

Urban Resilience and New Institutional Theory – A Happy Couple for Urban and Regional Studies?

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1. Understanding Differences in Response to Urban Change

Every town and city is affected by trends of transformation and by processes of economic structural change. Some towns, cities, or regions can adapt to such developments while in others, structural change leads to multiple decline. The concept of urban resilience seems to offer ideas that make it easier to understand such differences.

Concerning the socio-economic impacts of the recent financial and economic crisis, there is no clear pattern which regions have been hit more severely than others by its impacts. Seemingly strong and shock-resistant cities such as London struggle in the light of an economic downswing as do more peripheral regions at the fringe of Europe. The current crisis has tended to lead decision makers to concentrate development impetus on large cities – continuing neoliberal development principles, expecting the rest of the country to profit from core-periphery spillover effects but instead further raising socio-spatial disparities (Weichhart, 2008; Krätke, 1995). Indeed, the contemporary tendency towards large globally networked city-regions combined with the turn towards neo-liberal policy measures in many European nations parallels widening gaps between sub-national regions, measured for example in income inequalities (Scott & Storper, 2003, p. 585).

Research about the response to urban decline is dominated by a strong governance perspective, highlighting the diffuse and multi-actor character of decision making that contrasts with state-centered hierarchical forms of government. Due to this shift from government to governance and due to an understanding of urban decline as being intensely related to normative perceptions and considerations of desirable and undesirable urban conditions, research about responses to decline often utilizes new institutionalist approaches. If we conceptualize urban resilience as a systemic capacity to cope with such challenges, which is inherent to the specific place under observation, we will have to link this to processes of and (institutional) frameworks for decision making instead of only focusing on structural determinants. Although places are specific and unrepeatable in their institutional environment, it is not ‘the city’ or ‘the town’ that acts but individual or collective actors. And it is their actions that constitute change. Hence, the underlying question for this paper is: How can the concept of resilience help researchers to study the response of local and regional actors to socio-economic challenges? To answer this question, I will at first explore

different understandings of urban resilience, secondly link this to concepts of urban governance and new institutionalism, and finally conclude with a brief judgment of the benefits and problems linked to the application of the resilience debate to studies about socio-economic urban change.

2. Understandings of Resilience

The debate about sustainable development and concerning the adaptation to climate change has introduced the idea of resilience to urban and regional studies on a broader basis. Discussions about urban vulnerability and resilience were also triggered in the context of some major urban threats and disasters in the last few years, in particular through the terrorist attacks in New York, the Asian tsunami and Hurricane Katrina in the New Orleans area. A German example is the Elbe flood in 2002, which had devastating effects on the city of Dresden in particular. From an urban planning perspective, Boshier and Coaffee (2008) deal with resilience as a capacity to avoid and manage such natural and human-induced hazards. Consequently, there is a strong link to debates of governance and there is also a strong political interest in supporting emergency preparedness – in particular in the UK¹.

There is more than one commonly agreed-upon concept of resilience in literature; across different disciplines resilience sometimes refers to contradictory characteristics (see also Medd & Marvin, 2005, pp. 45). Most resilience research is rooted in post-positivistic epistemology (cf. Walker et al., 2006) and applies system thinking, i.e., an understanding of the field of study as a complex multidimensional or hybrid system. Concepts of resilience are used to describe the relationship between the system under observation and externally induced disruption, stress, disturbance, or crisis. In a more general sense, resilience is about the stability of a system against interference. It is, however, more than a response to or coping with particular challenges. Resilience can be seen as a kind of systemic property.²

More recently there has been growing interest in the concept of resilience as a “concept for understanding, managing, and governing” (Walker, Anderies, Kinzig, & Ryan, 2006) complex social-ecological systems. Holling describes complex adaptive systems of people and nature as being self-organized with a few critical processes creating and maintaining this self-organization. Such systems of nature, humans, combined human-nature systems, or social-ecological systems can be perceived as being “interlinked in never-ending adaptive cycles of growth, accumulation, restructuring, and renewal” (Holling, 2001, p. 392). The accumulation and transformation of resources alternates with phases of creating opportunities

1 For more information see www.cabinetoffice.gov.uk/ukresilience.aspx and www.liveweb15.bham.ac.uk/index.shtml

2 Also in social psychology some scholars see resilience as being more than coping with critical events; it is “something underneath” (Murphy, 1974, p. 90, quoted in Welter-Enderlin, 2006, p. 10), it is the motivation of people that allows them to cope with critical events.

for innovation. Understanding these cycles, their temporal and spatial scales, as well as the relevant frames of reference would help to “identify the points at which a system is capable of accepting positive change and the points where it is vulnerable” (Holling, 2001, p. 392). In this context, (a) resilience as “a measure of its vulnerability to unexpected or unpredictable shocks” (Holling, 2001, p. 392), (b) internal controllability, and (c) the wealth of the system determining the range of possible future options are seen as the main properties shaping such adaptive cycles and the future state of the systems (Holling, 2001, pp. 393).

High resilience would allow for tests of novel combinations that trigger innovation and adaptation. This is particularly true if controllability is low and high resilience allows for the recombination of elements in the system because the costs of failure are low. However, in phases of vulnerability at multiple scales, revolutionary transformations are quite rare due to the nested character of sets of adaptive cycles. A combination of separate developments has to coincide, i.e., there is a need of re-combinations and inventions to occur simultaneously in order to open windows for creating fundamental new opportunity (Holling, 2001, p. 404).

Ideas of regional resilience can be linked to concepts such as learning regions, self-organization, innovative milieus, industrial districts, and some other strands of debate (see also Hudson, 2010, p. 12). Only a few scholars explicitly use the term resilience to investigate the response to urban and regional development problems (e.g., Hill, Wial, & Wolman, 2008; Gerst, Doms, & Daly, 2009; Hassink, 2010).³ Important additional notions in this part of the literature are linked to equilibrium and path development. The topic under investigation is the way actors deal with external economic and social shocks. Economic resilience is seen as the capacity to address problems in a way that generates long-term success. This raises questions about the extent to which regions recover from underlying external shocks and re-establish their former states of equilibrium.

Empirical studies about these questions seem to be rare. Hill et al. quote two major studies in the US on the state level and the county/metropolitan level. The latter study indicates that areas with warm climates and those close to metropolitan cities showed the best post-shock recoveries (Feyrer, Sacerdote, & Stern, 2007, quoted in Hill et al, 2008, p. 5). Another study explored the different paths of development taken by urban IT centers in the US after the IT bust in 2000 (Gerst et al., 2009). Impacts of decline and paths of recovery varied considerably, demonstrating differences in regional economic resilience. Using quantitative methods, the research revealed that IT centers specializing in IT services performed better than those in manufacturing because of their highly educated labor force. Some centers even maintained growth due to their adjustment to changes in demand. The research, however, does not go into detail concerning the way these centers managed to adjust. Linked to questions of economic development, a system

3 In 2006, the US-based MacArthur Foundation established a research network entitled “Building Resilient Regions” (see <http://www.macfound.org/site/c.lkLXJ8MQKrH/b.2617639> and <http://brr.berkeley.edu/netobj.html>).

perspective helps to shift the focus to the long-term structure of macroeconomic relationships and the relevant social, economic, and political institutions conditioning these structures (Hill et al., 2008, p. 2). Translated into economic development, studying resilience would involve studying the rise, stability, and decay of institutions conditioning long-term economic growth. Economic resilience would then be “the ability of a region [...] to recover successfully from shocks to its economy that either throw it off its growth path or have the potential” to do so (Hill et al., 2008, pp. 2).

3. Urban Governance, New Institutionalism, and Urban Resilience

There is a large body of literature chronicling the changing conditions of local decision making. Studies searching for the ‘better’ in urban governance, however, have mainly produced results highlighting problems and ‘failures’ instead of good practice and ‘success’ (for a summary see Lang, 2009, pp. 37). If governance is grounded in the empirical notion of a widening sphere of decision making, it cannot be limited to a heterarchical understanding nor to being automatically self-reflexive, self-organizing, innovative, or creative (such as promoted by, e.g., Kearns & Paddison, 2000, p. 847; Healey, 2004, p. 88; Jessop, 1998, p. 29; Rhodes, 1997, p. 53). Moving beyond the conflation of analytical claims and normative assumptions leads to an understanding of urban governance as an analytical dimension implying a view of organizations as much as processes, formal rules as much as informal practices, and the power of individual actors as much as the relevance of overall structures and specific local cultures.

Discussing ideas of complex adaptive systems and adaptive cycles within which resilience plays an important part (see above) shows stark overlaps with parts of the new institutional literature. Both ‘schools of thought’ discuss similar phenomena using a different scientific language. Adaptive cycles can be seen in the light of path-dependent developments (Pierson, 2000; North, 1990) and institutional thickness (Amin & Thrift, 1994) sometimes leading to functional, cognitive, or political lock-in (Grabher, 1993) hindering new forms of development. In such cases, the relevant system becomes maladaptive. North (1990) posed the question of how to avoid lock-ins and discussed the capacity to avoid lock-ins with the term, ‘adaptation efficiency’. Holling (2001) suggested studying complex adaptive systems by looking at their inherent controlling processes, which are limited in number.

A new institutional research perspective could help to identify relevant controlling processes within an urban system under investigation. New institutionalism helps to understand relationships and processes in urban development policy (Lowndes, 2001) and opens up particular viewpoints on the formation of policy response to socio-economic challenges. Place and time-specific institutional environments function as a strong frame of reference. They are created as a result of earlier experiences and help structure local decision making-processes. In particular

(collective or shared) norms, routines and practices constitute instituted forms of behavior which tends to make local policy and response to change path-dependent (Lang, 2009, pp. 58). Processes of governance must be seen as social processes that are shaped in a tense atmosphere of structure and agency. As decision makers are embedded in differing social and cultural structures (including different sets of institutions or multiple institutional environments) they “may have to choose among competing institutional loyalties as they act” (Peters, 1999, p. 26). Such selection processes depend on individual, collective, or organizational learning capacities based on the ability to learn from applied strategies and tactics in other contexts and at other times.

Understanding urban resilience only in terms of structural properties falls short under the precondition of a socially constructed world. If we perceive socio-economic resilience as being linked to those properties of the system that maintain the success and continuous existence of the system, new institutionalism could possibly help to focus research agendas in urban and regional studies. Combining the outlined new institutionalist positions with those from the resilience debate, we could see resilience as a systemic ‘capacity’, closely related to an institutional environment being supportive of the constant advancement of the system. Resilience could then be seen as being linked to a particular culture that constantly advances the key properties (or controlling processes) of the system. Elements of such institutional environments would favor experimentation, risk, and innovation in responding to external challenges and threats. For example, processes of decline in a particular industry with the related job losses could either be avoided or at least ‘better’ managed if the respective system could bear a high degree of resilience. Hence, the particular institutional environment would, for example, be supportive of foresight, developing advanced products, processes, or fields of economic activity in due time, and it would also allow for alternative futures in case particular paths of development came to an end. Such institutional environments will always be specific to place and time although they contain multi-level elements, i.e., in form of specific ‘translations’ of super-ordinated frameworks. An institutional understanding of resilience does not sustain ideas of a static set of properties. Resilience rather describes more or less elusive circumstances in the form of particular institutional practices and orientations which are supportive of an adaptation of the system. In this context it has to be kept in mind that resilience also risks being filled with normative expectations. Adaptation of the system, however, does not necessarily require being in line with broadly accepted ‘positive’ development trajectories.

4. Urban Areas as Complex Adaptive Systems

Perceiving urban areas as complex adaptive systems seems promising in developing research perspectives that better allow for an understanding of differences concerning the adaptability to socio-economic (and other forms of urban) problems. Research has shown that particularly when it comes to vulnerabilities at multiple scales,

adaptation of the (urban) system to changing conditions is more than challenging (cf. Lang, 2009, pp. 28). So far, scholars have mainly offered suggestions about how to understand the problems such areas have in adapting, offering concepts such as institutional thickness or path dependency. However, understanding how change can be managed and how urban areas can adapt to altered framework conditions still remains an open question. Many scholars have concentrated their research on urban governance as an answer to urban problems. However, the understanding of governance is underpinned with normative notions about how governance should be rather than empirical findings. Instead, comparative governance research indicates that local regeneration strategies, emphasizing the creation of new forms of governance, are likely to fall short in terms of producing policy outcomes (Lang, 2009, pp. 192). Instead of perceiving urban governance as being innovative, self-organized, and inclusive, it should rather be seen as a predominantly incoherent amalgam of different networks and forms of collaboration of public, semi-public, and private actors, overlapping and diffusing at the same time.

New institutionalism also fails to offer a useful conceptualization of institutional change. Hence, the suggestion of understanding adaptation (which requires institutional change) as being related to nested adaptive cycles (see above) opens opportunities for advanced research and theory building in urban and regional studies. Related to old industrial regions, the idea of nested adaptive cycles helps to understand both the particularly serious problems of adaptation and slow recovery, and why it can nevertheless occur when a number of developments coincide to provoke fundamental system change.

For future research approaches concerning urban change, I would suggest combining the approach to urban areas as complex adaptive systems with some basic principles of new institutional theory in order to resolve some major problems of social science-based urban resilience research. Complex adaptive systems are seen as being self-organized, with a few critical processes creating and maintaining this self-organization. In particular, adaptive cycles linked to these controlling processes would be relevant to look at in the context of urban resilience research. The crucial question is how we can identify the processes which control the overall system. Literature concerning social-ecological systems does not say much regarding an answer to this question. In the context of urban, social, and economic development, new institutional theory can help to understand the institutional context in which such processes would take place. Indeed, Holling (2001, p. 404) formulates factors that would facilitate constructive change in a region under crisis conditions which are closely linked to locally specific institutional environments. Hill et al. (2008, p. 7) also suggest focusing research on institutional characteristics next to (strategic) private sector responses, governance response, and public policy actions.

The resilience debate in urban and regional studies also tends to seek particular local properties that make urban areas less vulnerable. Some literature raises expectations about self-contained urban systems functioning like a perpetual motion machine. This leaves aside the crucial question of national regulation and

the necessity of investigating national forms of intervention.⁴ Hudson thereby astutely discusses options for more resilient regions in relation to the resilience of capitalism and dominant neoliberal models of regional development which trigger national state interventions, and which have at best been partially and temporally successful in the past (Hudson, 2010). Indeed, neoliberal thought as a dominant feature of current capitalism can be seen as having become maladaptive, and as being a major threat to urban and regional resilience.

Due to being rooted in research about coping with extreme events, the concept of resilience has further major limitations when it comes to researching the urban response to social and economic challenges. Often questions about why and how external events are perceived as being a disturbance or crisis and about the intended state when these can be considered as being over are usually not included in research about resilience. Here, questions of power concerning the determination of what constitutes crisis and objectives for achievable adaptations are crucial and should be kept in mind (cf. Hudson, 2010, p. 13).

5. Conclusions

A new institutional understanding of urban resilience opens up promising perspectives for social science research about urban change. Conceptualizing ‘urban’ as a complex multidimensional or hybrid system – system thinking is a key feature of resilience studies – leads us to look for the interaction of different dynamics and hybrid processes in their manifestation of vulnerability, crisis, and change. Such a system perspective seems suited to advance governance research, which is often overloaded with normative expectations of how governance should be. Conceptualizing ‘urban areas’ as complex systems does not allow for the general presumption that systems can be governed (Walker et al., 2006). I would rather argue that systems are per se not controllable. Systems are at best adaptive and self-organized.

The concept of resilience and the underlying theoretical body of knowledge could help to understand change in complex systems of spatial interdependencies, and thus fill a gap in institutional theory. On the other hand, by suggesting analytical categories, new institutional positions could help to identify the properties that make the urban system resilient. The understanding of development as being composed of nested adaptive cycles (Holling, 2001) thereby helps to understand change and persistence. In contrast to systems of urban governance, adaptive cycles can be seen as heterarchical and self-steering. Part of the conceptualization of adaptive cycles is that they only coincide with situations of multiple challenges in exceptional cases.

Social science attempts to conceptualize urban and regional resilience still need further advancement, in particular when it comes to questions of power, institutional

4 Empirical research shows the limited stabilizing capacity of local governance (Painter & Goodwin, 2000, p. 43) and the great importance of national factors when it comes to local forms of response to social and economic challenges (Lang, 2009, pp. 171).

constraint, and national regulation. It appears, however, promising to combine concepts of resilience and system thinking with new institutional ideas that fill these gaps. It is still an open question if and how change can be successfully managed. In the context of urban and regional development, this question is mostly linked to spatial and social justice and thus deserves more attention. The ideas presented in this paper may help to advance research concepts dealing with these issues.

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