

1. Introduction

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We live in uncertain economic times. The 2007/8 global financial crisis and ongoing economic fallout, as well as the UK Brexit vote, have brought issues of economic volatility to the fore. These events are, however, just the most recent to affect the global economy. The world has been punctuated with a series of economic rises and falls over the past 100 years, from the oil crisis of the 1970s, to interest rates and unemployment of the 1980s, the prosperous digital decade of the 1990s, the rise of the Asian Tiger economies, the dot-com bubble of the early 2000s and fluctuations in the economic fortunes of the USA and China. Economic volatility has become a norm.

Academics and policymakers have long since been interested in the booming and busting of economies, with research focused on understanding the underlying dynamics. Much of this work has understandably centred on economic growth, recession and recovery. However, over the past few years the concept of economic resilience has been applied to a range of contexts. As opposed to focusing on the phases of economic and business cycles, economic resilience has become a fashionable lens for understanding the factors that shape and determine the nature of economic change and performance over time.

Despite the growing interest in economic resilience as an analytical theory, it is still regarded as comparatively underdeveloped and characterised as fuzzy. The concept of resilience stems from the disciplines of ecology and social psychology, and there remains no universally agreed definition of resilience. In developing the common foundations of resilience as an analytical concept, there has been a growing body of work led by different fields of the social sciences. Notably economic geography and management studies have led the quest to refine and develop the concept and its application. It is important to note that the concept of resilience is not without its critics. For example, Walker and Cooper (2011: 2) argue that resilience has succeeded in 'colonising multiple arenas of governance' and reflects its ideological fit with neoliberalism. MacKinnon and Derickson (2013) note that the importation of naturalistic concepts and

metaphors to the social sciences should be treated with caution, while Davoudi and Porter (2012) opine that care needs to be taken with regard to the adoption of resilience into public policy discourse.

As an analytical concept, the notion of resilience has undoubtedly been hindered by a lack of definitional clarity. That said, the appropriation of economic resilience has occurred within commercial strategy and policy rhetoric at pace, being widely regarded as critical to the performance of organisations, regions and nations. In understanding the nature of performance there have been a growing number of aggregated indices of resilience that have sought to systematically measure and define resilience. In parallel to this race to capture the essence of resilience there have been a number of leading scholars working to establish and consolidate the conceptual and theoretical underpinnings of resilience as a field of research.

This in itself is not unusual of fields of enquiry in their formative stages of development. Arguably the challenge of developing economic resilience as an analytical lens has been exacerbated by its application across different spaces and scales. Increasingly we see the same approach applied to researching the microeconomic (i.e., individual businesses and organisations), the mesoeconomic (i.e., industry sectors or markets) and the macroeconomic (i.e., all economic activity). The fact that the concept is researched across these different spaces and scales is testament to its relevance and strength, but heightens the need for conceptual clarity and development.

This edited collection offers different perspectives on resilience. The intention is not to unify the many arguments made by the contributors; indeed given the varied foci of the chapters this would be futile. Instead the aim of the collection is to illuminate how in this diversity there is an emerging consensus about how and why resilience is important as a conceptual lens. The remainder of this introductory chapter reflects on the emergence of resilience debate before introducing the collection of essays that explore resilience in different contexts.

INTRODUCING RESILIENCE

Rather than constraining the contributors by imposing our interpretation of economic resilience, instead the book assumes a bottom-up approach. The contributors to this volume have all grounded their own thinking in the literature, which serves to highlight similarities as well as differences concerning how the economic resilience lens is employed.

The notion of resilience is not new, having been widely studied in different disciplinary contexts. However, as a conceptual lens and analytical

approach it has only recently become part of the vocabulary of social scientists. Previously the nature of resilience research has been implicit to discussions of economic cycles and business cycles. However, the growing interest in resilience as a first-order concept in its own right has seen it developed empirically and conceptually, as well as exploring the implications for policy and practice.

The original interpretation of resilience focused primarily on responding to external changes and shocks. However, in recent years the notion of resilience has become more nuanced, from a concept associated with ‘bouncing back’ to one of ‘bouncing forward’. More than semantics, the nature of bouncing forward acknowledges that resilience does not simply mean returning to business as usual. It is this view that distinguishes equilibrium-based approaches towards resilience from evolutionary interpretations, and sees change as inherent to resilience. Consequently, following any type of crisis (economic or otherwise), change is a likely if not inevitable outcome.

More than disaffecting growth, the nature of any change occurring as a result of a crisis will shape the ways that organisations, regions and nations develop and evolve in the future. Such changes, often framed in terms of adaption, have led scholars to think more about responses, both in terms of anticipating shocks as well as how to respond to them. In particular, recent work on ‘adaptive cycles’ has found that higher levels of resilience are commonly associated more creative and flexible approaches (Pendall et al., 2010; Simmie and Martin, 2010). Continual adaption has come to represent an innate strength, as this can aid the ability to anticipate, prepare, respond to and recover from exogenous shocks.

Whether conceived in terms of frameworks or systems, adaption is critical to resilience, and distinguishes it from the related but distinct concepts of vulnerability and sustainability. Where it is not the norm to embrace change and adapt, and there is no attempt to respond to the external shock(s), the prospect of bouncing back – let alone bouncing forward – is seriously undermined and survival threatened. This means that resilience is not typically considered in terms of an individual organisation, region or nation, but rather in relation to the wider socio-economic system of which they are a part. Consequently, resilience is best understood as the ability of an organisation, region or nation to accommodate change, withstand systematic discontinuities and to do so without disrupting the wider system.

The following chapters offer insights about the nature of resilience across different spaces and scales. In this way the collection avoids the danger of ‘concept stretching’ described by Shaw (2012). Instead, as noted above, each chapter frames and elaborates the concept of resilience, the outcome of which serves to contribute to our collective understanding.

The interpretations of the contributing authors highlight the value and merit of resilience as an analytical lens through a series of case studies focused on the economic resilience of entrepreneurs, industrial sectors and cities in Part I, and local and regional economies in Part II.

PART I: THE RESILIENCE OF ENTREPRENEURS, INDUSTRIAL SECTORS AND CITIES

In Chapter 2, Rachel Doern explores the resilience of entrepreneurs in the context of the London 2011 riots, a human-induced crisis. While the rioting made international news headlines, this chapter considers the impact of the crisis on small businesses and their recovery in the aftermath of the looting, vandalism and/or arson during four days of rioting. In exploring the strategies and approaches of entrepreneurs, in particular the chapter highlights the importance of the personal dimension in understanding how entrepreneurs manage and respond to crises.

In the context of what is another human-induced crisis, Chapter 3 examines the experiences of entrepreneurs and small business in the context of the recessionary crisis in Greece. In exploring the link between entrepreneurship and the institutional environment, Nick Williams and Tim Vorley demonstrate how individual entrepreneurs have responded to the crisis. Despite the importance attributed to entrepreneurship as a driver of economic growth and renewal, the chapter details how entrepreneurship is being undermined as a driver of resilience and change.

The focus of much resilience research has tended to emphasise how shock and crises disaffect firms. However, in Chapter 4 Christian Kjær Monsson focuses on the resilience of small and medium-sized enterprises (SMEs), and in particular their ability to resist and recover from shocks. Considering resilience as a firm-level concept, and drawing out the distinction between vulnerability and adaptability, Monsson finds that many SMEs experiencing decline in the wake of a recession tend to turn performance around. Moreover, he contends that short-term decline can be an indicator of future growth potential.

Chapter 5 sees Gill Bentley, David Bailey and Daniel Braithwaite find the resilience of the automotive industry is premised on firms reinventing themselves. As opposed to bouncing back, the emphasis here is much more about bouncing forward. The resilience of the automotive industry is argued to be based on its ability to reorganise production across national and global supply chains both in response to and in anticipation of shocks to individual firms and the sector as a whole.

Picking up again on the theme of reinvention in Chapter 6, James

Simmie's focus is on the economic resilience of cities. Assuming a longitudinal approach examining data from English and Welsh cities from 1911, the chapter focuses on employment change and the development of knowledge-based private-sector service industries and digital firms. The chapter find that those cities with the highest levels of knowledge-based employment in 1911 have emerged as the most resilient economies, while those with the highest levels of low-knowledge-intensity jobs exhibit lower levels of resilience. A striking finding explored concerns the tendency of places to replicate and reproduce themselves, which has implications for resilience and long-run economic growth paths.

Chapter 7 is a study of the resilience of St Johns, the capital city of Newfoundland, as an example of a resource-dependent economy. Cédric Brunelle and Ben Spigel explore the evolutionary lock-in and lock-out processes in St John's oil and gas industry, focusing on the role of entrepreneurship to promote path creation as the basis of resilience and renewal. However, given the lock-in and lock-out associated with resource-dependent economies, such as St Johns, while entrepreneur-led diversification is arguably important it remains rare.

The cross-scalar nature of resilience is explored by Jennifer Clark in Chapter 8, and how resilient regions are premised on underlying innovation capacities of the cities and sectors of which they are comprised. Drawing on a case study of Atlanta, the chapter explores intersections between resilience and innovation in a civic context as a city that has had to adapt to economic transformation and social change. The chapter highlights economic resilience to be contingent on how the public and private sectors both interact and relate.

PART II: THE RESILIENCE OF LOCAL AND REGIONAL ECONOMIES

Also focusing on the public-private dynamic, Chay Brooks uses the lens of civic leadership in Chapter 9 to examine the resilience of city-regions. The chapter explores how local communities of public-private stakeholders work together to design and deliver strategic priorities to promote economic resilience and foster competitiveness. The chapter discusses the importance of governance as a dimension of resilience, and how new capabilities and capacities can be developed through partnerships.

Building on the theme of local economic resilience, Robert Huggins and Piers Thompson examine the role of entrepreneurship and culture in fostering economic resilience and the impact on local economic performance in Chapter 10. While finding that entrepreneurial activity increases the

resilience of local economies, it is found to be highly contingent on the mix of other factors including culture. So while entrepreneurship is certainly a factor, the chapter argues that it alone cannot ensure the resilience of local economies.

In Chapter 11, Lee Pugalis, Nick Gray and Alan Townsend focus on Local Enterprise Partnerships (LEPs) as public–private partnerships constructed across functional economic areas. In analysing the plans for growth and recovery articulated in the Strategic Economic Plans of these localities, they find the largely conservative approach to persist. Consequently, there is little evidence of local economies making economies more resilient, a challenge exacerbated by the continued preoccupation of the partnerships with growth.

Paolo Di Caro focuses on the nature of local economic resilience in Chapter 12, drawing on case study evidence from three Italian local areas – the city of Turin (north-west), the province of Ragusa (south) and the eyewear district in the province of Belluno (north-east). The chapter argues that the economic resilience of these places differs according to the balance of five driving forces: innovation, entrepreneurship, human capital, civic capital and local policies/strategies. The chapter concludes by reflecting on how policy proposals serve to shape the long-term resilience of places and regions.

Emil Evenhuis and Stuart Dawley assume an evolutionary perspective towards economic resilience in regional development in Chapter 13. With a focus on governance and policy models, their findings highlight the key intersections between innovation and resilience. It is argued that innovation performs a key role in maintaining resilient regional economies, serving as a driver of competitiveness and growth. The challenge for regional economies is sustaining innovation as a driver of resilience and, with it, growth.

To explain the differences in regional resilience, Huiwen Gong and Robert Hassink ask why it is that some regional economies manage to renew themselves, whereas others remain locked in decline. As well as there being an evolutionary answer, Chapter 14 draws a wider interpretation of resilience, obtained from different disciplines, to develop new and useful insights. The conceptual contribution of this chapter further advances our understanding of regional economic adaptability and how evolutionary economic geographies shape resilience.

RESILIENCE INSIGHTS

This volume presents 13 accounts that all explore the nature of economic resilience, and in so doing seek to advance and refine our understanding

of this fuzzy concept. In concluding the book, Chapter 15 offers some editorial reflections by the editors regarding the nature and development of economic resilience as a conceptual lens. As noted earlier, all of the contributors have identified and framed their work in their own understanding of economic resilience without a framework being imposed on their approach. While it would therefore be remiss to presume a particular interpretation, the final chapter draws out the commonalities and identifies avenues for further conceptual and empirical development.

This collection advances our understanding of economic resilience in the social science by bringing together contributions exploring resilience across organisational and spatial scales, from the entrepreneur to regional economies. As the chapters demonstrate, the concept has been employed in relation to a variety of themes. However, in developing the concept, the chapters also show that while an aspect of resilience is often about responding to exogenous shocks, the concept is increasingly as much about adaptability and transformation.

