JOURNAL OF RESILIENT ECONOMIES
PLATINUM OPEN ACCESS

Journal homepage:
https://journals.jcu.edu.au/jre/index

Editorial- The Resilience Shift: It is All in the Partnership

Taha Chaiechi[1]
Editor-in-Chief

The twenty-first century has witnessed widespread global financial crises, public health emergencies, loss of livelihoods and lives. These crises destructively affected communities and economies globally, resulting in massive social and economic disruptions. We have seen how these crises have brutally constricted financing conditions for many businesses across the revenue spectrum, disrupting supply chains, trade, and investment flows (Chaiechi, 2014a). These disastrous events have overwhelmingly impacted the population's economic, physical and mental well-being, particularly those in vulnerable situations.

In a global-scale emergency such as the COVID-19 pandemic, even stronger economies- that historically have shown an apparent ability to recover from external shocks- prove to be unable to recover quickly due to demonstrated lack of resilience and numerous economic weak spots (Chaiechi, 2021). Communities and businesses worldwide continue to struggle even though governments worldwide have continuously responded to the crises through stimulus packages, fiscal and monetary policies, liquidity supports, and welfare systems to compensate for the pandemic's undesired social and economic consequences. The pandemic has proven to have an overwhelmingly disproportionate impact on insecure and vulnerable economic sectors. So if not addressed and managed correctly, these undesired consequences will continue to increase inequality, exclusion, mass unemployment and discontinuation of businesses worldwide.

Moreover, we have witnessed, over and over again, that the orthodox methods of handling external risks, such as climate change, are no longer adequate as they largely ignore the ongoing structural changes associated with economic development and evolving industries (Chaiechi, 2014b, and Chaiechi, 2022).

Disaster mitigations/adaptations mix strategies are not adequate to any further extent. Not only do we need policies that are best supported by measures of accountability and effective monitoring of the intervention measures but also we need to improve our understanding of the concept of resilience by developing innovative methodologies to assess sources of future risks, improve our social and economic systems' capacities to cope and their ability to recover relatively quickly. Not surprisingly, building economic resilience remains a significant challenge of the century (Chaiechi, 2021).

Economic resilience is operative in three levels of macro (governments), meso (market mechanisms) and micro (individual agents/ businesses) (Chaiechi, 2022). Economic resilience can be achieved through either or both inherent and adaptive strategies. Inherent resilience is an ordinary ability to manage a crisis, and it is routinely provided through resource allocation. Adaptive resilience is generally the system's ability to maintain functionality after being shocked that is achievable on the basis of extra effort. Due to large degrees of interdependencies between economic sectors, adaptive resilience in one sector can be significantly affected by changes in adaptive capacities in another. Therefore, efforts to build economic resilience cannot be implemented only by governments and at the macro level. It will require a new level of comprehensive partnership for both the public and private sectors. The private sector, spanning SMEs to multinational corporations and academic institutions, has a wealth of knowledge and (physical and intellectual) assets that could be productively channelled to improve resilience across most sectors. The sector's resilience, responsiveness, and ingenuity are essential pre-, during and post-crisis to reduce risk, provide agility, and reduce response time and cost.

[1] Email: taha.chaiechi@jcu.edu.au James Cook University, Australia , ORCiD ID : https://orcid.org/0000-0002-9976-972X

Furthermore, partnerships between the public and private sectors could lead to resource augmentation, access to cutting edge knowledge, innovative skill sets, and solutions to ensure the society can prepare for, endure, and recuperate from disasters. Through joint efforts between the governments and businesses, external risks should be factored into various partnership development plans. The continuity plans, survival needs and resources at three levels of micro, meso, and macro levels should be identified and synchronised before a state of emergency occurs.

It is also time to shift focus from traditional sources of growth to transformative economic growth and the fundamental reorientation of economic resources as a critical part of the solution (Chaiechi, 2022). As opposed to incremental adaptation, transformative adaptation potentially focuses on the systematic investigation of root causes of the vulnerability of communities to the adverse impacts of crises and emergencies. Accordingly, transformative adaptation is expected to enact primarily different approaches to responding to disruptions by providing solutions to reduce sources of vulnerability and economic weak spots.

Shifting the focus to transformative growth and building resilience requires a public-private partnership. Both sectors would be required to play critical roles in developing and delivering a new approach to risk prevention, response and recovery processes. In the coming decades, building resilient economies will be the centre-stage attention of policymakers, businesses and investors. In fact, most industries will be forced to build resilience in response to emerging threats associated with external shocks. Increased efficiency will no longer be the primary goal; instead, businesses and industries will be forced to plan and design for resilience. As the operating models evolve, the labour market will be forced to diversify its skillsets. Hence, resilience-focused private-public collaboration is required to become well equipped to deal with any "black swan" threats and their second-order effects.

References

Chaiechi, T. (2014a). The broken window: Fallacy or fact – A Kaleckian–Post Keynesian approach. Economic Modelling Volume 39, April 2014, Pages 195-203, https://doi.org/10.1016/j.econmod.2014.02.025

Chaiechi, T. (2014b). The economic impact of extreme weather events through a Kaleckian–Post-Keynesian lens: A case study of the State of Queensland, Australia. Economic Analysis and Policy Volume 44, Issue 1, March 2014, Pages 95-106, https://doi.org/10.1016/j.eap.2014.01.002

Chaiechi, T., Nguyen, T. (2021). Measuring urban economic resilience of two tropical cities, using impulse response analysis. Bulletin of Applied Economics, 2021, 8(1), 59-79, https://doi.org/10.47260/bae/814

Chaiechi, T. (2022). Foreword- Sustainable and resilient economies, theoretical considerations. In Chaiechi and Wood. Community Empowerment, Sustainable Cities, and Transformative Economies. Springer https://doi.org/10.1007/978-981-16-5260-8

Journal of Resilient Economies (JRE) publishes original research with a multidisciplinary focus to further advance the critical concept of resilience. JRE is fully supported by James Cook University Open Journal Systems (OJS), driven by the belief that knowledge has the power to change lives and that research outputs should be freely accessible online, without barriers. To cite, include Author(s), Title, Journal of Resilient Economies, volume, issue, year, pages and DOI. DOI: https://doi.org/10.25120/jre.1.2.2021.3869