

Assessing the Potential for Resiliency in Fragile States

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February 20, 2015

USAID Alumni Forum

Operational Definitions

- **Fragility**: A dynamic concept that can be best understood as part of a continuum, one polar end of which represents low state performance and risk of violent conflict evident in a variety of contexts and situations. A fragile states lacks the ability to carry out basic government functions, such as providing sustainable security, economic opportunity, inclusive development, and equal justice; is unable to manage pressures and shocks; and fails to be responsive to changing social needs of its citizens.
- **Resilience**: A dynamic concept that can be best understood as the other end of the continuum, the polar end of which represents high state performance in a variety of contexts and situations. A resilient state demonstrates a robust ability to carry out basic government functions (listed above); is able to manage pressures and shocks; and is highly responsive to changing societal needs of its citizens.

Fragility & Resilience Interconnected

- Universally applicable concepts to both developed and developing societies, not just to the poor.
- Encompasses variation and change, backsliding, uneven development by sector/region/ group/ and time, and the need to take a long-term view and prepare for contingencies.
- F/R lens can focus on transnational clusters: (e.g., the Arab Spring; post-Soviet states; drought or flood affected countries; states affected by falling oil price; states impacted by climate change).
- F/R lens can focus on subnational specifics: drilling down to identify key indicators of fragility and resilience.

What is Different about MICs?

- MICs have a combined population of 5 billion, or over 70% of world population, and includes 75% of the world's poor. Income alone is a poor yardstick to identify poverty and/or fragility.
- + MICs often have more institutional capacity, leadership talent, growth points and a growing middle class, though these traits may be unevenly distributed in society. Ingredients of resilience.
- - Economic growth may intensify vulnerabilities and raise the risk of conflict, particularly if benefits of growth accrue to predatory elites, selected identity groups, or selected regions. This gives rise to sharp resentment of those left out. (Nigeria, South Africa, Pakistan, Brazil, China, India, etc.) Major fragility factor.
- MICs tend to be more complex, experience rapid change, and often are resistance to outside influence. Frequently, there are competitive centers of power. Thus, development programs require smarter tools and strategies sensitive to these realities.

Exploring the Correlates of Economic Growth and Inequality in Conflict Affected Environments: Fault Lines and Routes of Recovery

- **Purpose:** To identify factors that may better inform policy makers on the fault lines of state fragility and possible routes of recovery.
- **Methodology:** Quantitative analysis of data from the Fund for Peace's Fragile States Index (FSI), UN, World Bank and other sources combined with qualitative in-depth case studies and insights from the field.
- **Findings:** Not intended to provide definitive answers, but to suggest fresh approaches, identify new avenues of research, and point the way for a deeper and more informed debate on poverty and economic growth in fragile societies.

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Scope of Research

- Sample consisted of 91 countries
- Quantitative Data Timeframe: 2006-2012
- Triangulated approaches:
 - Regression analysis conducted on eight FSI (Fragile States Index) indicators to test for correlations of conflict risk (as measured by FSI total scores and World Bank data).
 - Consulted 66 other statistical data sources to assess goals of the New Deal for Engagement in Fragile States
 - Six countries selected that had reversed course (either improved or declined) to examine factors most responsible for the change in direction (Improved: Moldova, Belarus, Turkmenistan. Declined: Yemen, Iran & DRC).

Findings: Main Drivers of Fragility

- State legitimacy: 7.13
- Demographic pressures (incl. natural disasters): 6.81
- Uneven development (inequality): 6.58
- Security apparatus (fragmented forces): 6.29
- Human rights & rule of law: 5.93
- Public services: 5.72
- Group grievance: 5.18
- Poverty and economic decline (macroeconomic performance): 4.42

Indicators are listed in descending order, along with their corresponding coefficients, for the aggregate sample of 91 countries studied. All exert pressures on the state, contributing to state fragility, but the weights vary by time and country. (Egypt's greatest driver was delegitimization of the state. Pakistan's greatest driver was group grievance.) Poverty and economic decline, as measured by standard macroeconomic indicators, are low on the scale as a driver of conflict and fragility.

Fault Line and Route of Recovery: Economic Indicators Linked With Others.

- **Fault line for fragility:** Three factors are likely to foreshadow violent conflict--the loss of political legitimacy, growing group grievance, and poor macroeconomic performance.
- **Route of recovery**--Six factors are needed for recovery--improved political legitimacy, better public services, decreased demographic pressures, reduced inequality, good macroeconomic growth, and better human rights.

The short cluster of three factors in the fault line compared to the longer cluster of six factors needed for recovery confirms the notion that a state can decline relatively easily while fostering resilience is a long-term process.

Egypt: Sample SWOT F/R Analysis

(Lower middle income country)

Strengths

- Sense of national identity
- Low risk of territorial breakup
- Strong military
- Generous aid from Gulf states
- Holding elections
- Women's activism

Opportunities

- Women pushing for more rights
- Stock market growth & foreign debt being paid off
- Investment in large scale development projects (new Suez Canal, low cost housing, industrial cities, etc.)
- Economic reforms being undertaken(reducing subsidies, raising taxes on rich)
- Credit agencies upgrading economic outlook
- Business confidence reportedly recovering

Weaknesses

- Deep social divisions due to crackdown
- Insurgency in the Sinai
- Dominance of the military
- Dependent upon foreign assistance
- Limited representation
- Continued gender discrimination

Threats

- Vested economic interests of the military
- Extensive repression fueling unrest
- Insurgency and underground opposition
- State control of Islamic identity
- State control of universities
- Poor are disproportionately impacted by economic reforms (displacement , higher prices)
- Politicization of judiciary & police

Sample F/R Programming Template

		<i>Internal approach</i>		
		<i>List of the strengths</i>	<i>List of the weaknesses</i>	A study of the reasons why strengths overcome weaknesses
		How can strengths be maximised?	How can weaknesses be minimised?	
External approach	List of the opportunities	How can opportunities be maximised?	How can strengths be used to take advantage of opportunities ?	How can weaknesses be corrected to take advantage of opportunities ?
	List of the threats	How can threats be minimised?	How can strengths be used to reduce threats?	How can weaknesses and threats be minimised?
	A study of the reasons why opportunities minimise threats			

Some Other Considerations

- **Pace of change** is as important as the indicator ratings. A sudden drop in the political legitimacy of a state is a red flag, for example, signaling conflict may be looming.
- **Role of the private sector and FDI**: Investment tends to be greater in MICs, providing opportunities for partnerships in anti-poverty initiatives.
- **Radicalism and poverty**: The best predictor of whether a young person will participate in political violence is **injustice**, not youth unemployment. The **relative deprivation of youth (or other deprived group) compared to others** is what matters, as seen through inequality, marginalization and corruption. (Neal Keny-Guyer, Mercy Corps). (This is consistent with findings on delegitimization and group grievance.)

Looking Ahead

- Need to create an **international consensus on the criteria** for fragility and resilience.
- **In research, substance should drive methodology**, not the other way around. Beware choosing only quantitatively measurable indicators, as this may result in key factors being lost (e.g., social cohesion, factionalized elites, group grievance).
- **Insufficient data.** World Bank needs to help upgrade the capacity of fragile states to produce reliable statistical information.
- **Resilience** in fragile states does not mean “bouncing back” to the status quo ante after a crisis, as in the Ebola crisis. Rather, it means developing the ability to prevent a crisis and provide for the general well-being of the society. **Goal is transformation, not stabilization. MICs may be best candidates to accomplish this.**