

Disruptions, Multidimensional Vulnerability and Fragility: The Trilogy No One Takes Responsibility For¹

By Luis Porto²

The concept of vulnerabilities has been used for a long time. Although there is no agreed definition, there is general acceptance of its relationship with the characteristics of a family, company, sector, region or country that make the duration of the impact of a shock longer and the probability of recovery lower. The definition of the characteristics depends on the nature of the shock. The definition of the impact and recovery depends on what is to be measured, such as, for example, poverty, welfare, gross product, among others.

From the point of view of identifying vulnerabilities at the country level, one of the most widely used approaches has been the Multidimensional Vulnerability Indicators (MVI).³ In the MVI approach, dimensions are defined, variables and indicators are identified for each dimension, and then countries are grouped according to their vulnerability, identifying the vulnerabilities of each group.

The definition of variables, in general, follows the logic of literature review or conceptual analysis of the rationality of the choice of variables. In any case, there is a certain degree of subjectivity, and it is very difficult to avoid it, since the definitions depend on the objectives of each study, i.e. each index.⁴

In this sense, it is pertinent to recall that one of the main objectives of the vulnerability approach is related to resilience to a shock.⁵

Briguglio et al.⁶ define vulnerability as the inherent exposure of a country to external shocks beyond its control. However, they argue that it is possible to resist and recover from shocks through appropriate policy formulation. In other words, resilience can be built to address vulnerability, and lack of resilience capacity can affect vulnerability, deepening the impact of the external shock.

¹ The opinions expressed in this article are the sole responsibility of the author and do not commit the OAS.

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³ OAS: [Op-Ed: Vulnerabilities? What Vulnerabilities?: The Focus of Multidimensional Indicators](#).

⁴ [Measuring Vulnerability-A Multidimensional Vulnerability Index for the Caribbean.pdf \(caribank.org\)](#)

⁵ See [Vulnerability Assessment Literature Review.pdf \(fhi360.org\)](#) for a review focused on strengthening population, households and individuals.

⁶ Briguglio, L.; Cordina, G.; Farrugia, N. and Vella, S. (2008): *Economic Vulnerability and Resilience. Concepts and Measurements*, World Institute for Development Economics Research, United Nations University

The multidimensional approach to vulnerabilities precisely addresses the different dimensions in which each country has weaknesses in guaranteeing security and providing public services to its citizens to ensure access to rights. To make a system of guarantees of universal access to human rights a reality in every country, one of the fundamental challenges is to generate policies in terms of financial and fiscal sustainability that allow such universal access.⁷

The interdependent nature of access to human rights leads to the need to analyze vulnerabilities as multidimensional and interdependent. Interdependence between vulnerabilities in the financial and productive system, between institutional vulnerabilities, the labor market, informal work and poverty, between poverty and human capital, between human capital and the productive system, between the productive system and the financial system. This is not an exhaustive list, as we could go on enumerating and identifying how the interdependencies between vulnerabilities generate feedback mechanisms of vulnerabilities among themselves.

A notorious example is that generally after each shock, Latin American and Caribbean countries increase their indebtedness and this limits their capacity to invest in infrastructure, health, education or any other investment that would allow them to reduce vulnerabilities and develop capacities to face the next shock. This observation is particularly relevant in the current situation, in which the region has not finished emerging from the pandemic and received the shock of Russia's invasion of Ukraine and its impact on prices, to which is being added the rise in international interest rates and eventually the shock of a generalized fall in the growth rate of activity worldwide in 2023, which some are even warning of a possible recession.⁸

The Central American and Caribbean region also runs the risk of having to face the consequences of climate change once again.

Vulnerabilities and fragility

The extreme case of lack of capacity to guarantee citizen security and provide public services is that of fragile states. State fragility prevents countries from addressing their inherent vulnerabilities and from implementing policies for structural change to cope with external shocks, climate change or natural disasters.

^{7 7} In ECLAC (2020): [Reconstrucción y transformación con igualdad y sostenibilidad en América Latina y el Caribe \(cepal.org\)](https://repositorio.cepal.org/publicaciones/1/S2000168.es), particular reference is made to this fact in relation to universal social protection systems.

⁸ [World Bank's Malpass says war in Ukraine may trigger global recession | Reuters](https://www.reuters.com/world/world-bank-malpass-says-war-ukraine-may-trigger-global-recession-2022-02-24/)

In fragile countries, humanitarian crises and social tensions are recurrent, particularly after each disruption. And when this happens it also affects neighboring countries and, in an interconnected world, other countries as well.

States are considered fragile when they cannot guarantee access to human rights for their citizens, through services and public goods; and when they cannot guarantee the security of their citizens because the State no longer has a monopoly of force in the territory. This is generally related to weak institutional capacity, lack of governability due to political factionalization and weak governance that restrict the State's capacity to guarantee security to its citizens and provide basic public services. The fragility of a country is therefore associated with the capacity of the state and civil society to manage conflicts. It is associated with effectiveness and legitimacy.

The morphology of the social economic and political fabric matters. If the ineffectiveness of the state can be moderated by intermediate social, political, and economic organizations, demands can be channeled and ways of containing indignation and conflict can be developed. Otherwise, lack of effectiveness becomes lack of legitimacy. Lack of effectiveness and legitimacy prevent "making and implementing public policies and delivering essential services," and developing "systemic resilience to maintain system coherence, cohesion and quality of life, respond effectively to challenges and crises, and sustain progressive development."⁹

The trilogy no one takes responsibility for

Beyond conceptual (im)precisions and empirical approaches, it is impossible to dissociate external shocks, natural disasters and the impacts of climate change (disruptions) from the vulnerabilities of agents and countries, from the capacity or fragility of States.

Taking responsibility for climate change means addressing its consequences and promoting new policies in international lending organizations.

Taking responsibility for the external effects (shocks on underdeveloped countries) of the policies pursued by developed countries also implies generating bilateral or multilateral cooperation mechanisms to offset the impacts of shocks.

⁹ [GlobalReport2017.pdf \(systemicpeace.org\)](#)

The repetition of external effects on underdeveloped countries increases their vulnerabilities and can generate a lack of effectiveness, legitimacy and, therefore, fragility.

Disruptions, vulnerabilities and fragility form a trilogy for which no one is responsible. They are three human works that form a unit and result in inequality between countries and within countries. But no one is responsible for them.

The trilogy without a responsible author must be approached with responsibility and solidarity, in any country in which natural disasters, vulnerabilities and the fragility or weaknesses of the State and civil society generate vicious circles and traps from which it is impossible to escape on one's own.

There are several vicious circles and traps in which underdeveloped countries get stuck in each external shock or in the face of the uncertainties generated by the different transitions¹⁰, and to get out of the vicious circles or escape from the different traps, each country must develop its own strategy. However, there are some possible common paths: public and private investment is needed to reduce vulnerabilities and develop resilience capacities.

For private investment there are multiple strategies that need to be addressed. For public investment, it is essential to address fiscal sustainability and external financing. In a post-pandemic scenario of high levels of indebtedness in the region (although decreasing in 2022 due to economic recovery) and with uncertain prospects for international interest rates, the issue of debt and debt restructuring should be on the table with a focus on vulnerabilities, fragilities and resilience.

Shocks and uncertainties are happening more and more frequently. Latin American and Caribbean countries must avoid falling into the vicious circles of shocks, vulnerabilities and fragilities, and the international community and international lending agencies have a role to play in developing financing instruments.

No one takes responsibility for the trilogy, but someone still may take charge of the solutions.

¹⁰ [Transiciones-Shocks-y-Resiliencia.pdf \(oas.org\)](#)