

Pierre Fillion

Fading Resilience? Creative Destruction, Neoliberalism and Mounting Risks

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Perspectives

Fading Resilience? Creative Destruction, Neoliberalism and Mounting Risks

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Abstract *The paper argues that creative destruction at the heart of capitalist dynamics, along with risk-prone features of neoliberalism, impedes wide-ranging resilience. A form of resilience focussing narrowly on natural and human-caused disasters replaces broader responses to risks, which address economic and personal hardship. Concurrently, combined effects of neoliberal societal arrangements and economic globalisation exacerbate economic risks to which individuals and communities are exposed. A discussion of the shrinking city phenomenon demonstrates that economic hazards, against which most resilience measures are helpless, represent a peril that is more common than, and often at least as destructive as, the disasters targeted by mainstream resilience approaches. The experience of shrinking cities points to the dual impact of their contracting economies: direct threats to the wellbeing and survival of their residents, and a depletion of the intervention capacity of agencies responsible for different aspects of urban resilience. The paper closes with an examination of realistic means of enhancing resilience in the present neoliberal context.*

Keywords: Urban resilience; Globalisation; Neoliberalism; Shrinking cities

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1. INTRODUCTION

This paper is a response to the insufficient attention much of the literature on resilience gives to the political and economic circumstances impinging on the capacity to deploy urban resilience strategies (as acknowledged by Newman *et al.*, 2007; Rogers, 2012). While it is true, as much of the resilience literature suggests, that the promotion of resilience is essential to the safety of individuals and communities, the influence of the prevailing societal environment on the nature and impacts of resilience must also be acknowledged.

This paper proposes a political economy of resilience, which connects presently dominant economic tendencies with the rise of neo-liberal governance. The paper explores how economic dynamics imprint the state by influencing its priorities and determining the resources at its disposal. As the state is the foremost agent of resilience, there are major implications to the fact that its policy agenda derives to such an extent from the private economy. One is an inevitable limitation of the sums it can direct to resilience initiatives. Another is the adoption of priorities consistent with the economic sphere, which value risk over prudence and short-termism over long-range perspectives.

The paper attributes a limited resilience potential to the very nature of capitalism. It discusses how Fordist programs attempted to address a wide range of risks, of an economic nature or otherwise, confronting individuals and communities, only to be reined in by the ongoing neoliberal transition. The paper examines the potential, limitations and ideological role of resilience in a societal environment vulnerable to global economic shifts and affected by depleted state capacity.

There are four sections to this paper. In Section 2, the concept of urban resilience is introduced by discussing its different meanings within the literature and justifying the adoption of a broad definition of the concept. Section 3 presents a political economy perspective on urban resilience. It describes economic tendencies that affect relation to place, identifies the mechanisms that transmit economic priorities to the political sphere, and investigates connections between resilience and capitalism, Fordism and neoliberalism. Section 4 provides a worst-case scenario to illustrate the ravaging consequences a globalised economy can have on urban resilience: economically and demographically shrinking cities. Section 5 offers an interpretation of the case in light of the political economy concepts introduced in Section 3. The main conclusion of the paper is not optimistic: irrespective of its importance to resilience are to survival or wellbeing, the effects of prevailing economic circumstances as transmitted through the political system set narrow boundaries on what is possible in terms of resilience.

2. RESILIENCE

In its literal sense, resilience refers to the capacity of a system to return to its original state of equilibrium after a shock

(Hamilton, 2009: 109; Vale & Campanella, 2005). But the meaning of resilience has been extended to include attempts at preventing, mitigating and recovering from disturbances affecting a system and its components (Godschalk, 2003: 137; van Vliet, 2001). In this broader understanding, the concept pertains to efforts to stave off or deal with natural and human-generated hazards causing loss of life, injury, illness, severe economic hardship and catastrophic physical damage. Consistent with this wide optic on resilience, the paper considers impediments to the conditions required to assure the enduring physical and economic security of individuals and communities.

According to this broad definition, resilience efforts must target multiple threats arising from different sources. Threats can be classified according to whether their effects are immediate or likely to happen in a more distant future, and whether they affect survival directly or indirectly. The most imminent threats are those that can disrupt the provision of the necessities of human life: breathable air, drinkable water, shelter, safe food and as little exposure as possible to lethal bacteria and viruses. With less immediate impact, but just as menacing, are dangers to institutions and mechanisms whose role is to prevent and abate menaces to survival and support the reproduction of social systems. Prominent among these dangers are threats to the economic base, with their ramifications on institutions and mechanisms sustaining communities and individuals.

Hazards menacing settlements can be purely natural, such as geological phenomena (earthquakes and volcano eruptions). Climate events also belong to these types of dangers, although with global warming human behaviour is increasingly a factor in their frequency and intensity (Leichenko, 2011). In other instances, such as epidemics, the division between menaces induced by nature and human systems is less clear. Finally, some hazards are of a purely human origin – manufactured risks – as in the case of social instability, wars and, with special relevance to the present time, economic cycles and restructuring (Giddens, 1999: 34). Manufactured risks are exacerbated by a globalised economic and political environment, which amplifies the scope of risks as the dependence of nations on global networks rises, while planetary regulatory mechanisms have yet to catch up with this new reality (Beck, 1992; 1999).

Reliance on artificial life sustaining systems, which demand uninterrupted supplies of resources, accounts for the high vulnerability of cities. Susceptibility to risk has grown as cities have become larger and reliant on increasingly complex systems, at a time when uncertainty regarding the economy and the climate is on the rise (Alberti & Marzluff, 2004; Daffara, 2011: 681; Godschalk, 2003:136; Orr, 2011; Romero Lankao & Qin, 2011).

Advancing as it does universal values – ontological security and the protection of life and built environments – resilience lends itself to idealisation. There is indeed much emphasis in



the literature on how to enhance and improve resilience, often with scant regard for impacts of prevailing societal contexts. The remainder of the paper proposes a view of resilience that is more grounded in the political and economic reality.

3. RESILIENCE FROM A POLITICAL ECONOMY PERSPECTIVE

The introduction of the political economy of resilience proposed here unfolds in three stages. It first explores the relationship between resilience and capitalism. But while capitalism does have its own effect on the form and capacity of resilience, so do its different historical manifestations. The second stage concerns efforts on the part of the Fordist state to provide security to its citizens. In the third stage, these efforts are compared with the risk-prone nature of neoliberalism.

3.1 RESILIENCE AND CAPITALISM

There is a fundamental tension between resilience and capitalism, which revolves around the 'creative destruction' at the heart of this economic system. The concept of creative destruction was proposed by Schumpeter (2003 [1942]: 81-86), for whom the competitive nature of capitalism fosters innovation and, as a by-product, causes the obsolescence of existing means of production and their outputs. Economic competition requires firms to give priority to innovation so they can come up with new, improved, cheaper, more fashionable products and thus avoid being sidestepped in the competitive race. Within the capitalist system, production facilities that are no longer competitive, along with ancillary support systems such as urban settlements and public infrastructure, are sacrificed on the altar of innovation. The paper takes the view that the creative destruction of capitalism, exacerbated by the hyper-mobility of capital in its global phase, constitutes a major impediment to resilience. While the innovation-driven competitive environment, a defining feature of capitalism, focuses attention on the near future at the expense of the past, present and long-term, one of the purposes of resilience is, in contrast, to safeguard prevailing physical and social structures from threats, including those looming on a distant horizon (Narayanan, 2012).

The state has internalised many features of capitalism, which is hardly surprising since its institutional architecture took shape within the context of this economic regime. It is thus historically bound with capitalism (Alvater, 1973; Jessop, 1990: 36). The capitalist state is defined by its exclusion from the private economy, where surplus is generated, and resulting dependence on resources whose production escapes its direct control (Jessop, 1990: 356). Consequences of this reliance on the private economy are felt throughout the state apparatus and reverberate across all forms of policy-making. For example, the state must refrain from choking the private market by absorbing too large a share of societal resources (a threshold whose setting is a perpetual subject of debate). It is also incumbent on the state to adopt measures to promote

economic development, which, when successful, can benefit the popularity of governments and expand the economic base from which they draw resources.

With corporations concentrating on their own resilience (survival) objectives dictated by the competitive environments in which they operate, it is mostly left to the state to look after society-wide resilience needs. Societal resilience is therefore part of the broad mission of the state to provide collective conditions of production and assure the survival and functioning of society. Which does not mean that the state always promotes resilience, as it can easily be co-opted by economic interests and come to share their short time horizon and limited interest for society-wide resilience. It does, however, indicate that when society-based resilience efforts do take place they generally originate from the state.

3.2 FORDISM, THE WELFARE STATE AND ATTEMPTS AT RISK ABATEMENT

Until globalisation set in over the latter part of the twentieth century, capital enjoyed limited mobility relative to what was to follow; it could neither escape pressures from workers for improved benefits and working conditions nor regulations and taxes imposed by the state in response to demands from civil society. The resulting Fordist compromise between capital, organised labour and the state distributed societal resources in a fashion that fostered both a large middle class and redistributive programs. A sense of safekeeping exuded from the expansion of the middle class and the welfare state. Comfortable wages and job security in the robust job markets of the time swelled the ranks of the middle class, and the welfare state prevented or mitigated risks inherent in personal life and the capitalist economy.

The welfare state can be perceived as the Fordist version of resilience. Its purpose was to mutualise risks at the national scale. Individuals were covered for risks stemming from economic cycles and restructuring, as well as those associated with life circumstances. Redistributive programs, such as those promoting regional economic development, targeted collective economic risks. These different measures were implemented in response to powerful demands channelled through the political system. Other factors contributed to their adoption. In Fordist economies that were by current standards still nationally focussed, redistributive policies enjoyed strong economic stimulation effects. Moreover, the acceptance of such policies was eased by a wide consensus around common values, largely related to middle-class consumerism. In fact, norms governing redistributive processes further advanced the homogenisation of Fordist society.

It would be wrong to romanticise the security provided by Fordist societal arrangements. Risk is a feature of human history, taking forms that mirror characteristics of different societies and historical periods. The Fordist era did afford more economic security than periods preceding and succeeding it, by virtue of its general prosperity, limited

competition within protected national markets and expanding social security programs. But the advantages bestowed by Fordism were disproportionately grabbed by the middle class, to the detriment of minorities. Above all, in a paper discussing resilience one cannot overlook the nuclear threat that loomed over the Cold War.

3.3 NEOLIBERALISM AND EXPOSURE TO RISKS

Fordism succumbed to a throng of assaults among which featured a globalisation of the economy and the ascendance of the neoliberal ideology along with ensuing reorganisation of the state and its economic and social interventions. Globalisation and the neoliberal turn are intimately intertwined (Fasensfest, 2010; Soederberg *et al.*, 2005). If globalisation was abetted by transportation, information technology and organisational advancements, to fully unfold it required trade liberation policies. Under the influence of the ascending neoliberal ideology, many governments enthusiastically subscribed to the removal of regulatory obstacles to international trade.

Then, reacting to stagflation, budgetary deficits and perhaps mostly the need to reposition the economy in the face of worldwide competition, governments turned to neoliberal prescriptions. These involved a rolling back of Keynesian/welfare state provisions in the pursuit of a lean state agenda (Peck & Tickell, 2002). A withered state, disengaging progressively from redistributive programs, was in the neoliberal eye essential to the tax reductions needed to attract and retain firms. Globalisation and the resulting leakages puncturing national economies also impaired the economic stimulation effects of such programs. What is more, the erosion of social programs was seen as a condition for workers to accept salary reductions resulting from global competition. The very concept of redistribution collided with the emphasis placed by the neoliberal ideology on self-reliance and the responsibility of individuals and organisations for the consequences of their actions. Not only did the welfare state and the public sector in general suffer from reduced corporate taxation, but heightened international competition forced governments to direct additional resources towards economic development incentives at the expense of other sectors of expenditure (Berberoglu, 2003; Dehesa, 2006; Hughes & O'Neill, 2008; Jessop, 1998: 38-41; Karagiannis & Nadjd-Sadjadi, 2007; Wahl, 2011).

Adaptations on the part of the state and society to economic globalisation bear the imprint of a change in the balance of power between private firms, on the one hand, and the state and civil society institutions, on the other. With the freedom to move where factors of production are most favourable, capital has gained the upper hand in its relationship with organised labour and governments (Held & McGrew, 2002; Holton, 2011: 97-126; Wetherly, 2005: 217). The coincidence of worldwide investment opportunities and intensified competition at a global scale has caused firms to seek jurisdictions offering optimal conditions for production: low costs for mass production or higher expenses when skilled labour is required

for more sophisticated tasks (Gilbert, 2002; Martin & Torres, 2004: 28-30; Robinson, 2004). Globalisation has also provoked a realignment of forces within nation-states and, thereby, a reshuffling of political priorities therein. A transnational capitalist class with footholds in different nations, along with other interest groups advancing the neoliberal agenda, promote the freeing of capital from obligations towards workers and the state (Hackworth, 2007; Harvey, 2005; 2007; Peck, 2010; Robinson, 2004; 2006: 4).

There is also a roll-out side to the neoliberal state, which goes beyond undoing the interventionist programs inherited from Fordism by actively promoting a reorganisation of society along the principles of neoliberalism. Roll-out neoliberalism mostly took the form of deregulation and privatisation (Peck & Tickell, 2002).

Under neoliberal arrangements, exposure to risks has been exacerbated by the globalisation of the economy and the restructuring of society along neoliberal lines. Economic globalisation unleashed a surge in perils confronting individuals and communities, to the extent that it has become nearly impossible to find refuge from the economic hazards of the global age. Financial transfers taking place at the speed of light epitomise the compression of time within the current global phase of the economy (Cohan & Rangan, 2010; Stiglitz & Ocampo, 2008). The evolution of the economy thus further stretches the gap between a shortened time frame of economic sphere decisions and the longer time horizons of governments and communities (Henderson, 2010). But it is a loosening of the ties to place of a growing number of firms in the global era that most exposes nations, communities and individuals to the perils of economic globalisation. The global economic environment makes it possible for firms to choose from a much wider repertoire of possible sites and reconsider their options whenever conditions of production change (Friedman, 2005; Ritzer, 2010).

At the same time as economic globalisation subjects society to economic risks far in excess of those encountered during the Fordist epoch, mechanisms formerly used to contain them and attenuate their impact are frayed (Castles, 2004: 21-46; Huber & Stephens, 2001). With the running down of the welfare state, individuals are increasingly exposed to the raw laws of the market (Anderson, 1995; Leys, 2001; 2008: 65; Lukes, 2005: 290-293). The present neoliberal age abets economic insecurity (although environmental threats also loom large): income polarisation as middle-class jobs disappear, and the instability of job and investment markets, which is a source of income uncertainty for workers and pensioners. All this happens as redistributive programs are curtailed to the extent that they no longer provide for minimum survival needs. Presently, one of the most vivid representations of insecurity is the explosion in homelessness. Worse still, neo-liberalism and the attendant removal of regulations and redistribution mechanisms have caused markets to gyrate wildly and thus become a growing source of risks in their own right (Duménil & Lévy, 2011).

The coincidence between the rising interest for resilience and the neoliberal transformation of the state and society is not serendipitous. In the risk-intense neoliberal societal environment, the ontological need for security translates into expectations that governments should be adopting measures to tackle dangers confronting society and its members. Cloaked as a society-wide approach to risk mitigation and readiness, resilience appears suited to this role. Resilience is depicted as transcending social divisions in its efforts to protect society against natural and human-caused perils.

The reality of resilience is different, however. Focussed as it is on prevention of and response to cataclysms, the range of risks addressed by resilience is much more confined than those covered by welfare state programs. Consistent with the lean state neoliberal ideal, resilience contributes to an evolution towards a minimalist state excluding all but a limited number of core functions, such as the provision of security. Resilience plays a cardinal role in attempts at legitimizing neoliberal policies. It indeed contributes to substitute in the ideological universe of neoliberalism a narrowly-defined disaster prevention and remediation approach to the much broader risk-abating redistributive programs of the welfare state. Resilience does this while attempting to maintain the perception that the state has responses in place for risks confronting individuals and communities. (Gunder [2006] makes a similar argument about sustainable development.) In this sense, if the welfare state can be seen as the Fordist society response to risk, resilience comes out as its neoliberal iteration.

The next section presents an extreme case of geographical marginalisation in a context of globalisation, economic restructuring and neoliberalism: that of shrinking cities. When referring to shrinking cities, the paper does not focus on attempts at controlled urban shrinkage as carried out in Leibnitz and Dresden for example, but rather on the US variety of urban decline (Florentin, 2010). In the US, urban shrinkage is associated with widespread abandonment, poverty, crime and the threat and reality of municipal government bankruptcy. While admittedly an extreme case, it is well suited to a demonstration of the far-reaching impact on urban resilience of neoliberal age economic circumstances and weak public sector responses.

4. SHRINKING CITIES

The shrinkage of many large US cities was a consequence of outward metropolitan growth, which sucked employment and middle-class residents from central cities and inner suburbs. But when it was entire metropolitan regions that endured demographic decline (as in Detroit, Cleveland, Pittsburgh, Buffalo and Rochester, NY), shrinkage at the metropolitan scale was the outcome of economic restructuring rather than metropolitan dynamics (Beauregard, 2006; 2009; Downs, 1999; High, 2003; Rieniets, 2009). While all metropolitan regions in the global North have felt the joint effects of collapsing Fordism and globalisation, industrial centres were

most severely impacted (Martinez-Fernandez *et al.*, 2012). As they lost their connection to economic networks, increasingly deployed at a worldwide scale, these urban areas became emblematic victims of economic globalisation (Castells, 2000).

The economic sidestepping of an urban area and the ensuing massive losses in employment, the effect of which is further compounded by the replacement of well-paid industrial by low-wage service jobs, trigger a cycle of decline affecting all aspects of life in shrinking jurisdictions. Unemployment, a degraded urban environment (largely a function of residential and commercial abandonment), along with fiscal stress and deteriorated infrastructure and services cause people to leave (Accordino & Johnson, 2000; Glaeser & Gyourko, 2005; Scorsone, 2012). Resilience obviously suffers from these circumstances. The resulting loss of financial security makes it difficult for individuals to satisfy their essential needs as members of society and indeed eventually threatens their physical survival. They end up living in unsafe housing when not forced into homelessness, having difficulties affording food or even accessing it as food desertification extends across declining cities, and securing their safety in crime-ridden neighbourhoods. Concurrent impoverishment of the state, especially local governments of shrinking cities, depletes the potential for collective resilience. Public sector prerequisites for the participation of individuals and communities in the economy, and thereby for their financial security, are eroded. Insufficient public funding translates into poor quality public infrastructure and education. The same goes for services assuring public safety and preparedness for eventual hazards.

As expected, municipal administrations try to resist or counter these tendencies. Their initial reaction is typically to deny the possibility of an enduring decline by attributing job losses to business cycles rather than economic restructuring (Hollander, 2011: 2). When urban economies fail to bounce back, governments concentrate their efforts on the attraction of mainstream economic activities to make up for declining employment. The last decades have shown that economic development strategies follow fashions. If the popularity of the recruitment of firms, with its combination of incentives in the form of tax breaks, grants and supportive programs aimed at new businesses, has endured, other approaches, such as enterprise zones, have been more ephemeral. Confronted with insufficient means to compete in the inter-jurisdictional race to attract major firms and the lacklustre performance of their recruitment efforts, some shrinking cities have turned to measures that acknowledge their limited resources and development potential (Buffalo, 2006; Weichmann & Pallagst, 2012).

Recently, the focus of such measures has been on 'right-sizing' communities, which consists in the concentration of municipal resources in certain districts so as to provide acceptable levels of infrastructures and services therein (Mallach, 2012: xviii). In this fashion shrinking cities attempt to furnish a measure of security to people in sectors where municipal resources are targeted. Such a strategy requires

a triage of neighbourhoods, whereby certain are sacrificed to allow the survival of others in the context of demographic decline and financial stringency confronting shrinking cities (DeSantis, 2011; Ehrenfeucht & Nelson, 2011). In the words of Marja Winters, Deputy Director of the Detroit Planning and Development Department: “We want to reduce the city’s cost of delivering services, but we also want to support a baseline quality of life...” (Davey, 2011). The other side of this strategy involves a greening of the sacrificed parts of shrinking cities, by turning them into agricultural land, pasture or naturalised areas (Bradley, 2011; El Nasser, 2008; Kowarik & Körner, 2005; Schilling & Logan, 2008; Young, 2010). Some of these sectors then take on a new economic vocation, albeit with much inferior economic yields than in their pre-decline state.

There is a disturbing social dimension to the shrinking city phenomenon. As social polarisation intensifies, shrinking cities become the environment of last resort for the very poor, who cannot afford other locations. Their presence in such a setting accentuates their plight due in large part to the lack of security that characterises this environment. To make matters worse, living in a shrinking city seals the fate of many people at the bottom of the income scale by making it difficult for them to ever improve their economic security through education and well-paid employment. To be sure, the shrinking city environment provides a laboratory for innovative community-focussed actions. But while sometimes effective at creating mutual assistance networks at a neighbourhood level, such initiatives are confronted to a painful lack of financial resources and tenuous connections with the formal economy. In the context of shrinking cities they rarely provide access to paid employment. The deteriorated nature of these cities does not only pertain to the poor quality of their housing but equally to public services that either have become seriously downgraded or simply been terminated. These cities can be seen as a global North equivalent of shantytowns. But in a sense the fate of their residents is worse, for not only are they deprived of a secure living space and of functional infrastructures and services as in the case of dwellers of global South informal settlements, but unlike these dwellers they are increasingly disconnected from areas of economic activity. Whereas despite all the difficulties they encounter, residents of global South shantytowns tend to live in urban areas offering rising opportunities (albeit not generally proportional to population growth), it is the opposite for people living in global North shrinking cities.

5. RESILIENCE FAILURE AND THE CONTEMPORARY POLITICAL ECONOMY

The extreme nature of the shrinking city case casts a distressing light on the exposure of all aspects of the resilience of an urban area to trends affecting its economic base. It illustrates the growing footlessness of capital in search of global opportunities and its ready shift from low to high yield sectors of the economy, leaving behind the ruins of bypassed industrial areas. The shrinking city example also underscores the cleavage between, on the one hand,

the economic sectors that benefit from enhanced capital mobility and, on the other, the deteriorating living conditions of the population remaining in economically marginalised cities.

The main lesson to emanate from the experience of shrinking cities is that all aspects of urban resilience rely heavily on their economic base. When the economy goes, the entire urban resilience edifice crumbles. So the worst hazard to confront an urban area is the loss of its economic base. Due to resulting constrained public sector resources, such a situation indeed impairs the mounting of effective reactions to other types of hazards. Prosperous cities that are levelled by earthquakes or hurricanes are rebuilt, but where the economic base has been severely atrophied, large urban sectors are allowed to deteriorate, until the built environment either burns or ruts, and is eventually overtaken by nature.

The observation that the loss of the economic base is the most severe hazard facing urban areas does not necessarily extend to their residents, however. Unlike the cases of natural and human-made cataclysms, where they can lose their life before having time to react, individuals can relocate when the economy of their urban region plunges. Of course, not all individuals are equally mobile. Their possibility of seeking greener economic pastures is affected by property ownership (devalued homes in shrinking cities cannot be traded for equivalent properties in more prosperous regions), age, social ties, the cost of a move, and the possibility of finding work elsewhere (Downs, 1997). If migration to sunnier economic climates will generally improve the living conditions of people who leave, it has the opposite effect on those left behind.

While responses to economic decline on the part of shrinking cities share many features, they also exhibit distinctions that reflect circumstances specific to each metropolitan region. These include the degree of metropolitan administrative fragmentation, the rapport between municipal jurisdictions, the political and urban culture and different trajectories of decline, incremental in some instances, sudden in others. Still, common to all shrinking urban areas is the dual impact of economic decline. The first is a loss of jobs and income affecting residents and eventually threatening their very survival. The second pertains to the reverberation of economic decline on different agencies with urban resilience mandates.

The shrinking city phenomenon and its consequences on the wellbeing of urban residents is partly a consequence of the dissolution of Fordism. It is not that urban shrinkage did not happen before this dissolution (*viz.* ghost resource towns), but it did not until then affect metropolitan regions of the size considered here. One connection between the end of Fordism and urban shrinkage concerns the economic sectors that dominated the economic base of the affected urban areas. It is not by happenstance that all these urban regions used to harbour some of the finest jewels of Fordist industry: steel,

chemicals, electrical equipment and appliances, automobile. Another connection involves redistribution mechanisms. Fordist institutional arrangements made it possible to pool risks at a national scale. Communities and individuals affected by economic hardship were compensated to some degree by inter-jurisdictional payments, economic development policies and different welfare programs. Such mechanisms were challenged by the deteriorating fiscal health of governments due to compromised revenue raising capacity in a globalised economy and reliance on debt financing to maintain expenditure levels as economic growth slowed down. The assault on Fordist redistributive mechanisms also came from the increasing influence of the neoliberal ideology. With the neoliberal emphasis on self-reliance at the level of individuals and public sector agencies, the administrations of shrinking cities must increasingly rely on their own means to mitigate or reverse economic and demographic decline. But of course the worse is the condition of the economic base of shrinking cities, the less are the resources at the disposal of their municipal governments. The depleted purse of these administrations accounts for the present consideration of neighbourhood triage strategies and reliance on community self-help initiatives. The experience of shrinking cities provides a disturbing illustration of the consequences of frayed safety nets. It indicates how much things can deteriorate as the welfare state gives way to risk-prone societal arrangements.

6. CONCLUSION: RESILIENCE IN A NEOLIBERAL CONTEXT

There is a sharp distinction in the perspective on resilience emerging from the literature devoted to the description and promotion of this phenomenon, and the present effort at setting it within its contemporary neoliberal context. While in the first instance the emphasis is on the importance of resilience and how it can be extended and improved, this paper highlights its limitations as well as its inadequacy relative to the risks generated by capitalism's creative destruction and the exacerbation of this phenomenon in the present neoliberal epoch. If Fordism involved the adoption of measures soothing the pains of creative destruction felt by individuals and communities, the neoliberalism-economic globalisation duo accelerates the creative destruction process while undermining measures protecting individuals and communities from its effects.

The paper's main conclusion is that while it is worthwhile to engage in attempts at improving resilience in order to be prepared for possible cataclysms, this form of resilience does not address the most probable risks confronting individuals and communities. How then can a broader form of resilience, which encompasses a wider range of risks than the current neoliberal version of resilience, be adopted?

One possibility would involve the restoration of Fordist welfare safety nets. But such an attempt would confront current realities such as depleted public sector finances, resistance to tax increases and the priority given to economic

competitiveness in a globalised economy. Moreover, the neoliberal ideological emphasis on self-reliance is inimical to redistributive policies. Another way of promoting a broader resilience could involve resisting neoliberal arrangements (Leitner *et al.*, 2007). Such resistance could take the form of actions targeting specific aspects of neoliberalism, which could yield small victories. But one must be realistic about the potential impact of these actions given that local neoliberal contexts are ultimately expressions of the world economic order (De Martino, 2000).

When discussing responses to neoliberal approaches to risks, it is important to acknowledge the ambivalence of political reactions to a growing sense of insecurity. Its political effects can take different trajectories. One could expect mobilisation for improved resilience including a beefing up of welfare measures. Or, on the contrary, we could encounter a situation where intense worries over threats that are often immediate and perceived as being of a personal nature dampen interest in long-term interventions, especially as confidence in state intervention is diminished by a history of public sector retreat as fiscal conditions deteriorate (Kupchan, 2012). Proponents of neo-liberalism promote the second trajectory by fanning politics of envy to foster a race to the bottom as regards wages, benefits and social programs.

Still, within the range of economic development and policy options available within a neoliberal context, there are possibilities of reducing risks confronting individuals and society; different options come with different consequences from a resilience perspective. Even if they cannot radically alter the risk configuration of neoliberal societies, judicious decisions can abate to some extent the propensity of risks and mitigate their consequences. For example, economic development strategies pursuing diversification foster more economic stability than those that encourage specialisation. Finally, one should not overlook the possible role self-help can play in promoting reliance locally. While a lack of resources seriously curtails the impact on resilience such an approach can have, it often constitutes the only available response to risks in the drained economic and governmental landscape of shrinking cities.

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