



SUMMARY

Measuring Regional Economic Resilience and Policy Implications

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Since the 2008 global economic crisis, the concept of economic resilience has been emerged as the popular research topic in the fields of regional science. This is because the extents of economic resilience in the regions have been indicated as the factor that determines regional economic performance under the situations of economic uncertainty or perturbation. Furthermore, in the era of low-growth, economic resilience is also mentioned as the alternative tool for measuring and comparing economic performance of regions. Thus, the main objective of this study is to quantitatively measure regional economic resilience and to investigate the factors affecting regional economic resilience. Also, based on the implications of the analyses, this study aims to suggest the policy direction for promoting economic resilience in the regions.

According to Simmie and Martin (2012), regional economic resilience is an evolutionary process incorporating or adapting economic shock in regional economic cycle. However, previous studies have overlooked this dynamic

attribute of regional economic resilience. In order to overcome this limitation, we operationally separate the economic resilience into two different concepts - adaptive capacity and recovery capacity - and quantitatively measure these concepts. The adaptive capacity can be measured by the difference between actual economic outcome with shock and hypothetical economic outcome without shock. The recovery capacity can be measured by how fast regional economies recover their original growing path after shock. Based on 16 regions in Korea, this study measures these two types of economic resilience applying three different economic indicators - employment, manufacturing products, retail sales. Using the measuring results, we classify 16 regions into four types in terms of economic resilience. After that, we specify the factors related to economic resilience using quantitative analysis and case studies. The results indicate that adaptive capacity is associated with industrial diversity, R&D expenditure, innovative capacity, and physical infrastructure for consumer. Additionally, recovery capacity is related to advance of industrial structure, consistency of implementing development policy, and diversity of place-based small business.

Based on the above results, this study suggests the following policy directions for improving regional economic resilience. First, we strongly recommend local governments to set up economic resilience and vulnerability diagnosis system and economic hazard mitigation plan. Second, the strategies or support policies for industrial diversification needed to be consistently implemented by local and central governments. Third, the fragmented regional innovation capacities such as innovative cities, tech park, and urban high-tech industrial complex needed to be linked and concentrated. Fourth, using local cloud funds, various place-based small businesses have to be fostered for promoting regional economic resilience.