

Ziaja, Sebastian; Fabra, Javier

**Research Report**

## State fragility indices: potentials, messages and limitations

Briefing Paper, No. 10/2010

**Provided in Cooperation with:**

German Institute of Development and Sustainability (IDOS), Bonn

*Suggested Citation:* Ziaja, Sebastian; Fabra, Javier (2010) : State fragility indices: potentials, messages and limitations, Briefing Paper, No. 10/2010, Deutsches Institut für Entwicklungspolitik (DIE), Bonn

This Version is available at:

<https://hdl.handle.net/10419/199656>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



## State Fragility Indices: Potentials, Messages and Limitations

### Summary

Measuring state fragility across countries may at first sight seem a purely academic exercise. Yet, the measurement of fragility is a prerequisite for adequately dealing with fragile states in the first place. Decision makers and development practitioners have come to acknowledge that effectively reducing poverty is not possible without “fixing” fragile states. Fragile states lack core state functions, most importantly the maintenance of security and basic administration. In such a deficient environment, international donors do not encounter capable governments – the most important partners to implement development-oriented reforms. Certain aid instruments are assumed to be less effective under these circumstances, and some actors argue that standard development approaches do not work well in fragile states.

Fragility indices could be of use for development policy as a tool for

- determining which countries need a different aid approach;
- monitoring larger trends of global political stability;
- evaluating the overall impact of development aid;
- and for investigating the dynamics of state fragility.

All of these applications could make aid to fragile countries more efficient. While most of today’s knowledge on state fragility is based on case studies, quantitative approaches could generate more generalizable findings to inform future policies. The applications listed above – especially the latter two, which refer to the causes and con-

sequences of state fragility – presuppose very precise measurements.

So what can the currently available indices tell us? All of them try to identify the most fragile countries, and they agree in many cases, including Somalia, Iraq and Afghanistan. These countries do not come as a surprise, however. Indices would have to incorporate other features – especially a high degree of precision regarding the distinction of the remaining countries – should they aspire to provide an added value compared with ad-hoc classifications based on common sense.

Upon closer examination, one also finds differences in how indices classify certain countries. They do not agree on cases such as Cuba and North Korea, both authoritarian but reasonably capable states. The indices’ discrepancy brings forward a fundamental question regarding the nature of authoritarian states: Must repressive but stable regimes be considered fragile, just because it is assumed that, in the long run, they will not be able to accommodate social demands as democracies can? We argue that such a classification obscures more than it clarifies and that ‘fragile’ should refer only to countries with incapable governments that are likely to break down soon.

This briefing paper gives a short summary of the messages that current fragility indices convey, portrays their limitations and delineates how development cooperation could better exploit their potential. It shows how current indices can be applied, and how both policy makers and researchers can contribute to improving future indices for ultimately supporting development in fragile states.

The international community has recognized that state fragility is one of the most important obstacles to human development. "Fragile state" is a term that summarizes various denominations referring to countries with dysfunctional, deteriorating or collapsed central authorities, including "weak", "failed", "failing" and "collapsed states". While the decay of central state authority in Haiti and Somalia in the 1990s did draw some political attention, state fragility entered mainstream foreign policy and development discourses only after the terrorist attacks on 11 September 2001. Soon after these events, the 2002 National Security Strategy of the United States declared: "America is now threatened less by conquering states than we are by failing ones."

Following the acknowledgement that state fragility threatened not only the populations of the affected countries (causing poverty, hunger and violence) but also those of the developed countries (through terrorism, uncontrolled migration and the degradation of globally relevant natural resources), Western actors decided to deal with the problem. Measuring fragility was conducted mainly by think tanks, universities and private foundations (see Table 1). In 2005, the Failed States Index was the first cross-country index to gain worldwide attention. Today, there are about ten global fragility indices – including those that do not explicitly claim to be fragility indices, but which are used as such (e. g. the *Country Policy and Institutional Assessment* of the World Bank) or which relate to closely connected concepts (e. g. the *Peace and Conflict Instability Ledger*).

### What do fragility indices tell us?

Which are the most fragile countries in the world? Table 2 presents a list of countries that appear most frequently in the "most fragile" categories of the indices. Predictably, Somalia tops the list as one of the few countries experiencing a complete collapse of central state authority. Iraq and Afghanistan follow, both post 9/11-battlefields. Together with Myanmar, they are the only non-African countries on the list. Many of the African countries have experienced violent conflict in the recent past. Other countries have suffered from political instability, e.g. Zimbabwe. The most populous country on the list is Nigeria. Its collapse could induce severe regional instability.

While agreement on the most fragile countries is quite high, there is discrepancy concerning the assessment of

many other countries. Table 3 lists the countries that are rated most differently across all fragility indices. Indices disagree especially with regard to countries which do not follow the Western model of liberal democracy and market economy, i. e. autocratic and communist regimes. Examples include socialist regimes such as China, Cuba and North Korea. Autocratically governed Islamic states constitute another group, with Saudi Arabia, Syria and Libya showing strong variance across indices. Countries from both groups are not among the top aid recipients. Rwanda sticks out as one of the few controversially rated countries that receive substantial amounts of aid. Unlike Rwanda, most of the controversial countries have not experienced violent conflicts in the recent past, but they have poor human rights records. Zimbabwe is the only country that appears on both lists – its scores differ strongly, but they are also, on average, among the lowest. There are several reasons for the diverging scores, which also illustrate the indices' limitations.

### The limitations of fragility indices

*Background concepts:* Despite all being related to fragility, the indices' background concepts differ, meaning that their underlying rationale differs. While some aim at predicting the future risk of state failure, others aim at depicting the current degree of stateness. But even more crucial are differences with regard to their comprehensiveness. While some indices focus exclusively on the security dimension, most fragility indices add political, economic and social factors. This also involves features of democracy, although these are not necessarily correlated to the risk of dissolution of central state authority. This is a main cause for divergent interpretations of autocratic countries. Such broad and comprehensive indices are often inspired by requests from policy makers to represent social phenomena in their whole complexity. One example is the OECD definition of fragile states in their *Principles for Good International Engagement in Fragile States & Situations*: "States are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations." Measuring such a definition is problematic, as very different countries will receive the same scores (e. g., strong and unwilling vs. weak and willing). Moreover, the inclusion of economic and social indicators that are thought to be causally related

Index	Publisher	Years covered
Bertelsmann Transformation Index (BTI) State Weakness Index	Bertelsmann Stiftung	2006, 2008, 2010
Country Indicators for Foreign Policy (CIFP) Fragility Index	Carleton University	2007
Country Policy and Institutional Assessment	The World Bank	2005-2008
Failed States Index	The Fund for Peace	2005-2009
Global Peace Index	Institute for Economics and Peace	2007-2009
Index of State Weakness in the Developing World	Brookings Institution	2008
Peace and Conflict Instability Ledger	University of Maryland	2008, 2010
Political Instability Index	Economist Intelligence Unit	2007, 2009/10
State Fragility Index	George Mason University	1995, 2001, 2007–2008
World Governance Indicators Political Stability & Absence of Violence	The World Bank	1996, 1998, 2000–2008

Country	No. of mentions as most fragile / no. of occurrences in indices	Average of std. scores ▼
Somalia	8 / 8	0.94
Iraq	8 / 9	0.88
Afghanistan	8 / 10	0.86
Sudan	9 / 10	0.80
Chad	9 / 10	0.80
DR Congo	9 / 10	0.79
Central African Rep.	7 / 10	0.77
Côte d'Ivoire	8 / 10	0.75
Zimbabwe	8 / 10	0.74
Myanmar	6 / 9	0.74
Guinea	7 / 9	0.68
Burundi	6 / 9	0.68
Nigeria	6 / 10	0.67
Congo	6 / 10	0.62
Full sample mean	1.16 / 7.29	0.39
Full sample std. dev.	2.10 / 2.89	0.20

*Methodology:* Countries are included if they appear in the "most fragile" category of more than five of the ten indices. They are sorted by the average standardized (std.) scores of the 2008 index editions, ranging from best to worst (0-1). Please note that these scores are not intended to provide a valid meta-index.

Country	Std. dev. of std. scores ▼	Average of std. scores	No. of mentions as most fragile / no. of mentions
Cuba	0.29	0.36	1 / 9
North Korea	0.26	0.62	4 / 9
Israel	0.26	0.43	1 / 7
Belarus	0.24	0.40	1 / 9
Rwanda	0.24	0.55	3 / 10
Saudi Arabia	0.23	0.49	1 / 8
Malaysia	0.23	0.35	0 / 9
Zimbabwe	0.23	0.74	8 / 10
Syria	0.23	0.49	2 / 9
Libya	0.23	0.41	1 / 9
China	0.22	0.44	1 / 9
Georgia	0.22	0.46	1 / 9
United Arab Emirates	0.22	0.28	0 / 8
Laos	0.22	0.50	1 / 10
Full sample mean	0.16	0.39	1.16 / 7.29
Full sample std. dev.	0.05	0.20	2.10 / 2.89

*Methodology:* Countries have been sorted in descending order by the standard deviation in order to list most controversial countries first. The number of countries listed was set to 14 as in Table 2. Please note that the standard deviation of standardized scores shows little variance for values below 0.23.

to fragility forestalls any application of these indices in research: origins and consequences of fragility are already assumed in the indices which can thus not be used to investigate these relationships.

*Aggregation methods:* Even if background concepts are comparable, minor differences in aggregation methods can lead to significantly different results. Most indices choose very simple, additive aggregation methods. They argue that the assumption of equally weighted components is a best guess, as the actual dynamics underlying the various components of fragility are unknown. Yet this ignores at least one theoretical argument from the literature on state formation: the security dimension is a necessary condition for stabilizing states – it should thus be modelled as such and the index should not allow other dimensions like economic growth to compensate for insecurity. Even when the same data is used, different approaches can lead to completely changed rank orders. A related issue is that there is no natural unit for comparing different socio-economic factors. Which degree of child mortality corresponds with which degree of crime? Resolving this issue requires solid theoretical frameworks and modern statistical methods – both rare in current indices.

*Categorization of countries:* A third shortcoming of many fragility indices is the categorization of countries. The thresholds for determining categories are usually not theoretically nor empirically justified. They are mostly simple fractions either of the scale used by the index (absolute thresholds, e. g. '<2.5' or '>7.5' on a 0-10 scale) or of the amount of countries assessed (relative thresholds, e. g. 'top 25 %'). Policy relevant thresholds, however, may lie at very different values. These could be either theorized (e. g. 'Which fraction of its terrain must a state control to plausibly

claim the monopoly of legitimate violence?') or empirically verified (e. g. 'At which level of income has civil war never occurred?'). The employment of relative thresholds even introduces the implicit assumption that the global occurrence of fragility is constant over time – a rather fatalist assumption not supported by empirical evidence.

*Data availability:* Finally, and most importantly, fragility indices are limited by the scarce availability of data sources. Most indices build on existing socio-economic data, normally produced by governments. Although the quality of data is usually assessed by international organizations, unwillingness to share data with outsiders (especially in secretive states, like North Korea), a lack of administrative capacity, and incentives to distort data reduce its reliability. Social data is usually derived from household surveys, which are expensive and more difficult to conduct in less developed countries. Other data sources also suffer from bias. For example, using an index that builds on expert opinion to investigate whether the monopoly of violence is a prerequisite for socio-economic development might induce a problem of endogeneity: Experts will judge any country at a low socio-economic level to lack a monopoly of violence, since they have learned that the latter is a prerequisite for the former. One would at least need alternative sources of data to cross-validate the results. Unfortunately, there is a shortage of such alternative sources of data.

### How to apply current indices

Given the limitations of current indices, what use are they to policy makers? In general, fragility indices can quite reliably identify the most fragile states. While small changes may be due to error and should be ignored, large

differences (between countries or over time) indicate that it might be worth taking a closer look at a particular state.

Some indices are better suited for particular tasks than others. The BTI State Weakness Index, for example, has a narrow focus on the functioning of central state authority. It measures whether the state's monopoly of violence and basic administration are in place. The Peace and Conflict Instability Ledger assesses the probability of civil war occurrence in the next couple of years. If one wants to measure the perceived fragility of a country, the Failed States Index is the best choice, as it uses content analysis of electronic media to generate its data. Still, there is a large discrepancy between the quality of current indices and their potential.

### Improving fragility indices

How can fragility indices be improved? There is certainly room for methodological improvements which researchers will have to figure out on their own. Other issues have to be addressed by both the research and the policy community to enable more sophisticated applications, including evaluation, evidence-based policy-making and answering basic but unsatisfactorily resolved research questions.

The concept of fragility is rather holistic. It has emerged from the development discourse in search of a term to describe a complex situation confronting development policy. From an analytical standpoint, however, broad

concepts pose obstacles that are hard to overcome. Attempts to measure them often end up in highly aggregate numbers which are difficult to interpret. This is why researchers favour narrow concepts. These different positions are both valid, but they must lead neither to eclectic indices (devoid of academic rigor) nor to simplistic policy recommendations (devoid of political feasibility). The debate on state fragility is walking a thin line between these two extremes. Researchers and policy makers need to be aware that they operate with different mindsets: researchers focus on the selectivity of concepts to distinguish causes and consequences of clearly defined social phenomena; policy-makers focus on comprehensiveness to accommodate various interests and facilitate compromise.

A second issue which requires effort from both sides is the generation of more and better data, not only for creating better indices, but also for enabling evidence-based policy-making in general. Better data is already available in many places, but it is not published and collected. Donors should not only systematically record their interventions and any information gathered in partner countries, but also publish as much data as possible. This is indispensable for monitoring progress and advancing the study of fragile states. Even more potential lies in the development of national statistical capabilities in the partner countries. With such an approach, gathering information on state fragility immediately contributes to combating state fragility.

### Literature

Fabra Mata, J. / S. Ziaja (2009): Users' Guide on Measuring Fragility, edited by J. Faust / J. Nahem, Bonn, Oslo: Deutsches Institut für Entwicklungspolitik, UNDP Oslo Governance Centre



**Sebastian Ziaja**

*is a researcher at the German Development Institute, working on state fragility and aid allocation.*



**Javier Fabra Mata**

*works at the UNDP Oslo Governance Centre and is also a doctoral research candidate at the University Jaume I in Spain.*