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Notes on Assessing and Forecasting State Failure

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Social science lags physical science. We can tell when eclipses of the sun or moon will occur, within a few minutes, hundreds of years in advance. Thus it may seem reasonable to ask why we cannot, to within even a few months or a year, forecast major social events such as civil wars, revolutions, or the collapse of regimes.

This comparison oversimplifies. Physical science only predicts in closed systems (or systems which can be treated as closed, for practical purposes). When it comes to complex natural events, such as earthquakes or volcanic eruptions, or even calculating the impact of physical events (e.g. Hurricane Katrina), science can make only rough predictions at best. The social sciences face even more difficult challenges, as these kinds of political events are the outcome of calculations by diverse actors seeking to foresee and respond to the actions of others. In many cases, not rational predictable decisions but miscalculations are involved. So how can we predict when one actor will miscalculate, and how others will react to such a miscalculation, or what risks different groups will take?

We thus should not expect to achieve extreme accuracy in predicting state-failure type events. But that does not mean we cannot forecast at all. There are two tools that have

been developed to help policy-makers in this specific task: forecasting models and assessment indices.

Forecasting State Failure

The most successful tool for forecasting state failures that I know is the global forecasting model developed by the Political Instability Task Force (of which I am a member). It has a proven historical accuracy of 80% in identifying countries that will or will not experience a civil or revolutionary war or democratic collapse or other major regime crisis based on data two years prior to the event. It has been extensively tested on out-of-sample and future forecasting, and has been continually used and improved for over a dozen years by the U.S. Central Intelligence Agency and the policy-makers it serves.

The forecasting model works by identifying states that have weak or vulnerable conditions. These conditions make it very likely that these states will fail soon, especially when any critical moment – an election, an economic downturn, a military dispute, an abusive or incompetent overstep by the regime, a succession crisis, a fiscal/inflationary crisis – arises. As you can see from this list, such critical moments are common for states throughout the world; strong and resilient states survive these

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moments, perhaps with protests or changes of government, but without escalation to open warfare or the failure of the regime.

To use an analogy, if states were buildings, the forecasting model works like a building inspector, seeing which buildings have strong or weak foundations, solid or crumbling walls and roofs, sound or flawed electricity and plumbing. The model does not try to predict when the next earthquake or storm will come along, but it does specify how vulnerable each country is, and hence how likely it is to survive.

What we find is that for countries that our model places in the 'highest' risk decile in our vulnerability rankings, 50% have a major political crisis within 5 years, and over 70% within 15 years. For those in the third decile, only 20% have a major crisis within 5 years, and 45% do so within 15 years. For those in the middle deciles, such major political crises are rare, and for those in the lowest three deciles they are absent.

Surprisingly, this is a fairly simple model. There is an effect of spill-overs from conflict in neighboring countries, and poverty (which we measure by infant mortality) is of course associated with higher rates of vulnerability. These are widely known results but do not help much with policy or with identifying vulnerable states. The more striking and useful insights from the model are that overt state discrimination roughly doubles the vulnerability of a country, and that by far the most important factor making for state weakness is the nature of the regime itself.

We find that full autocracies and full democracies are the most stable regime types; again not surprising. But what did surprise us was that there was a particular intermediate regime type that was much more prone to danger than other types; it is what we call a "partial democracy with factionalism." A partial democracy is one in which elections occur, but the competition is usually not free and fair, and

various restrictions or impediments are placed on various groups. While some states manage to work through this situation to improve their democracy, the failure rate is very high when competing parties also treat politics as a zero-sum game, working to exclude their opponents (especially on the basis of ethnic or ideological differences) and seize all power. In an autocracy, such a will to power can be a source of stability as long as the leader is competent and has the resources to enforce his or her will. However, in an emerging democracy, which opens up competition but has not achieved well-institutionalized and widely accepted ground rules for how that competition will be waged, such a desire for winner-take-all victories tends to overwhelm the political system and lead to the end of democracy or violent wars. Sadly, for countries that are poor, have a history of discrimination, and then embark on a partial democracy with factionalism, the results are almost always dismal.

We thus have confidence that this tool can provide a reasonable guide to which countries are weakest, and precisely where that weakness lies. Better use of this tool might have helped avoid the sectarian conflicts unleashed by organizing electoral competition along ethnic/religious lines in Iraq, and on a positive note, international efforts to bridge and defuse possible factional conflicts in the wake of the Kenya election probably avoided a major crisis in that country.

Assessment Tools

While we are pleased that the PITF model has evolved to be useful, we are very conscious of its limitations. It was developed to help policy-makers avoid unpleasant surprises, and so was designed to look only at states that are currently and recently stable, and discriminate among them to identify those that might fail in the near future. The model thus was *not* designed to examine states that are currently in a state of war

or crisis, or have just emerged from such conditions, to ask how they are doing and how much they have improved.

We need a different tool for this task – an *assessment* tool that looks not forward but backward and asks, given that a state has been or is in a state of disorder or crisis, *how bad is it now*, and how much has it improved or worsened? In other words, for countries like Iraq, Somalia, Afghanistan, Bosnia, and Sudan, the question we want to ask is not “will there be instability in the future?” There is so much instability right now that this is almost a meaningless question. What we want to know is how far is such a conflict-ridden or emerging post-conflict state from establishing the institutions it needs to survive, and how much progress it has made (or not) in various critical areas.

For this purpose, a number of organizations have developed matrices of critical tasks, or indices of state weakness or fragility. I have developed one with the Center for Global Policy at George Mason University, working with Dr. Monty Marshall. The Brookings Institution and the Center for Global Development, and the Center for Strategic and International Studies have also developed similar scales, although so far as I am aware only the Center for Global Policy index has been measured historically to give a view of changes in state fragility around the world over the last decade (from 1995 to 2007).

These assessment tools all identify a similar set of critical institutions or conditions that enable a state to operate and survive – security, political systems, economic growth, and delivery of social services – and propose various measures for scoring the degree to which a state has developed those institutions and achieved favorable conditions. The scales all agree on the ‘worst cases’ – Somalia, Afghanistan, Iraq, Sudan, and the Democratic Republic of the Congo make everyone’s ‘top

ten.’ However, what has not yet been demonstrated is whether any of these scales can in fact provide a useful guide to state-reconstruction; that is, whether states that ‘move up’ on these scales of fragility do in fact show a tendency to continue improving and move toward stability, democracy, and prosperity, or not. Nor do we know whether these scales provide clear ‘targets’ or threshold markers for when a satisfactory state has been reached. To my mind, that should be one of the key research priorities for fundamental investigations of forecasting/assessment tools.

This is all the more important since many of the measures used in these assessment tools are measures that happen to have been available on a global basis, such as annual economic growth data. Yet that data is only available with a lag of one or two years, and what policy-makers and field commanders more often need is a tool that can be updated in real time, with a lag of only a month or two, to determine if they are making progress. On some measures – such as attacks on US or government forces and facilities, or combat deaths – it is straightforward to get fairly current data and to understand its significance. But on other measures, such as quality of government institutions, the value placed on government services, or the fairness of the distribution of economic growth, we are still grasping for ways to gain valid and current information.

Research in both areas is continuing on many fronts. The PITF is now running analysis of ‘trigger events’ to see if we can spot patterns of critical events that accelerate, or more importantly hinder, a vulnerable country’s slide into civil war or democratic collapse. The Defense Department and the OECD are working to develop better current assessment tools to guide their aid to fragile and conflict-ridden states. It should be pointed out that these are somewhat new problems, and that research into them has only become seriously established in

the last decade. Prior to that, it was simply assumed that “sending in the Marines” or providing technical or humanitarian assistance could stabilize a country until a new government took over.

That may have been true when the efforts involved the US seeking to influence Nicaragua or the Philippines from the 1920s to the 1950s. But the vast expansion in population in the Third World in the twentieth century, the glare of global publicity and concerns about sovereignty and human rights, and the growth of extreme nationalism and hostility to the West had made the problems of assisting fragile states far more complex. As our experience in Bosnia, Haiti, Iraq, Afghanistan, and Somalia has shown us, we do not have a magic formula for helping such states quickly establish stability, democracy, and achieve economic recovery. However, we certainly hope that we can do a better job than we have recently done when facing such challenges in the future. Forecasting tools can help us identify where those challenges are most likely to arise, and assessment tools should – with a bit more research and improvement – guide us to better outcomes.