

# Reinforcing Regional Economic Resilience and Policy Implications

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## Summary

1. The concept of economic resilience, which has been indicated as a process and capability incorporating and adapting economic shock in regional economy, has been emerged as the popular topic in response to foreign and domestic changes such as low-growth and aging phenomenon.
2. As previous studies have overlooked dynamic attribute of regional economic resilience and in order to overcome this limitation, the economic resilience of metropolitan and province in Korea was analyzed in two different concepts, adaptive capacity and recovery capacity.
3. Based on 16 regions in Korea from 2004 to 2016, this study estimated cycling patterns and quantitatively measures these two types of adaptive capacity and recovery capacity applying three different economic indicators – employment, manufacturing products, retail sales.
4. Using the measuring results, it is specified the regions in patterns based on adaptive capacity and recovery capacity, and conducted key factors and case studies to obtain policy implications for improving the resilience.

## Policy Issues

1. It is recommended that local governments need to diagnose the vulnerability of regional economy in preparation and improve the economic resilience by setting up the economic resilience and vulnerability diagnosis system and economic hazard mitigation plans in proactive terms.
2. In order to improve recovery capacity in a short-term, an emergency response room should be established, providing a crisis response team and operation guidelines.
3. The strategies or support policies for industrial diversification such as expansion of community-customized industry types needs to be implemented to spread risks and link and collaborate fragmented local innovative capacity, which will be able to improve economic resilience.
4. Various place-based small businesses have to be fostered for promoting regional economic resilience by revitalizing citizen banks and local cloud funds.