend.
- Recovery: Speed and degree of recovery of regional economy from a recessional shock: extent of return to pre-recession growth path.
- Re-orientation: Extent of re-orientation and adaptation of regional economy in response to recessional shock: changes to industrial, technological and workforce composition, business models, working practices, etc.
Influencing resilience

- Supra-national factors
- Role of national agents and policies
- Role of sub-national agents and policies
- What can policy-makers do (good and bad!)
- Negative and positive feedbacks
- Implications for planning?
Why are we interested in this?

Is it important?

- Learn from the past?
- Strengthen the current?
- Influence the future?
What are we doing?

- Spatial analysis of economic downturns (when and where)
- Exploring potential indicators of resilience (business, people, place, community)
- Undertaking case studies
Our case studies

- Wales
- Stuttgart
- South West Ireland
- Western Macedonia
- Estonia
- Puglia
- Central Sweden
- Pomorskie
Timetable

Start April 2012
Case study launch September 2012
Interim Findings January 2013
Final Reporting April 2014