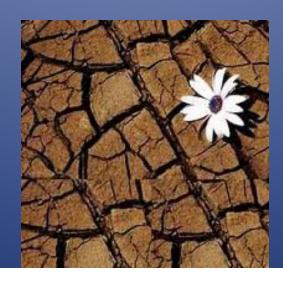# Transformation of peripheral economies

Resilience as an evolutionary concept

The 4-pronged mindset: some thoughts on resilience

- Lessons from the nature (equilibrium)

- Resilience and Adaptability (brief definitions, common but different)

- Resilience and Entropy (opponents)

- Resilience and Strategic Components (framework)

The notion of equilibrium resides in every organism that needs to survive

There are 4 states of equilibrium

- The "back to normal" equilibrium
- The" move from one to another" equilibrium
- The "path-dependent" equilibrium
- The "long-term" equilibrium

Resilience and Adaptability (definition)

- Adaptability is the cope strategy to incremental changes, either predicted or not, emerging under predetermined futures or as a result of scenario planning.

- Resilience is the natural reaction to sudden external shocks, which corresponds to the capacity of disruption and stress that an entity could endure.

Resilience and Adaptability (difference)

- Adaptability enables the structures of an entity (e.g. company, region) towards its strategic aims and objectives.

- Resilience demonstrates the flexibility of such structures, while it may attests them to the bones, stressing the status quo.

- Therefore, resilience may be perceived as the capacity of an entity to rebound, recover and re-organise while undergoing change so as to remain in existence.

Resilience and Adaptability (common)

- There are common elements between resilience and adaptability

- The capacity to learn and transform the knowledge to wisdom

- The characteristic of instability since the acquisition of new knowledge creates instability and jeopardizes the equilibrium

The Strategic Components

- **Human Capital** (adopting <u>ecology</u> & complex systems rules)

- **Knowledge Infrastructure** (adopting <u>technology</u>)

- **Network culture – social concern** (adopting ecology & complex systems rules, technology)

- **Flexible structured community framework** (applying <u>politics</u>)

Human Capital

- <u>The issue of capital accumulation</u>: the total strengths and skills of the entity's workforce and the capacity to upgrade

- <u>Connectedness</u>: the level of interaction, cohesion and consensus among the stakeholders of an entity (e.g. region)

- <u>Social capital</u>: focus on the social concern that stakeholders retain and how this is quantified for the other members (of the region).

Knowledge infrastructure

- Exploit social media and modern social networking tools to cultivate channels of knowledge diffusion
- Focus on transforming knowledge to learning

Network Culture

- Develop a network of "regional cultured" workforce and assign it to all stakeholders in order to transmit the proper mindset
- Activate followership and enable all regional members to participate

Flexible structured community framework

- Apply certain political decisions in terms of: <u>legislation</u> and what is necessary for the entity in order to be capable of self-tuning its powers, <u>decision making</u> and create a decision cycle with the stakeholders to validate the future plans of the region

- Adopt panarchy model (bend all entity's systems to be interlinked in continual adaptive cycles of growth, accumulation, restructuring and renewal)

- Issues of governance (an entity-region may choose any form of governance without being forced to decide according to the resilient phase it experiences)

- Repositioning and changing of roles among stakeholders according to the phase the region experiences