



Resilience in economies

What do we mean by resilience?

Folke defines resilience as follows (Folke, 2016):

Resilience is having the capacity to persist in the face of change, to continue to develop with ever-changing environments.

Or in other words:

Resilience is about cultivating the capacity to sustain development in the face of expected and surprising change and diverse pathways of development and potential thresholds between them.

These definitions of resilience are strongly rooted in the research on the environment and questions of sustainability of social-ecological systems (SES). The research concentrates on the question of how to make the provision of ecosystem services by SES more resilient. At the same time it is recognised that resilience has significance beyond this field and question (Biggs et al., 2015). Both SES and social-economic systems are complex and evolving systems. Hence we believe that the concept of resilience as it is described in the SES literature is also useful and can be easily adapted to economic development.

How does the concept relate to economies?

In a research paper by Mesopartner on systemic change (Cunningham & Jenal, 2016)¹, we wrote that:

Systemic change is most likely to be achieved when influential actors or networks of actors become aware of how change happens, and their role in realising the evolutionary potential of the economy. These influential actors need to develop the capability to engage in, collectively discover and continuously shape their institutional landscape.

Saying that systemic change is about actors in the system who need to develop the capability to engage in, collectively discover and continuously shape their institutional landscape is similar to saying that the system actors need to cultivate the capacity to sustain development in the face of expected and surprising change, as Folke puts it – or, in other words, to be more resilient.

For example, this could change how we work to achieve economic inclusion if we want it to be a permanent element of the relevant economy. It is not sufficient to improve market access for a particular target group of beneficiaries, such as micro or small enterprises, marginalised women or people living in poverty. The aim should rather be for the relevant actors in the system to become able to sense that some groups are being left out or that some negative patterns are being repeated, recognise that this can hamper economic performance and social cohesion, and to purposefully react to that. This will enable them to reflect and adjust continuously in the future, not only when a development programme is present.

Again, the focus is on increasing inherent system capability to recognise what is going on and to react to it – both in relation to current patterns but also in the face of change, both expected and unexpected. This strongly connects resilience

¹ See Article in 2017 Annual Reflection: The role of the meso level in enabling economic evolution





to the ideas of market systems development as we understand it and how we describe it in the relevant article in this publication. Working on institutional or structural change in a society and economy generally makes it more resilient, as opposed to working specifically on changing patterns of distribution of the of benefits of economic growth – which can, in certain instances, even make it less resilient.

What can be done to strengthen resilience?

One of the first challenges we have to overcome is that stakeholders are often not focused on the dynamics and health of the wider systems that they belong to or form part of. Due to budget, capacity or other constraints, the priorities are often not on long-term improvements of the environment of the organisation. Additionally, engaging with the external environment beyond the immediate organisation costs, at least in the short term, more than it returns. This reduces the efforts of the people to engage more than they have to. To get stakeholders to contribute to strengthening the resilience of a broader system beyond their organisation, we have to be sensitive

of creating and showing meaningful gains that also benefit their own organisations and their objectives in the short term. We have to make sure that the moderation of discussions focuses on what matters and what helps in the given situation and context, and not on an agenda coming from higher up or from the outside. Therefore careful moderation of events, meetings and information exchanges with a focus on strengthening resilience is required.

Secondly, in many organisations there is often a strong focus on short-term problem solving and fire fighting, characterised by top-down and micro management or incomplete delegation of powers. So a first step towards strengthening resilience is to help stakeholders ‘earn’ or gain more decentralised decision making, expertise, authority and accountability. Without a devolution of powers and accountability it is very hard if not impossible to strengthen resilience. In a complex adaptive system, local (or decentralised) actors make decisions based on the relevant information available to them in a given context. This is a much quicker and often better informed way to decide than to centralise all decision making in a project, an organisation or even a country.

A third intervention area can be to purposefully strengthen the diversity of people engaged in decision making and dialogue. Practically this means that the notion of inclusiveness, which is popular in development, must be further stretched beyond including the marginalised to include even the overlooked. Inclusion not only needs to happen on the level of how benefits are distributed, but also on the level of how people are included in the processes of deliberation and decision making. For instance, in strengthening the resilience of a local community, the diversity of the approach can be

strengthened by speaking to all the usual stakeholder groups, but then also to engage with visitors, those who have migrated away from the region, the elderly in retirement homes and even school children. A greater diversity of the engagement and ongoing mobilisation is necessary to generate a greater diversity of possible responses to tackle existing negative patterns and future challenges. Hence we must also ensure that suitable instruments are available and used to collect the stories, opinions and ideas of these stakeholders into formal and informal decision making. At the same time, we must also take care that the whole exercise does not become overwhelming. Too much diversity could hamper the ability of actors to come to actionable conclusions.

The view on how to adapt resilience thinking of social-ecological systems and apply it to social-economic systems is only in the beginning stage. Mesopartner is engaged in action research activities to generate more experiences and a better understanding of what works and how.

References

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