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**BOOK REVIEW****INSOL**  
INTERNATIONAL**WILEY**

# The limits of resilience: Knowing when to persevere, when to change and when to quit

By Michael Ungar (1st edition) (2024, Sutherland House, Toronto), 256pp, CAD 19.95, ISBN 978-1-990823-56-5.

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## 1 | INTRODUCTION

The 2023 collapse of Wilko, a prominent UK retail chain, exemplifies the ‘resilience paradox’ in corporate restructuring—a compelling and counterintuitive dynamic within systems, organisations and societies: The very mechanisms that bolster short-term resilience can inadvertently sow the seeds of long-term vulnerability. To solve financial challenges, Wilko secured a £40 million loan from Hilco Capital in early 2023 and implemented cost-cutting measures, including up to 400 job cuts.<sup>1</sup> These actions provided short-term stability but led to overreliance on external financing and reduced operational flexibility. Consequently, Wilko entered administration in August 2023, resulting in the closure of all 400 stores and the loss of over 12,000 jobs.<sup>2</sup> This case highlights how strategies aimed at immediate resilience can inadvertently increase medium and long-term vulnerabilities, underscoring the complex balance between short-term recovery efforts and long-term sustainability.<sup>3</sup>

Resilience has long been celebrated as the hallmark of human strength and adaptability.<sup>4</sup> Michael Ungar’s *The Limits of Resilience* does not take the Wilko case but challenges this simplistic valorisation by revealing its inherent complexities and paradoxes with other examples. As Ungar argues, resilience is not the panacea; it is often portrayed to be; instead, it is a process

<sup>1</sup>Sarah Butler, ‘Wilko secures £40 m funding from Hilco as it faces cash squeeze’ (*The Guardian*, 4 January 2023).

<sup>2</sup>Mark Sweney, ‘All 400 Wilko shops to close with loss of more than 12,000 jobs’ (*The Guardian*, 11 September 2023).

<sup>3</sup>Jane Ingram et al., ‘Post-disaster recovery dilemmas: challenges in balancing short-term and long-term needs for vulnerability reduction’ (2006) 9(7–8) *Environmental Science & Policy* 607–613.

<sup>4</sup>Andrew Zolli and Ann Marie Healy, *Resilience: Why things bounce back* (Free Press, 2014).

laden with trade-offs, contradictions and systemic dependencies. Drawing on real-world examples, such as the evolution of Drayton Valley from an oil-dependent boomtown to a community grappling with diversification, Ungar highlights how resilience can perpetuate unsustainable cycles of recovery that prioritise short-term survival over long-term transformation.<sup>5</sup> In light of this idea, resilience becomes a double-edged sword—offering hope and progress for some while exacerbating inequalities or vulnerabilities for others. By interrogating resilience as both an individual and systemic phenomenon, Ungar reframes it as a dynamic interplay of opportunities and costs, urging readers to reconsider its role in fostering equitable and sustainable futures.

Ungar introduces and expands upon several concepts that challenge traditional understandings of resilience. Central to his argument is the ‘resilience paradox’, which describes how the success of one system’s resilience can create vulnerabilities in others or even within itself over time. Ungar critiques the dominant view of resilience as mere recovery, framing it instead as a process of adaptive trade-offs—decisions and adjustments made by individuals, communities and systems that inevitably come with costs. He distinguishes between personal resilience, often characterised by individual endurance or ‘bouncing back’, and ‘systemic resilience’, which depends on the interaction of interdependent networks, such as families, governments and economies. Ungar also explores the concept of ‘resilience silos’, where one system’s self-contained approach to resilience undermines broader collective efforts. By redefining resilience as an interplay of redundancy, flexibility and diversity within interconnected systems, Ungar provides a new idea to discuss how resilience operates across personal, social and structural domains and shapes outcomes that are neither universally positive nor sustainable. This book review evaluates Ungar’s contributions, methodological approach and the broader implications of his ‘resilience paradox’ and other ideas.

## 2 | STRUCTURE AND SCOPE

The book unfolds across 10 chapters, each addressing a unique dimension of resilience. From the critique of success-driven paradigms in Chapter 1 to exploring resilience trade-offs in Chapter 10, Ungar weaves personal anecdotes, academic research and policy implications into a cohesive argument. Ungar’s exploration of the ‘resilience paradox’ is vividly illustrated in his case study of Drayton Valley, a Canadian oil town grappling with the boom-and-bust cycles of resource extraction. Traditionally, resilience in such communities is framed as an individual or familial capacity to endure economic fluctuations—working long hours during booms or scaling back during busts. However, Ungar challenges this notion by framing Drayton Valley’s transformation as a communal and systemic process, where resilience extends beyond personal endurance to encompass collective adaptation and structural change.<sup>6</sup>

Drayton Valley’s evolution highlights the paradox at the heart of resilience. For decades, the town’s identity and economy were tethered to the oil industry, fostering a singular, short-term vision of resilience rooted in ‘bouncing back’ to the next economic boom. This narrow focus on recovery entrenched dependency, making the community more vulnerable to external shocks like plummeting oil prices and increasing global calls for decarbonisation. The paradox emerges

<sup>5</sup>At 12.

<sup>6</sup>At 121.



when resilience in one domain—such as maintaining oil-driven economic stability—ultimately undermines long-term sustainability and broader systemic well-being.

A turning point in Drayton Valley occurred when community leaders began to embrace diversification, investing in initiatives like education centres, renewable energy projects and social programs.<sup>7</sup> These efforts exemplify what Ungar describes as ‘systemic resilience’, where adaptive trade-offs are made to prioritise the collective good over short-term recovery. The town’s shift away from an oil-dependent identity required grappling with the ‘resilience paradox’: letting go of deeply ingrained systems that once sustained the community to create space for new, more sustainable forms of growth. By addressing resilience as a communal achievement shaped by interdependent systems, Drayton Valley illustrates how resilience is about enduring adversity and reimagining the future to balance competing priorities and trade-offs.

### 3 | KEY CONTRIBUTIONS

#### 3.1 | Conceptual innovation

Traditional narratives of resilience often highlight individual success in overcoming adversity, celebrating personal endurance and ‘bouncing back’ as the pinnacle of resilience.<sup>8</sup> Ungar challenges this oversimplification by introducing the concept of ‘adaptive trade-offs’, where achieving resilience in one area—personal, communal or systemic—inevitably involves sacrifices, compromises or even vulnerabilities elsewhere.

Ungar’s central innovation is the notion of resilience as a paradox, where success in one domain often incurs costs in others. Central to this perspective is the ‘resilience paradox’: the realisation that resilience, far from universally beneficial, can generate unintended consequences. For example, a community’s focus on economic resilience, such as maintaining jobs in a declining industry, may stall necessary transitions to more sustainable practices, compromising environmental resilience and long-term viability. Similarly, an individual’s ability to persist in stressful conditions might come at the expense of mental health or social relationships, highlighting how resilience in one domain may weaken another.<sup>9</sup>

Ungar’s emphasis on adaptive trade-offs redirects the focus of resilience from individual recovery to collective action and systemic change. He argues that resilience cannot be fully understood or achieved without considering the interdependencies of various systems—families, communities, economies and environments—and the trade-offs required to maintain or improve them. For instance, his analysis of Drayton Valley’s transition from an oil-dependent economy to one exploring renewable energy and diversified industries reveals the complexities of balancing short-term economic stability with long-term sustainability. This shift required a communal willingness to relinquish outdated practices and embrace systemic adaptation, demonstrating resilience as a collective, forward-looking process rather than a static achievement. By positioning resilience as a dynamic negotiation of competing priorities, Ungar challenges policymakers, organisations and individuals to view resilience not as an endpoint but as a series of choices that shape the interplay between success and sacrifice. This paradigm demands a

<sup>7</sup>At 10.

<sup>8</sup>Zolli and Healy (n 4).

<sup>9</sup>Chad Miller and Brian Richard, ‘The policy diffusion of the state R&D investment tax credit’ (2010) 42(1) *State and Local Government Review* 22–35.

holistic approach, recognising that true resilience requires personal perseverance and coordinated efforts to transform systems in ways that address inequalities anticipate future challenges and balance the costs and benefits of adaptation.

### 3.2 | Systemic perspective

Ungar's systems-based perspective on resilience reshapes our understanding of how individuals, communities and institutions deal with adversity. Rather than framing resilience as an isolated characteristic of a person or entity, he highlights it as an emergent property of interlinked systems, where multiple networks—social, economic, environmental and institutional—continuously influence and are influenced by one another. This interplay reveals resilience to be less about personal strength and more about the dynamics of interconnectedness and adaptation.

Ungar employs the analogy of resilience as a negotiation among systems to illustrate its inherent complexity. Each system operates within a broader web of dependencies: family, community, business or ecological network. For example, an individual's ability to recover from job loss may hinge on the availability of community support systems, such as childcare, education and employment services.<sup>10</sup> In turn, the effectiveness of these community systems depends on governmental policies, economic stability and social cohesion. Resilience, therefore, is not the result of a single system excelling but rather the capacity of multiple systems to collaborate and adapt to challenges collectively.

This systemic approach underscores resilience as a dynamic process involving trade-offs and interdependencies. For instance, a government might prioritise economic resilience during a crisis by subsidising industries, but this decision could weaken environmental systems by perpetuating unsustainable practices. Similarly, the resilience of a healthcare system during a pandemic may rely on sacrificing personal freedoms or redistributing resources from other sectors, creating ripple effects across society. Ungar's framework encourages a broader view of resilience, where the success of one system is weighed against its impact on others, emphasising the importance of equitable and sustainable outcomes.

Ungar provides a practical framework for addressing complex challenges by framing resilience as a negotiation among systems. This perspective demands that policymakers, organisations and individuals consider resilience not an isolated goal but a collective endeavour requiring collaboration across multiple domains. Such an approach highlights the need for redundancy, diversity and flexibility in systems to ensure that resilience is distributed equitably and sustainably, avoiding the pitfalls of 'resilience silos' and reinforcing the interdependence of all systems in achieving long-term stability.

### 3.3 | Policy implications

Michael Ungar critiques the prevalent use of resilience rhetoric in recovery strategies, exposing its tendency to oversimplify complex realities and overlook systemic inequalities. In his view, policies that equate resilience with mere recovery—returning to a pre-crisis state—often perpetuate vulnerabilities and reinforce inequities. Ungar argues that true resilience is not about

<sup>10</sup>At 35.



‘bouncing back’ to what was but about ‘bouncing forward’ to create more equitable, sustainable systems. This requires a paradigm shift in policy, moving away from narrow, short-term solutions toward a broader integration of economic, social and environmental priorities.

Ungar highlights how resilience-based recovery strategies frequently focus on economic stability at the expense of other critical dimensions. For instance, in resource-dependent communities, policies often prioritise reviving industries like oil or mining, which provide immediate economic relief but ignore long-term challenges such as environmental degradation and social dislocation. This approach, he warns, exacerbates systemic inequalities, disproportionately impacting marginalised groups who are already more vulnerable to economic and environmental shocks.

To counter this, Ungar advocates for policies that recognise resilience as a multi-dimensional and systemic process. Such policies must address the root causes of inequities by redistributing resources, fostering economic diversification and ensuring access to social safety nets and environmental protections. For example, in his analysis of Drayton Valley, he illustrates how moving away from an oil-dependent economy toward renewable energy and community-driven initiatives created a more inclusive and sustainable model of resilience. This required economic innovation, social cohesion and political will to reimagine the town’s identity and future.

Ungar’s approach underscores the importance of balancing competing priorities in policy-making. Economic resilience must be aligned with social justice and environmental stewardship to ensure that recovery efforts do not simply replicate existing disparities but contribute to systemic transformation. Policies informed by this holistic perspective are better equipped to foster inclusive, adaptive resilience capable of addressing the interconnected challenges of the modern world. By cautioning against oversimplified resilience rhetoric, Ungar calls for policies that go beyond platitudes to create meaningful, lasting change across all levels of society.

## 4 | THEORETICAL INSIGHTS AND CRITIQUES

Ungar’s contributions to the discourse on resilience are undeniably transformative, particularly in his redefinition of resilience as a systemic, multi-layered process rather than an individual trait. By emphasising the interdependencies among systems—social, economic, environmental and institutional—Ungar broadens the scope of resilience studies, shifting the focus from isolated instances of recovery to the ‘dynamics of collective adaptation’. However, these theoretical advancements are not without their limitations, which warrant critical reflection.

One of the limitations of Ungar’s framework is the potential overshadowing of individual agency in favour of ‘systemic resilience’. While his emphasis on the interconnectedness of systems is compelling, it risks minimising the role of personal responsibility and individual decision-making in fostering resilience. Ungar’s focus on systemic solutions can give the impression that individuals are passive recipients of external influences rather than active agents capable of shaping their resilience. This raises important questions about the balance between ‘systemic support and personal initiative’: How can policies and interventions empower individuals without fostering dependency on systemic structures? Ungar’s work leaves this balance somewhat unresolved, pointing to a tension between the ‘macro-level transformations’ he advocates and the ‘micro-level resilience-building strategies’ individuals may need in practice.

Another critique of Ungar's approach is the practicality of implementing his proposed alternatives to resilience as recovery. While his critique of resilience as 'bouncing back' is persuasive, the systemic overhauls he suggests often require extensive institutional reform, long-term investments and a willingness to challenge entrenched power dynamics. For example, his advocacy for economic diversification in resource-dependent communities, as seen in the case of Drayton Valley, necessitates significant political will, community buy-in and resource allocation. These changes are challenging to achieve universally, especially in contexts with limited resources, weak governance structures or strong cultural resistance to change. This raises concerns about the scalability of his solutions and whether they can be realistically applied across diverse socio-economic and political landscapes.

Ungar's work also prompts a broader philosophical question: Can resilience ever be fully disentangled from recovery in the public imagination and policy discourse? While his systemic approach offers a more holistic vision of resilience, its practical implementation may require a new approach to recovery and transformation rather than a wholesale rejection of the former. This suggests that Ungar's framework, while ground-breaking, might benefit from further exploration of hybrid models that integrate systemic reforms with incremental, recovery-oriented strategies.

## 5 | PRACTICAL IMPLICATIONS

Michael Ungar's reframing of resilience as a transformative, systemic process rather than a mere return to normalcy carries significant implications for policymakers, managers and community leaders. His work challenges these stakeholders to rethink traditional approaches, such as disaster recovery or multinational enterprises (MNEs) strategies, urging a shift from short-term recovery models to long-term strategies that foster sustainability, equity and systemic adaptability.

### 5.1 | Disaster recovery

Ungar's critique of resilience as 'bouncing back' is particularly relevant in disaster recovery, where the focus is often on restoring pre-crisis conditions as quickly as possible. This approach, while expedient, can perpetuate existing vulnerabilities and ignore opportunities for improvement. Instead, Ungar advocates for recovery strategies that prioritise 'bouncing forward', using crises as catalysts for systemic change. For instance, after natural disasters like hurricanes or floods, rebuilding efforts could emphasise climate-resilient infrastructure, diversified economies and equitable resource distribution. Policymakers are encouraged to view disasters as disruptions and opportunities to address underlying systemic weaknesses and create more resilient, adaptive communities.

### 5.2 | MNE strategies

Ungar's insights have significant implications for MNEs, particularly in the context of global disruptions and 'systemic resilience' across their operations. MNEs operate within complex interdependent systems, including global supply chains, diverse regulatory environments and culturally varied workforces. Ungar's principles highlight the necessity for MNEs to adopt





strategies that transcend single-domain resilience, focusing instead on integrating economic, social and environmental dimensions into their operations. For instance, MNEs can enhance resilience by diversifying supply chains to reduce dependency on single regions or suppliers, mitigating risks associated with geopolitical instability, natural disasters or pandemics. Additionally, embedding flexibility and adaptability into operations—such as using digital technologies to optimise resource allocation or incorporating circular economy principles into production processes—aligns with Ungar's systemic perspective.

Beyond operational adjustments, MNEs must also engage with local communities to build social resilience, such as investing in workforce development, supporting local economies and collaborating with stakeholders to address shared challenges. By adopting these 'systemic resilience' strategies, MNEs can shift from reactive approaches to proactive, long-term planning that anticipates and adapts to future disruptions. Ungar's framework provides a roadmap for MNEs to safeguard their global operations and contribute to sustainable development goals and equitable outcomes in the countries or regions where they operate. These strategies are critical for ensuring that resilience efforts are not siloed within specific domains but foster interdependent and mutually reinforcing systems across borders.

### 5.3 | A call to action

At its core, Ungar's advocacy for resilience as a transformative process is a call to action for systemic reimaging across sectors. Policymakers, managers and community leaders are urged to move beyond short-term fixes and siloed interventions, embracing strategies that account for the interdependencies of systems and the complexities of resilience trade-offs. His work provides a roadmap for developing policies and practices prioritising inclusivity, sustainability and adaptability, ultimately fostering a more equitable and resilient society. Ungar's framework is not just theoretical—it offers actionable insights that can reshape how communities respond to crises and build for the future. Whether in disaster recovery, urban planning or social services, his vision of resilience demands innovative, systemic approaches that redefine success as the capacity to adapt, transform and thrive amidst adversity.

## 6 | RESILIENCE AND ITS IMPLICATIONS FOR RESTRUCTURING AND INSOLVENCY

Michael Ungar's work, emphasising 'systemic resilience' and adaptive trade-offs, opens significant avenues for interdisciplinary research and practical application, particularly in restructuring and insolvency. By reframing resilience as a dynamic interplay of systems influenced by cultural, economic and environmental factors, Ungar offers a lens through which businesses, policymakers and communities can more effectively deal with financial crises and structural transformations.

### 6.1 | Comparative resilience models in restructuring

One of the critical insights from Ungar's systemic perspective is the variability of resilience across cultural and economic contexts. These factors deeply influence restructuring and





insolvency processes, as different countries, regions and industries possess varying levels of systemic redundancy, flexibility and interconnectedness. For example, a corporation undergoing insolvency in a highly diversified economy may have opportunities for restructuring compared to one in a mono-industrial region. Similarly, cultural attitudes toward risk, failure and recovery can significantly shape the strategies adopted during insolvency proceedings. By comparing resilience models across contexts, Ungar's framework enables researchers and practitioners to identify best practices and tailor strategies to the unique systemic dynamics of each case. For instance, examining how Scandinavian countries embed social safety nets and worker retraining programs into restructuring processes can inform policy innovations in other countries or regions where such systemic support is lacking.<sup>11</sup>

## 6.2 | Interdisciplinary research opportunities

Ungar's call for bridging disciplines such as sociology, economics and environmental science is particularly relevant to understanding and addressing the complexities of insolvency. Economic resilience is often intertwined with social and environmental systems, as seen in industries facing climate-related risks or societal pressures for sustainability. For example, a company in the fossil fuel sector undergoing financial restructuring must deal with economic factors, societal expectations for environmental responsibility and systemic transitions to renewable energy. Interdisciplinary research inspired by Ungar's perspective could explore questions such as:

- \*RQ1: How do environmental sustainability practices influence a company's ability to restructure successfully?
- \*RQ2: What role do social networks and community support systems play in the resilience of small businesses during insolvency?
- \*RQ3: How can economic policies integrate 'systemic resilience' to prevent insolvencies in vulnerable industries?

## 6.3 | Resilience as a tool for restructuring

Ungar's focus on resilience as a systemic negotiation highlights its importance in restructuring processes. In this context, resilience becomes a tool for organisations to adapt to market disruptions, regulatory changes or shifting consumer preferences. This approach encourages restructuring efforts prioritising systemic sustainability over short-term recoveries, ensuring that the organisation is better positioned to thrive. For instance, restructuring companies could adopt resilience-building strategies, such as diversifying revenue streams, investing in workforce adaptability or embedding environmental, social and governance (ESG) principles into their operations. These strategies align with Ungar's concept of 'bouncing forward', using the restructuring process not merely as a means to stabilise but as an opportunity to innovate and strengthen 'systemic resilience'.

<sup>11</sup>Francesco Figari, Manos Matsaganis and Holly Sutherland, 'Are European social safety nets tight enough? Coverage and adequacy of minimum income schemes in 14 EU countries' (2013) 22(1) *International Journal of Social Welfare* 3–14; Zolli and Healy (n 4).



## 6.4 | Resilience in insolvency policy design

Ungar's 'systemic resilience' model also informs the design of equitable and forward-looking insolvency policies. Policies that incorporate systemic perspectives can ensure that insolvency processes mitigate harm to interconnected systems, such as employees, suppliers and local communities. For example, restructuring policies could include measures to support displaced workers through retraining programs or incentives for businesses to adopt sustainable practices during recovery.

## 7 | CONCLUDING REMARKS

Michael Ungar's *The Limits of Resilience* provides a transformative perspective on resilience, challenging long-held assumptions and reframing it as a paradoxical and systemic process. The book's key message lies in its argument that resilience is not simply about enduring adversity or bouncing back to pre-crisis conditions but about adapting, transforming and negotiating trade-offs across interconnected systems. Ungar's insights highlight that resilience cannot be reduced to individual fortitude or single-dimensional recovery but must be understood as an intricate interplay of social, economic and environmental systems. This redefinition not only broadens the conceptual scope of resilience but also underscores the necessity of systemic change to address complex and interdependent challenges.

Ungar's key research findings illustrate that resilience involves adaptive trade-offs, where success in one domain may come at the expense of vulnerabilities in others. His case studies, such as the transformation of Drayton Valley, emphasise the importance of collective adaptation and systemic innovation over short-term recovery. By exploring the 'resilience paradox', Ungar reveals how traditional resilience strategies can inadvertently perpetuate inequality and systemic fragility. The broader implications of his work extend to fields such as disaster recovery, urban planning and social services, where resilience must be reconceptualised to balance competing priorities and foster equitable, sustainable outcomes.

The main research contribution of the book lies in its interdisciplinary framework, which bridges sociology, economics and environmental science to provide a holistic understanding of resilience. Ungar's work opens new avenues for research, particularly in comparing resilience models across diverse cultural and economic contexts and integrating 'systemic resilience' into policy design. Future directions include exploring hybrid resilience models that combine systemic reforms with incremental recovery strategies and examining how resilience can be operationalised in various institutional and regional settings. Ungar's call to action challenges policymakers, managers and community leaders to embrace resilience as a transformative process, requiring collaboration and systemic innovation to create a more equitable and adaptive future. His vision redefines resilience not as an endpoint but as an ongoing negotiation of priorities, offering a robust framework for addressing the complexities of our interconnected world.