Book Reviews


The report published by the World Bank and addressed to policy makers and others concerned has the main aim to demonstrate as to why addressing fragility and conflict is crucial for ending extreme poverty globally. This is sought to be achieved by trying to fill the gaps in the estimates and understanding of extreme poverty and welfare conditions in fragile and conflict situations (FCS). Authored by a team of internal and external experts of the World Bank, the main claims of the report are two-fold: through innovative methods it has tried to bridge the acute data gaps about extreme poverty in FCS and has attempted clustering of FCS countries based on certain salient features (instead of using any predetermined criteria) to arrive at cluster-specific policy interventions. The report is divided into five chapters along with an introduction and a few analytical notes in the Annexure explicating the methodological innovations. The report basically works based on the definition and list of FCS countries as given by the World Bank and its affiliates. The World Bank group has been releasing a list of FCS since 2006 even as the criteria has changed over years. The FCS list covers only low and middle-income countries and is supposed to help the World Bank group in its strategic and programmatic focus on FCS being pursued in response to the group’s capital replenishment efforts post-2008 crisis.

Chapter 1 deals with basic concerns about FCS and extreme poverty. Globally the number of people living in FCS including displaced people has been increasing even as there are no recent or accurate data on poverty for these regions. Middle East and North Africa are identified as regions having more people in the proximity of conflicts. The chapter argues that even as globally extreme poverty has been declining rapidly, the FCS is confronted with intractable poverty with data deprivation emerging as a major challenge in monitoring poverty. Data deprivation is attributed to the fact that there is either no data available or it is outdated including on displaced people.

Accounting for data deprivations using certain statistical assumptions and imputations reveals that FCS countries have a much higher poverty rates (>19 per cent) resulting in a marginally higher global poverty estimation (0.5 per cent more) with FCS alone showing a 7 per cent increase in the number of poor. Using back casting the chapter shows that poverty rates have risen in FCS as compared to other countries and are expected to increase further by 2030.
While statistical innovations in the report may have apparently helped in bridging data gaps about poverty in FCS, but these exercises are not without flaws. First, poverty estimation even in normal situations is ridden with challenges which are bound to aggravate in FCS cases. The use of World Bank’s international poverty line (IPL) of $1.9 per day (in 2011 in PPP dollars) by the report is questionable. The $1.9 IPL is not only arbitrary but is considered too low to address the basic needs even in the normal context. In FCS situation where deprivations are much higher, IPL cannot capture the real extent of poverty. It will underestimate poverty grossly. The idea of multi-dimensional poverty which can overcome the limitation is conveniently parcelled to another chapter in the report. Also, the assumptions made to bridge the data gaps like gross domestic product (GDP) per capita can predict poverty rate and 50 per cent of GDP per capita growth is passed on to household income in FCS are devoid of any conceptual basis and adequate empirical evidence. As regards data deprivation, though the report identifies rightly the data gaps in FCS but ignores the fact how data are made oblique or absent even in the non-FCS countries. Moreover, the attempt to improve data gaps is largely statistical ignoring the conceptual problems inherent in the existing tools like IPL of the World Bank which hugely underestimates the poverty and deprivations. Thus, the claim of filling poverty data gap in FCS is neither accurate nor conceptually sound.

Chapter 2 has tried to look at poverty and deprivation from a multi-dimensional perspective. Use of the multi-dimensional poverty measure of the World Bank which includes monetary poverty, education and access to basic infrastructure shows that the poverty ratio is much higher (48 per cent) than what is indicated by monetary poverty (36 per cent) alone in FCS. Multi-dimensional poverty is attributed to multiple deprivations prevailing in FCS. The estimation of multi-dimensional poverty is also ridden with limitations as there are data gaps to capture diverse deprivations besides the fact that the multi-dimensional criteria used is relatively narrow. The chapter further reveals that economies in FCS perform poorly on various human capital indicators leading to vast unused human potential. The study identifies a negative correlation between FCS and economic growth with people in FCS showing a lower satisfaction and lower hope with life.

Based on a review of available evidence, the Chapter 3 tries to assess the long-term effects of FCS on human capital and welfare focusing on health and vulnerable groups like children and women. Besides affecting mental health, conflicts are seen to be having negative impact on education and earnings. Gender impacts are likely to be mixed particularly on enrolment and years of schooling. Conflicts can also impact inter-generational socio-economic mobility both in absolute and relative sense curtailing younger generation’s chances of surpassing parents’ status. Economically, available evidence suggests, conflicts could lead to reduced labour earnings, loss of assets, decline in output, and deskillling. Increased refugee problems impact host economy in multiple ways even as instances of negative impact on the health of host population are observed. Overall, conflicts are seen to be causing short-term and
long-term destructive impact on human capital and economic conditions which warrants measures to mitigate the impact and prevent the conflicts. However, the evidence presented in the chapter is weak and can be considered as indicative.

Chapter 4 tries to cluster the FCS countries based on certain innate profiles to explore ways of pre-empting conflict and identify differentiated policy interventions. Drawing upon the extant clustering models, the study has attempted clustering FCS countries based on a set of diverse variables relating to voice and accountability, political stability, government effectiveness, battle deaths, refugee population, homicide rate, ethnic divide, and share of natural resources in GDP. The clustering based on salience of these variables has resulted in six clusters which in turn are ordered based on a governance index. Group-specific entry points of policy are identified to help tailor policy solutions. Incidentally, in the clustering exercise, one group even turns out to be without any salience highlighting the weakness of the method including the selection of the variables having weak links to the real cause of the conflict.

Based on the findings, the concluding chapter draws four policy directions in tackling the poverty challenges of FCS which include addressing data deprivation, monitoring fragility markers, prioritising countries and target groups, and creating context-differentiated policies. There is an attempt to explicate some specific policy steps under each of the policy directions in the battle against extreme poverty. For example, technology-based solutions like use of mobile surveys and satellite imageries are offered to overcome data deprivation which goes with their own set of challenges in FCS. Basic needs, education, health and focus on women and children are the priorities identified.

The report though may be a welcome attempt to analytically improve evidence-based policy interventions in FCS but suffers from few basic limitations be it in terms of the use of the available categorisation of FCS or in the soundness of methods proposed for overcoming data challenges. The study has taken the definition of FCS as given by the World Bank where in fragility is seen as lacking in country policy and institutional assessment score (of<3) or having presence of a peace keeping force or facing spurt in refugee population (>2000 per 100000); while intensity of conflict is defined based on minimum number of conflict deaths occurring. All high-income countries have been excluded which makes the definition narrow and even ethnocentric. For example, USA’s display of policy fragility recently either in tackling Covid-19 which caused massive economic and social deprivation or the massive ethnic riots which broke out post-Floyd murder are not considered worthy of fragile situation.

Further, in classifying countries based on basic profiles for addressing FCS challenges, the study tends to overtly depoliticise the underlying issues or dynamics leading to FCS. No attempt is made to look at the basic reason like inequality, ethnic divide, neoliberalism, and imperialism which have aggravated conflicts of various kinds globally resulting in increased violence, poverty and deprivation. Apparently,
there is so much focus on governance in the narrative around FCS totally ignoring the chronic causes as ‘good governance’ is considered to be the magic bullet. Any attempt to address poverty in FCS must be more holistic and cannot be a mere statistical exercise ignoring political dimensions. By the way, the report though published by the World Bank but is not to be considered as reflecting World Bank’s official views as per the caveat in the publication note.

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