

# The resilience of business ecosystems in the post-COVID-19 era: Notes on the European Recovery and Resilience Facility

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### Motivation behind this research

- Today’s COVID-19 crisis drives various socioeconomic systems to a profound readjustment and restructuring.

### Purpose

- aims to examine the need to reinforce the resilience of business ecosystems, suggesting future research avenues mainly at the regional level.

### Steps followed

- First, introductory notes.
- Second, clarification of resilience of business ecosystems.
- Third, presentation of the European mechanism of the RRF.
- Fourth, final remarks.

### Introductory notes

- The COVID-19 crisis (hereafter pandemic) seems to accelerate the acceleration of global restructuring and the appearance of the fourth industrial revolution.
- All European regions must adapt to the new environment by retaining and reinforcing their competitive advantages

### Introductory notes (continue)

- The Next Generation EU (NGEU), a subsidy program of enormous proportions for the European Union (EU) member states, focusing on the goals of digital transformation, green energy (“European Green Deal”), and resilience.
- According to the conclusions from the Special meeting of the European Council held between 17 and 21 July 2020 (European Council, 2020), these programs must prioritize strengthening the most affected sectors and industries since the crisis is structural and multilayered.

### The business ecosystem as a concept

- The “business ecosystem” concept borrows elements from biology, rooted in works such as Marshall’s (1890) and Veblen’s (1898).
- According to Moore (1993), one of the founders of this stream of research, there is contiguity between the biological and business ecosystems, arguing that today’s business world is the outcome of “organisms” that generate co-evolving communities with shared values.
- Other significant works: Lansky and Levien (2004) and Isenberg (2016).

### What makes a business ecosystem resilient\*?

- Roundy et al. (2017, p. 99): *“We define [resilience] as the degree to which an EE can continuously recover from and adapt to exogenous shocks and endogenous pressures.”*
- Ramezani and Camarinha-Matos (2019, p. 44): *“the characteristics [of the BE] of resilience and antifragility including responsiveness, learning, adaptability.”*
- Sohns and Wójcik (2020, p. 1542): *“Resilient EEs are characterized by high entrepreneurial diversity.”*
- Iacobucci and Perugini (2021, p. 6): *“[BE resilience implies] the ability of entrepreneurs and institutions not only to resist but also to react and innovate.”*

\* (BE or “EE” from entrepreneurial ecosystem)

# The European Recovery and Resilience Facility

- The EU leaders agreed in mid-2020 to promote resilience through the NGEU.
- This emergency package and “common debt” among the member states will invest 750 billion euros in the green, digital, and resilient Europe—390 billion in grants and 360 billion in loans. The RRF is the core of the NGEU since it involves 75% of the funds in the Commission’s original proposal—increased to 672.5 billion by the European Council (Crum, 2020).



# The European Recovery and Resilience Facility as an instrument for resilience reinforcement

- Therefore, the EU promotes resilience significantly, suggesting this attribute as the primary ability to exit today’s crisis. However, the RRF does not have a clear territorial focus and does not mention the need to involve the local and regional authorities in the national recovery plans for the post-COVID-19 era (Conference of Peripheral Maritime Regions, 2020).
- The RRF, though, emphasizes SMEs, which are more vulnerable and less resilient than larger firms. The RRF acknowledges that SMEs have a limited ability to diversify their activities if their sector shuts down temporarily. Also, the primary problem for European SMEs is their involvement in sectors affected most by the lockdown measures, such as tourism and transport (OECD, 2020).

What does the case of Europe show concerning the research question posed in this article?

- The case of Europe reaffirms the principles suggested by the literature on the resilience of business ecosystems.
- The RRF does not emphasize specific spatial structures since it focuses on the national recovery plans, whose implementation is the primary way to improve regions' resilience.

### Final remarks

- The RRF shows no extended vision on the territories affected by the pandemic (local and regional authorities), making national governments responsible for including business ecosystems in their policies.
- However, the design that strengthens the resilience of local and regional authorities is imperative since various regions face increased risks due to their reliance on activities affected by the acceleration of the fourth industrial revolution and the pandemic (tourism, international trade, transport, the self-employed, and SMEs in generic terms).

### Future research avenues

- This introduction to the resilience of business ecosystems could specialize in studying specific sectors, aiming to find how the various business ecosystems (regions) adapt to the new conditions and how resilient they are.
- In a similar vein, future research could distinguish how the business ecosystem evolves by focusing on the relationship between the innovation of SMEs and the existence of critical infrastructure.



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