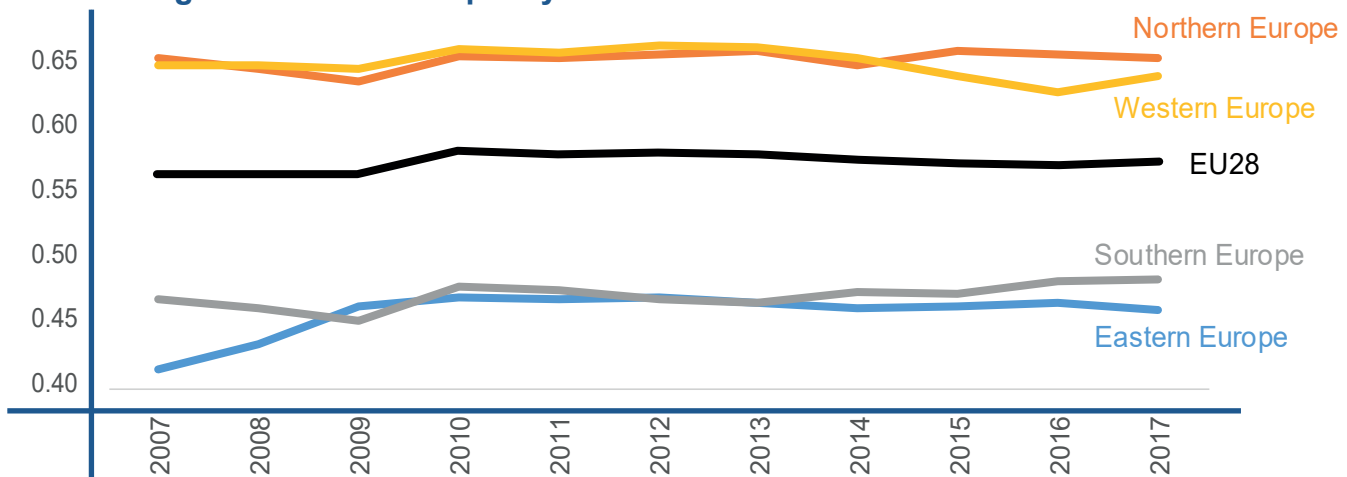


Resilience capacity dynamics

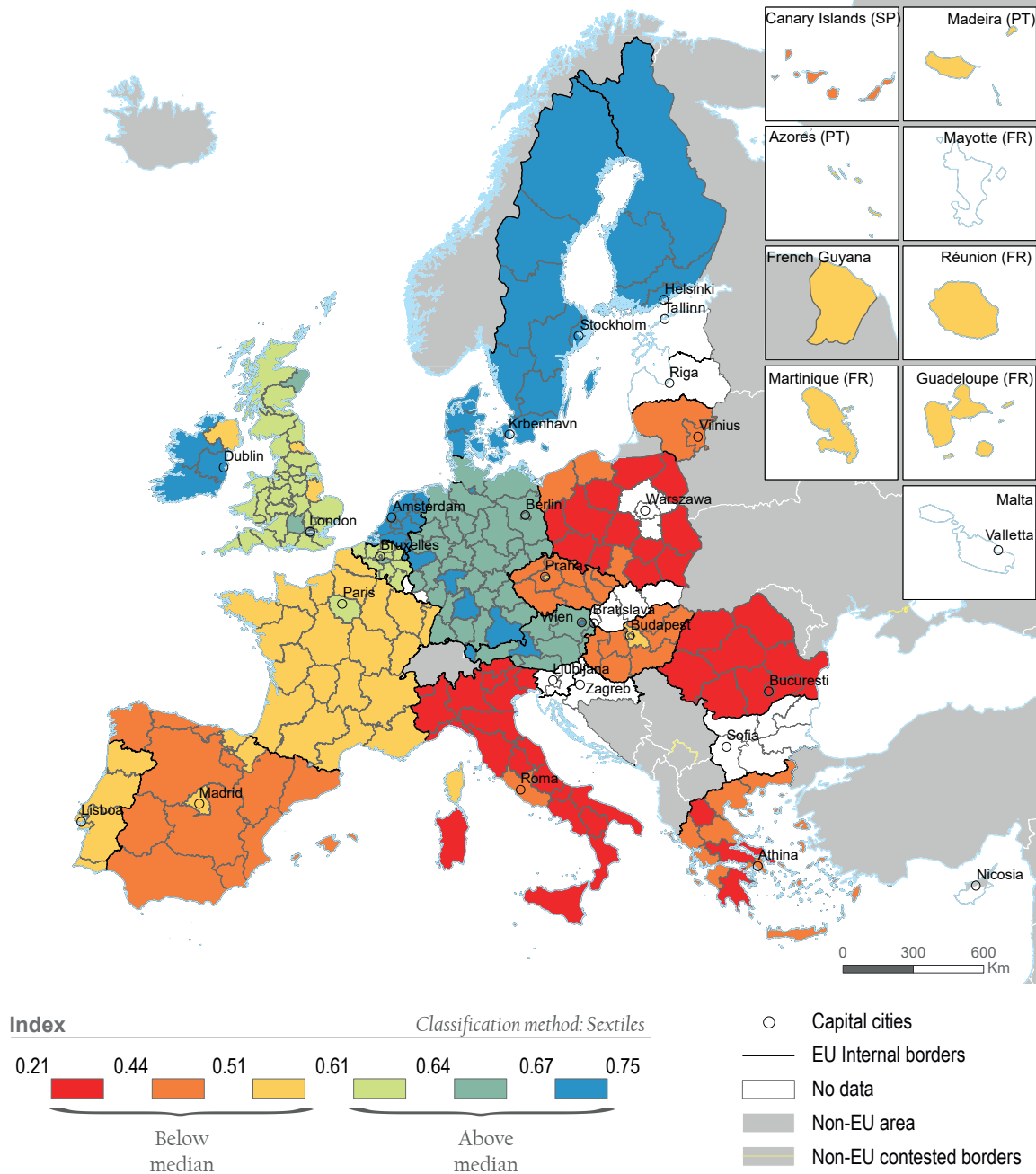
Resilience capacity is influenced by various drivers that can alter its trajectory in time. Its evolution is usually slow, but it can be affected both negatively and positively by major shocks such as the 2008–09 economic crisis. The positive upward trend of EU28 during recovery is mainly due to the dynamics of the index in Eastern and Southern Europe, which compensates for the downwards in the trend of the western part of the continent. After a relative stability in the first two years, there is a clear increase in 2010 comparing to 2009, followed by a slightly decreasing trend. The effect of the compensation is noticeable in the recession period when the increase is owed to the eastern regions upward trend, and after 2010, when the variations in the EU28 index became insignificant, although there are notable variations at the level of each region. Western Europe reports values above the EU28 average, being the only region that has a downward trend, as well as the highest variations in the analyzed period. The region has the strongest resilience capacity during the resistance period, and it preserves it until 2014, followed by a period of relative decrease. Being consistently above the EU28 average, Northern Europe registers the highest values for the Resilience Capacity Index at the end of the analyzed period and presents high stability after 2010. Southern Europe displays an upward trend of the Resilience Capacity Index but remains below the EU28 average. After a fall in 2008–2009, starting with 2010 it shows good performance in recovering from the level registered in 2007. Eastern Europe also has values below the EU28 average. There is an increasing evolution for the entire period, with a high positive slope in 2007–2010, followed by a slight decrease after 2010. For Eastern Europe, the lack of available data made the analysis possible only for Poland, Lithuania, Czech Republic, Romania and Hungary.

Change in Resilience Capacity Index at EU level



Notes: Northern Europe – Denmark, Sweden, Norway, Finland, Estonia, Letonia, Lithuania, Great Britain; Western Europe – Germany, Austria, France, the Netherlands, Belgium, Luxembourg; Southern Europe – Spain, Portugal, Italy, Croatia, Slovenia, Malta, Greece, Cyprus; Eastern Europe – Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria. As mentioned above, for some countries the data is missing.

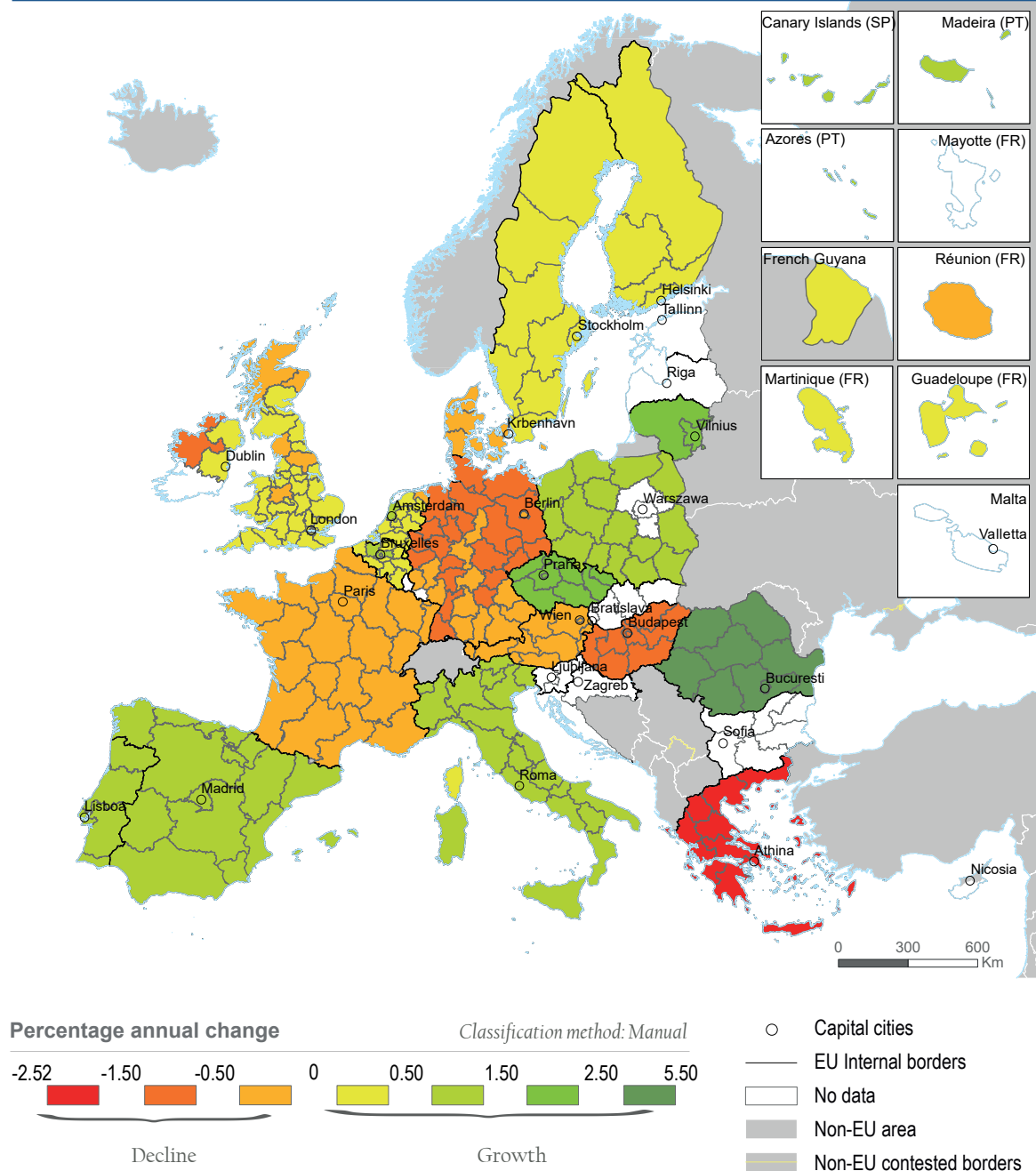
Resilience Capacity Index before crisis (2008)



A core-periphery pattern

At EU level, there is a high degree of heterogeneity among countries. The Western and Northern European regions have a higher resilience capacity compared to Eastern and Southern Europe – the developed countries have a higher resilience capacity than the emerging economies. Certain homogeneity can be observed at country level: each country's regions have about the same resilience capacity, except for the regions that include the capital cities or other economically developed urban centers.

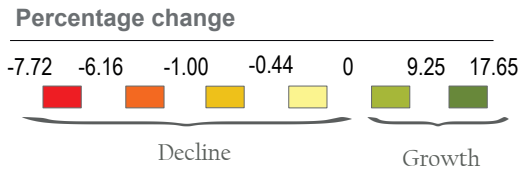
Change in Resilience Capacity Index between 2008 and 2017



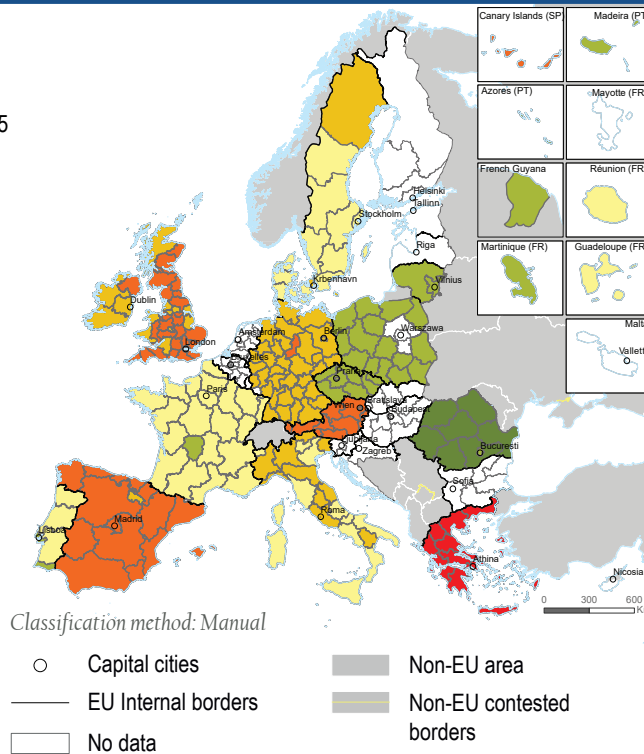
Narrowing the gap: the East and South gets closer to the North and West

The highest decrease of the resilience capacity is shown by Greece, in an otherwise homogenous Southern Region. For the Northern European countries, the resilience capacity remains almost unchanged in 2017, compared to 2008. For the Western countries, there are small variations in the index values, the exception being Germany, which also reports a higher regional heterogeneity. Overall, in the Eastern European countries, the highest increase in the resilience capacity can be observed especially in Romania, Czech Republic and Lithuania, which tend to narrow the gap between them and more developed EU members from the West or North.

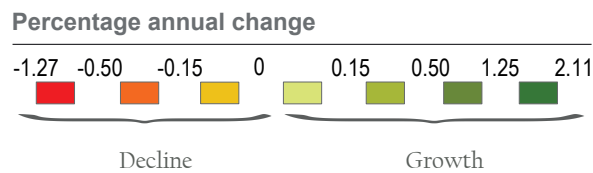
Change in Resilience Capacity Index during resistance period (2008-2009)



Over the resistance period, the Southern European countries were hit the hardest by the crisis; their resilience capacity has considerably diminished, revealing their vulnerability and lack of robustness when facing an economic crisis. At the other end, other countries have managed to improve their resilience capacity. The best results seem to be displayed by some of the Eastern countries, such as Romania, Poland and the Czech Republic.



Change in Resilience Capacity Index during recovery period (2009-2017)



The Eastern and Southern Europe regions are the most heterogeneous, Poland and Greece reporting the highest decline. For the Eastern Europe, there is mainly a positive trend in the recovery period, with Romania, Bulgaria and the Baltic states leading the way. In the same line, in the Southern Europe there is a general positive trend, with Portugal and some regions in Spain and Italy standing out. The countries in the Western Europe have the slowest recovery and the Northern countries are registering relative constant evolutions.

