



Economic Crisis, Regional Resilience and the EU's Structural Funds

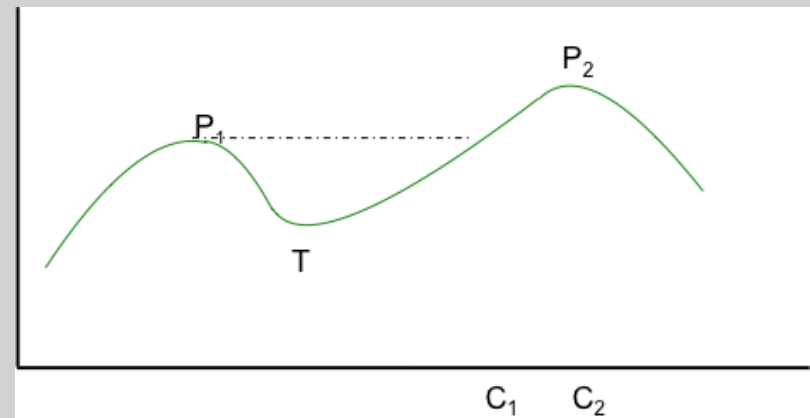
Introducing the debate

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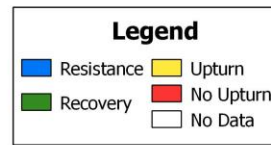
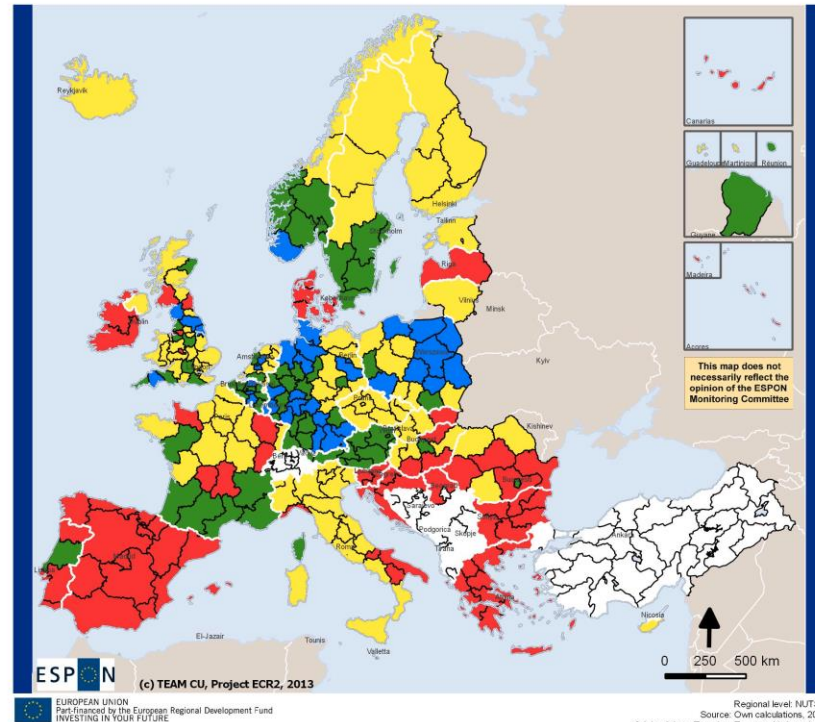
What is a resilient economy?

- One that is not adversely affected by an economic crisis ie does not go into decline (Resistant)
- One that is adversely affected by an economic crisis but recovers to its former peak (Recovery)
- One that is adversely affected by an economic crisis but recovers to its past growth path (Renewal)
(Martin, 2012)
- Questions of duration and steepness
- Questions of what measure to use
(GDP, employment, household income...)



Resilience patterns

Response to Crisis

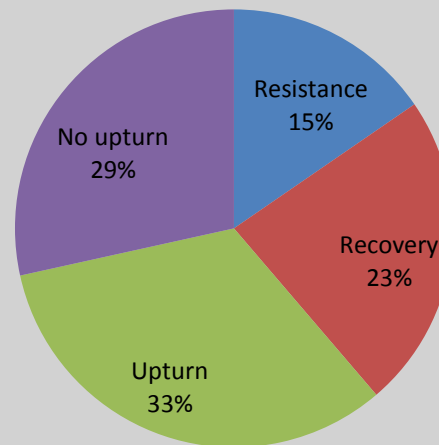


Total employment
(to 2011)

Resilience to the economic crisis

Total numbers employed

Chart Title



Components of Resilience



Components of resilience

- **Business**
 - Economic structure
 - Sectoral diversity
 - Export orientation
 - Profitability and debt
- **Community**
 - Social networks
 - Behavioural norms
 - Non-market economy
 - Disposable income
- **People**
 - Qualifications and skills
 - Labour market flexibility
 - Labour market adaptability
 - Savings rate
 - Migration patterns
- **Place**
 - Urban structure
 - Accessibility
 - Natural environment
 - Territorial characteristics
- **Governance**



What do the statistics tell us?

- Quite limited when you start to look across the EU space
 - (significance of context)
- Concentrations of construction employment problematic
- Some evidence that higher levels of manufacturing employment beneficial
- Innovation strengths (including SET employment) highly correlated to resilience
- Lower levels of poverty associated with resilient economies
- Lower levels of labour market participation associated with resilient economies



Responses to crisis

Structures

VS

Agency

Governance responses

international

national

regional

local

Other agent responses

firms

households

communities



Response of Structural Funds

- Affect on programmes
 - financial effects
 - programme balance
- Passive responses to Crisis
 - secure programme expenditure
 - (effective) demand-led expenditure
- Active responses to Crisis
 - reprogramming
 - targeted actions



Conclusions

- The role of Governance
 - In reacting to crisis
 - In responding to crisis
 - In preparing for crisis
- The role of choices and behaviour in influencing resilience
 - Of firms
 - Of households
 - Of public bodies
- The significance of expectations and attitudes
- The role of interconnectivity and spillovers
- The temporal dimension

