



**FOSTERING RESILIENCE.
WHY IS IT SO
IMPORTANT?**

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Some references

In the analytical note “Preparing for Next Steps on Better Economic Governance in the Euro Area” the concept of resilience appears several times, with reference to the capacity of the Economic and Monetary Union to react to external shocks. Moreover, in the final part of the paper the following question is included: “Is the current governance framework – if fully implemented – sufficient to make the euro area shock-resilient and prosperous in the long run?”

Growing number of scientific papers published around the world.

Work undertaken in several international organisations (OECD, World Bank, ECB, UNEP, UN, UNDP, etc.) on different dimensions of resilience: economic, social, environmental, institutional, etc.

Some references

- In the European Commission's Report "Employment and Social Development in Europe - 2014" an entire chapter is devoted to the legacy of the crisis in terms of resilience and challenges. It notes that:

"The recession has also been a live stresstest for both social protections and labour market systems and institutions, with Member States' performances diverging in terms of economic as well as of employment and social outcomes. They have shown different degrees of resilience i.e. their capacity to limit the initial impact of the economic shock on labour markets and incomes; to recover quickly; and to progressively ensure a job-rich and inclusive growth"

What is resilience?

It is derived from a concept originally developed in the **material science** to describe “the ability of a material to absorb energy when it is deformed elastically, and release that energy upon unloading”.

From a **psychological** point of view, resilience is defined as “an individual's ability to properly adapt to stress and adversity”.

In **ecology** resilience can be used either as “the rate at which a system returns to a single steady or cyclic state following a perturbation” or “the conditions where instabilities can flip a system into another regime of behaviour”.

Finally, in **economic** terms, resilience is “the ability of an economy to retain function, employment and prosperity in the face of the perturbation caused by a shock”.

Why is it important?

- The 2014 Human Development Report “Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience” published by UNDP recognizes that:

“no matter how effective policies are in reducing inherent vulnerabilities, crises will continue to occur with potentially destructive consequences. Building capacities for disaster preparedness and recovery, which enable communities to better weather - and recover from - shocks, is vital”.

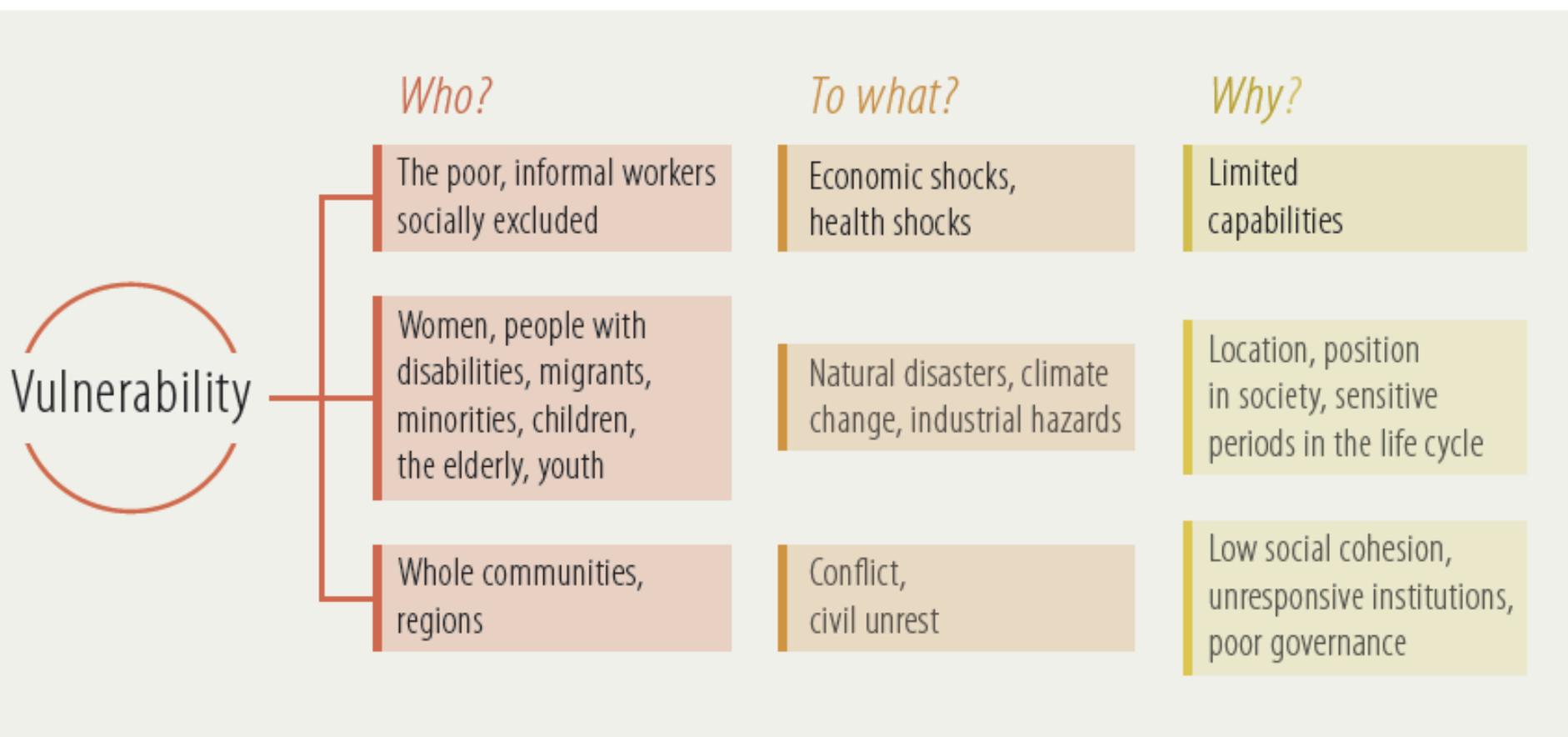
- Moreover, it recognises that:

“while globalization has brought benefits to many, it has also given rise to new concerns, manifest at times as local reactions to the spillover effects of events far away. Preparing citizens for a less vulnerable future means strengthening the intrinsic resilience of communities and countries”.

How to define resilience?

UNDP Framework (A. Sen's approach)

Who is vulnerable to what and why?



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UNDP Framework (A. Sen's approach)

Policies for reducing vulnerability and building resilience

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Preventing shocks

- Financial regulation
- Climate change agreement
- Early childhood development
- Macroeconomic policies
- Natural disaster risk reduction
- Social cohesion

Promoting capabilities

- Universal provision of education and health
- Full employment
- Promoting gender and group equality
- Responsive institutions
- Disaster preparedness

Protecting choices

- Social protection
- Job creation
- Building social cohesion and competencies
- Tackling discrimination by changing laws and norms
- Crisis and conflict recovery

Resilience as political narrative for the EU?

“Resilience should be considered a process, rather than a trait to be had. Studies show that there are several factors which develop and sustain a person's resilience, including the ability to make realistic plans and being capable of taking the steps necessary to follow through with them, as well as a positive self-concept and confidence in one's strengths and abilities, communication and problem-solving skills, the ability to manage strong impulses and feelings. These factors are not necessarily inherited; they can be developed in any individual and they promote resilience”.

The concept of resilience referred to people, economies, environment, institutions, etc. is especially **attractive from a political perspective** as it communicates a positive message, emphasising the key role of policies in building a better future even if shocks can affect a community.