Fragility Exposure Index

Floriana Borino[1], Jack Gregory[2], Valentina Rollo[3]

The world is grappling with unprecedented crises and is becoming more fragile. Fragility is commonly thought of as a state-level phenomenon and the numerous definitions of fragility tend to focus on the state, and what it can or cannot do.

However, not all places and businesses in a given territory are affected in the same way. Just as fragility varies from country to country, it may also vary from region to region within a country, and from firm to firm within a region.

While the bulk of attention has been directed at measuring and addressing fragility at the macro level, experiences differ at the micro level. Measuring fragility from a business perspective is thus necessary.

The literature on fragility suggests that firm level fragility is a multidimensional concept, expressed through factors that often influence one another. The ITC Fragility Exposure Index created for the SME Competitiveness Outlook report of 2023 models this multidimensionality following Baliki et al. (2022), in which the main factors driving the experience of fragility are related to human security, economic inclusion, and social cohesion.[4]

To construct the index, questions on fragility from the ITC Small Business in Fragility Survey were used. In particular, the survey asked how businesses experience fragility and the coping mechanisms they adopted in response (the questionnaire is reproduced at the end of this document).

The ITC Small Business in Fragility Survey was implemented in eight countries (Burkina Faso, Colombia, Honduras, Iraq, Kenya, Myanmar, South Sudan and Ukraine) between November and December 2022. In total, 1,323 complete firm interviews were conducted. The ITC Fragility Exposure Index is based on a subset of 1,107 firms from Burkina Faso, Colombia, Honduras, Iraq, Kenya, Myanmar, South Sudan, and Ukraine, for which full and comparable data are available. The sample includes firms of different sizes, sectors, and regions of the respective countries (Table A1).

[1] Floriana Borino, Trade Analyst, Division of Market Development, International Trade Centre, Genève, Switzerland; e-mail: fborino@intracen.org .
[2] Former International Consultant, International Trade Centre.
[3] Corresponding author: Valentina Rollo, Head of Research, Division of Market Development, International Trade Centre, Genève; e-mail: rollo@intracen.org.
[4] Baliki et al. 2022.

Table A1 Sample size of ITC Fragility Exposure Index

Country	Number of completed interviews	Share
Burkina Faso	180	16%
Colombia	161	15%
Honduras	99	9%
Iraq	207	19%
Kenya	181	16%
Myanmar	74	7%
South Sudan	168	15%
Ukraine	37	3%
Total	1,107	100%
Sector[5]		
Agriculture	340	31%
Manufacturing	162	15%
Services	605	55%
Total	1,107	100%
Size[6]		
Micro	715	68%
Small	271	26%
Medium	59	6%
Large	12	1%
Total	1,057	100%

Fragility Exposure Index methodology

Assumptions of factor analysis modelling

Although there are many methodologies available to build indices, factor analysis is particularly well suited for constructing the Fragility Exposure Index. First, since no single indicator is sufficient on its own to predict fragility, it can be considered a latent concept. Factor analysis acknowledges multidimensionality as essential in the construction of the final index. Second, factor analysis allows estimating weights (also known as factor loadings) associated to each observed indicator in the measurement of the latent factor. These estimated factor loadings relieve the researcher from subjectively designing the weighting scheme in the aggregation step.[7] Third, factor analysis combines a theoretical understanding of the subject matter

[5] The share does not add to 100% due to rounding.
[6] Observations by firm size do not add up to 1,107 because some firms did not reply to the question 'How many full-time employees does this establishment currently have?'
[7] Falciola, Jansen, and Rollo 2020.

with statistical techniques to compress a larger set of variables into a smaller set of latent factors while minimizing information loss.[8]

Factor analysis relies on a number of assumptions, discussed below.[9]

Theoretical background

First, it is most relevant when theoretically defined dimensions can be represented by derived, observable factors. As such, the technique assumes the existence of underlying dimensions. Moreover, the exclusion of relevant variables or the inclusion of spurious ones will affect which factors are uncovered. Hence, the initial set of variables should, as far as practicable, be driven by theoretical considerations.

Qualitative analysis of the literature on SMEs in fragility was undertaken to identify the firm level factors that affect firms' experience of fragility. Consequently, the ITC Fragility Exposure Index follows the theoretical concepts laid out in Baliki et al (2022) in their 'Fragility Exposure Index' (FEI). The FEI models exposure to fragility along three pillars: human security, economic inclusion and social cohesion. Human security incorporates physical safety, a lack of group- or gender-based discrimination and equal rights before the law. Economic inclusion is the ability of all people to take an equal share in economic opportunity. Social cohesion reflects the participation in communities and trust in institutions.

Data

Second, factor analysis relies on quantitative data, with at the very least an interval scale—that is, ordered data where the difference between values is measurable. Although, as noted by Kim and Mueller (1978), an ordinal scale—that is, ordered data without measurable differences between values[10]—is justifiable if its categories do not seriously distort the underlying scaling.[11] Likewise, the use of binary data is permissible if the correlation between variables is thought to be moderate, typically understood as below 0.7.

The dataset created from the ITC Small Business in Fragility Survey's questions is entirely composed of either binary or ordinal data. To prevent any one variable from having undue influence over the analysis, all variables are standardized between 0 and 1. The correlation between variables is investigated in the next step.

Correlations

Third, factor analysis leverages correlations between variables. Low correlations may thus preclude the use of the approach, while high correlations may indicate a multicollinearity problem. While a quantitative correlation threshold for its use does not exist, a significant number of variables should be correlated for the technique to produce reliable and meaningful results. That is, the correlation matrix should have a substantial number of values greater than 0.3. It should also be noted that factor analysis assumes uncorrelated measurement errors.

As the factor analysis requires the calculation of many correlations, it is possible that some are deemed significant and appear in the model simply by chance. A large sample is the best protection against such

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[8] Hair, Black, and Babin 2010, vol. 7.
[9] OECD and Joint Research Centre 2008.
[10] For example, the survey question "Has insecurity and instability affected business operations in the last 12 months?" has an ordinal scale based on frequency, e.g., not at all, seldom, sometimes, often, constantly, or always.
[11] Kim and Mueller 1978.

occurrences and the best approach to minimize the chances of overfitting the data. As a general rule, the minimum is to have at least five times as many observations as the number of variables. The sample used in the creation of the Fragility Exposure Index surpasses this rule.

As previously noted, the correlation matrix should have a substantial number of values greater than 0.3 but less than 0.7. Given that there are 24 fragility-related variables, this means that there are 276 distinct correlations. Out of these, 65 have values greater than 0.3, representing approximately 24% of the dataset. Only 1 correlation has a value above 0.7. This suggests that there are a substantial number of correlations in the 'Goldilocks' region between 0.3 and 0.7.

While the above provides some descriptive evidence of commonality within the dataset, two statistical measures of overall correlation are also investigated. Bartlett's test of sphericity is used to test the null hypothesis that the set of variables are uncorrelated. In statistical terms, it assesses whether the correlation matrix is an identity matrix. A statistically significant Bartlett's test indicates that sufficient correlations exist among the variables to proceed. Additionally, as Bartlett's test is sensitive to sample size, Tabachnick and Fidell (2013) suggest implementing it with the Kaiser–Meyer–Olkin (KMO) measure.[12] The KMO measure is an indicator of sampling adequacy. It takes values between 0 and 1, with values below 0.5 meaning that, overall, the variables have too little in common to warrant a factor analysis.[13]

Bartlett test of sphericity

Chi-square = 8757.934
Degrees of freedom = 276
p-value = 0.000
H0: variables are not intercorrelated

Kaiser-Meyer-Olkin Measure of Sampling Adequacy
KMO = 0.862

From the results above, it can be seen that the Bartlett's test is statistically significant at the 99.9% level, while the overall KMO is well above 0.5. In sum, both descriptive and statistical checks imply that a factor analysis of the data is viable, as assumptions (2) and (3) are satisfied.

Controlling for outliers

Finally, as with most statistical techniques, the presence of outliers can affect results. Tests for influential cases should be run, and comparison analyses between samples with and without outliers should be used as a robustness check. In extreme cases, outliers should be removed prior to the analysis.

This assumption is confirmed in the robustness checks conducted at the end of this annex.

[12] Tabachnick and Fidell 2013, vol. 6.
[13] The two measures are implemented using the factortest command in Stata.

Exploratory factor analysis

An exploratory factor analysis is performed on all questions related to firms' experience of fragility from the ITC Small Business in Fragility Survey.[14] The questionnaire is also structured based on the theoretical concepts laid out in Baliki et al (2022), with questions divided in three sections: human security, economic inclusion and social cohesion.

1. A factor matrix is estimated, containing the factor loadings for each variable and factor. Loadings are similar to correlations, insofar as they indicate the degree of correspondence between each variable and factor with higher loadings indicating a stronger relationship. Essentially, they are used to interpret the role each variable plays in defining each factor.

As a first step, exploratory factor analysis is conducted using all variables presented in Table A2, across all pillars. In this table and all subsequent tables, factor loadings below 0.3 have been dropped to highlight the pattern across factors more prominently.[15]

Table A2 Initial factor analysis results using all variables

Factor	Eigenvalues	Proportion	Cumulative
Human security	4.89	0.544	0.544
Social cohesion	2.63	0.292	0.835
Economic performance	1.40	0.155	0.991

Variable	Human Security	Social Cohesion	Economic Performance	Uniqueness
Security payments				0.946
Difficulty accessing inputs	0.366		0.495	0.607
Difficulty delivering goods	0.513		0.430	0.518
Lower demand	0.500		0.515	0.451
Clients not paying bills	0.560			0.661
Customers feeling unsafe	0.634			0.595
Damage to business property/assets	0.557			0.688

[14] As the FRAG_C_01 question does not directly relate to fragility or insecurity it is dropped from the dataset. Note that there are two types of factor analysis: common and component. They have contrasting objectives with the former used to identify latent dimensions represented in the data, while the latter is primarily a data reduction technique (Hair et al. 2010). Here, the focus is on common factor analysis.

[15] This is a typical cutoff representing the minimal level for structural interpretation. Note that these guidelines are applicable when the sample size is 100 or more and where the emphasis is on practical, not statistical, significance, especially as loadings tend to have larger standard errors than typical correlations. Moreover, it has been shown that the acceptable level of significance for a loading should increase with later factors. The number of variables being analyzed is also important in deciding which loading are significant. As the number of variables increases, the acceptable level for considering a loading significantly decreases. However, given that our sample is over 1,000 observations, we are less concerned by these considerations than we otherwise would be. OECD and Joint Research Centre 2008.

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Relocation of premises	0.544			0.621
Temporary shutdown	0.600			0.639
Reduced investment	0.579			0.641
Harassment of staff	0.661			0.513
Loss of staff due to violence	0.669			0.501
Staff stress-related illness	0.642			0.547
Increased administrative bottlenecks	0.621			0.613
Requests for unofficial payments	0.643			0.512
Contract enforcement				0.993
Trust in fellow citizens		0.690		0.480
Trust in national government		0.854		0.239
Trust in local government		0.838		0.263
Trust in BSO		0.615		0.608
Trust in social/family networks		0.412		0.769
Importance of social group membership				0.949
Future expectations				0.949
Revenue affected			0.457	0.787

The variables 'Contract enforcement', 'Importance of social group membership', 'Future expectations' and 'Security Payment' are dropped iteratively due to low loadings across all factors. Each of these variables also exhibit high uniqueness, which indicates that they are poorly explained by the human security, social cohesion, and economic performance factors. After dropping these variables in various steps, the final iteration of the factor analysis has the results presented in Table A3.

Table A3 Factor analysis results using selected variables

Factor	Eigenvalues	Proportion	Cumulative
Human security	4.85	0.573	0.573
Social cohesion	2.56	0.303	0.876
Economic performance	1.32	0.156	1.032

Variable	Human Security	Social Cohesion	Economic Performance	Uniqueness
Difficulty accessing inputs	0.365		0.494	0.609
Difficulty delivering goods	0.516		0.437	0.514
Lower demand	0.503		0.524	0.444
Clients not paying bills	0.561			0.658
Customers feeling unsafe	0.633			0.595
Damage to business property/assets	0.555			0.690
Relocation of premises	0.542			0.621

Temporary shutdown	0.601			0.639
Reduced investment	0.577			0.643
Harassment of staff	0.661			0.513
Loss of staff due to violence	0.670			0.492
Staff stress-related illness	0.640			0.542
Increased administrative bottlenecks	0.622			0.612
Requests for unofficial payments	0.646			0.505
Trust in fellow citizens		0.689		0.484
Trust in national government		0.863		0.232
Trust in local government		0.845		0.259
Trust in BSO		0.615		0.611
Trust in social/family networks		0.402		0.783
Revenue affected			0.432	0.809

The upper part of Table A3 lists the factors and their eigenvalues.[16] An exact quantitative basis for deciding the number of factors to extract does not exist. However, a variety of quantitative and qualitative stopping criteria for the number of factors are recommended in the literature.[17]

For quantitative methods, the **latent root criterion** is the most commonly used technique, whereby only factors with eigenvalues greater than one are extracted. The rationale being that any individual factor should account for the variance of at least a single variable if it is to be retained for interpretation. Another common method is the **variance explained criterion**, whereby only successive factors achieving a specified cumulative percentage of total variance are extracted. In this case, a common threshold has not been adopted for all applications.

For qualitative methods, the **a priori criterion** stipulates that only the number of factors conceptually expected should be retained. Essentially, the number of factors are set prior to undertaking the analysis. The closely-related **comprehensibility criterion** limits the number of factors to those whose meaning is readily obvious. In both cases, this typically means only the first two or three factors are extracted.

Across these four stopping criteria, the analysis produces three factors. Only the first three have latent roots with values above one. One can view the variance explained in the 'Proportion' column, where the top factor explains over 57% of the variation in the data. The next two factors explain 30% and 16%, respectively. Cumulatively, the top three factors explain 99% of the variation.[18] Finally, given the qualitative analysis and Baliki et al. (2022), it was expected that three factors would emerge.

In the lower part of Table A3, the three factor columns present loadings between each variable and the three factors. Higher correlations in absolute value indicate a stronger relationship between a variable and the specific factor. Looking at the variables that have significant loadings within each factor, a pattern emerges that resembles the dimensions identified in Baliki et al. (2022). The first factor deals with issues of human security, the second with social cohesion and the third with economic performance. The factors are named accordingly.

[16] For clarity's sake, only the three factors that are kept for the Fragility Exposure Index are shown in the tables. Full tables are available upon request.

[17] OECD and Joint Research Centre 2008.

[18] This is possible as some factors, particularly later ones near the end of the analysis, negatively explain the variation in the data.

2. Next, after limiting the number of factors, a factor matrix rotation is performed. This step aims to simplify the factor structure and improve the interpretation of the results. That is, an optimal structure exists when each variable has only one significant factor. This is achieved by maximizing the loading of individual variables on individual factors. The most common rotation method is the 'varimax rotation', which is adopted here.

The results of the 'varimax rotation' are presented in Table A4. Ultimately, the objective is to minimize the number of significant loadings on each row of the factor matrix.

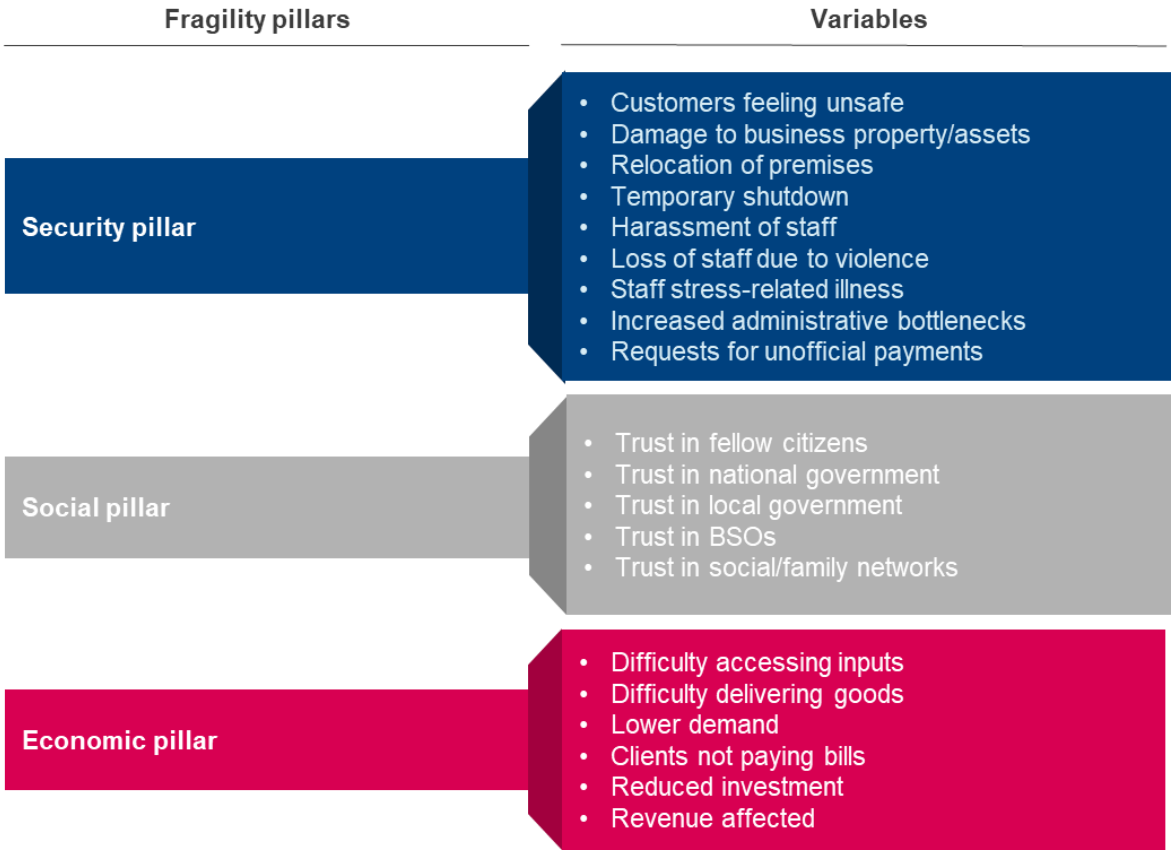
Table A4 Rotated factor analysis results using selected variables

Factor	Eigenvalues	Proportion	Cumulative
Human security	4.03	0.476	0.476
Social cohesion	2.56	0.303	0.779
Economic performance	2.14	0.253	1.032

Variable	Human Security	Social Cohesion	Economic Performance	Uniqueness
Difficulty accessing inputs			0.619	0.609
Difficulty delivering goods			0.650	0.514
Lower demand			0.719	0.444
Clients not paying bills	0.423		0.403	0.658
Customers feeling unsafe	0.584			0.595
Damage to business property/assets	0.488			0.690
Relocation of premises	0.615			0.621
Temporary shutdown	0.529			0.639
Reduced investment	0.432		0.406	0.643
Harassment of staff	0.686			0.513
Loss of staff due to violence	0.703			0.492
Staff stress-related illness	0.667			0.542
Increased administrative bottlenecks	0.557			0.612
Requests for unofficial payments	0.695			0.505
Trust in fellow citizens		0.676		0.484
Trust in national government		0.875		0.232
Trust in local government		0.859		0.259
Trust in BSO		0.622		0.611
Trust in social/family networks		0.409		0.783
Revenue affected			0.377	0.809

The rotation improves the results in two main ways. First, it groups all economic variables in the third factor, and second, it reduces the number of cross-loadings, i.e. variables highly related to two or more factors, which persist for 'Clients not paying bills' and 'Reduced investment'. These variables clearly define economic considerations, so they are kept with the other economic indicators in the 'Economic performance' factor. As a result, the finalized factor matrix clearly constructs three pillars as defined in Figure A1.

Figure A1 *ITC Fragility Exposure Index*



Fragility Exposure Index calculation

With the structure finalized, the three pillars and, subsequently, the index itself are generated. The pillars are produced through a confirmatory factor analysis. After running the appropriate structural equation model, the latent pillar values can be predicted by combining the resulting coefficients with the values for each observation. The pillars are then standardized between 0 and 100 through a max-min procedure. A max-min procedure is adopted so as to define higher pillar values as more fragile. The associated equation is defined below:

$$\bar{x}_i^j = \frac{\hat{x}_i^j - \max(\mathbf{x}^j)}{\min(\mathbf{x}^j) - \max(\mathbf{x}^j)} \cdot 100$$

where $\hat{x}_i^j$ is the prediction and $\bar{x}_i^j$ is the standardized pillar value for business i and pillar j. The vector $\mathbf{x}^j$ is full set of predictions for a particular pillar, where $j \in$ {Security pillar, Social pillar, Economic pillar}.

The Fragility Exposure Index is then calculated as a simple average of all three pillars, with higher values indicating higher experience of fragility by the business. For each business i, the Fragility Exposure Index can be represented mathematically as:

$$Fragility\ Exposure\ Index_i = \frac{1}{3}\sum(Security\ pillar_i, Social\ pillar_i, Economic\ pillar_i)$$

This results in a vector containing the Fragility Exposure Index for each individual business.

Robustness checks

With the preferred index structure specified above, robustness checks are conducted. This is done by:

1. Performing a confirmatory factor analysis

The most direct method of validating the results is to perform a confirmatory factor analysis and assess the replicability of the model. In a structural equation model with three latent factors corresponding to the pillars in Figure A1, it is found that all relationships are statistically significant at the 99.9% level. Moreover, it is shown that the preferred structure outperforms less parsimonious models.

2. Varying rotational methods

The index structure stability is also investigated by varying rotational methods, as there is a wide variety beyond varimax. A number of orthogonal and oblique rotations are tested and similar structures arise in most of the alternatives.

3. Bootstrapping

The next check focuses on bootstrapping, which assists in statistically confirming the number of factors to retain.[19] The exploratory factor analysis is repeated, but instead of relying on deterministic results, bootstrapped eigenvalues on 1,000 simulated samples with replacement are estimated. It is found that resampling confirms a three factor structure across all draws.

4. Adopting polychronic correlations

The original exploratory factor analysis relied on a Pearson correlation matrix. An alternative is a polychoric correlation matrix which can produce accurate correlations for both binary and ordinal variables.[20] In adopting the alternative correlations (see Table A5), the index structure is identical, except for the cross-loading of 'Difficulty delivering goods' and the inclusion of 'Contract enforcement' in the Social pillar. The former should be kept in the Economic pillar, especially as its loading is almost double in the Economic pillar compared to the other identified factor. For the latter, 'Contract enforcement' could plausibly be dropped from the index as its loading is only marginally above the typical cutoff of 0.3.

[19] Jackson 1993.
[20] Watkins 2022.

Table A5 Rotated factor analysis results using polychoric correlations

Factor	Eigenvalues	Proportion	Cumulative
Human security	5.62	0.476	0.476
Social cohesion	2.93	0.248	0.723
Economic performance	2.32	0.197	0.920

Variable	Human security	Social cohesion	Economic performance	Uniqueness
Difficulty accessing inputs			0.644	0.564
Difficulty delivering goods	0.339		0.662	0.444
Lower demand			0.746	0.383
Clients not paying bills	0.516		0.416	0.561
Customers feeling unsafe	0.700			0.435
Damage to business property/assets	0.587			0.592
Relocation of premises	0.735			0.459
Temporary shutdown	0.592			0.570
Reduced investment	0.493		0.401	0.592
Harassment of staff	0.798			0.349
Loss of staff due to violence	0.788			0.368
Staff stress-related illness	0.758			0.410
Increased administrative bottlenecks	0.677			0.468
Requests for unofficial payments	0.801			0.351
Contract enforcement		0.312		0.823
Trust in fellow citizens		0.712		0.400
Trust in national government		0.891		0.200
Trust in local government		0.891		0.203
Trust in BSO		0.686		0.523
Trust in social/family networks		0.448		0.716
Revenue affected			0.466	0.715

5. Testing random samples

With sufficient data, it is possible to randomly split the sample into two equal subsets and perform factor analyses separately on each. Comparison of the two resulting factor matrices can provide an assessment of the robustness of the preferred index across the sample. Using this technique in both the initial factor analysis and during robustness checks, it is found that both random samples specify the original index structure.

6. Identifying outliers

The final validation test is the detection of outliers and, thereby, comparing results both with and without them. To do this, a technique developed by Chatterjee, Jamieson, and Wiseman (1991) is adopted which is based on the difference in convex hull volumes with and without a particular observation.[21] In this case, less than 5% of the sample are identified as influential observations. When the initial factor analysis is run without these observations, the preferred index structure is reproduced, as presented in Table A6.

Table A6 Rotated factor analysis results after dropping outliers

Factor	Eigenvalues	Proportion	Cumulative
Human security	4.48	0.497	0.497
Social cohesion	2.67	0.297	0.794
Economic performance	2.01	0.223	1.017

Variable	Human security	Social cohesion	Economic performance	Uniqueness
Difficulty accessing inputs			0.611	0.621
Difficulty delivering goods			0.634	0.531
Lower demand			0.702	0.469
Clients not paying bills	0.440		0.403	0.643
Customers feeling unsafe	0.623			0.578
Damage to business property/assets	0.494			0.683
Relocation of premises	0.641			0.589
Temporary shutdown	0.531			0.632
Reduced investment	0.431		0.394	0.655
Harassment of staff	0.739			0.443
Loss of staff due to violence	0.752			0.429
Staff stress-related illness	0.696			0.504
Increased administrative bottlenecks	0.598			0.577
Requests for unofficial payments	0.760			0.413
Trust in fellow citizens		0.702		0.450
Trust in national government		0.879		0.224
Trust in local government		0.869		0.241
Trust in BSO		0.640		0.590
Trust in social/family networks		0.435		0.750
Revenue affected			0.359	0.818

Based on the robustness checks above, it can be concluded that the model is stable and robust to a variety of alternative approaches.

[21] Chatterjee, Jamieson, and Wiseman 1991.

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Questionnaire

Questions on fragility from the ITC Small Business in Fragility Survey

ENTERPRISE'S EXPERIENCE OF FRAGILITY
Impact on human and firm security
FRAG_C_01. Please rate the severity of the following obstacles to your business. (1 no obstacle, 2 minor obstacle, 3 moderate obstacle, 4 significant obstacle, 5 severe obstacle, 6 very severe obstacle) 1. Accessing finance 2. Accessing utilities (transport, electricity, internet, gas, water and garbage) 3. Obtaining business licenses and permits 4. Complying with customs and trade regulations 5. Paying taxes 6. Securing land/property rights 7. Hiring workers with adequate skills 8. Competing with informal firms 9. Coping with crime, theft, conflict and disorder 10. Dealing with corruption and bribes 11. Enforcing contracts

FRAG_C_02. In the last 12 months, did this establishment pay for security, for example equipment, personnel, or professional security services including internet security?

1. Yes
2. No
3. Don't know

FRAG_C_03. Has insecurity and instability affected business operations in the last 12 months? (1 not at all, 2 seldom, 3 sometimes, 4 often, 5 constantly, 6 always)

1. Difficulty accessing inputs (e.g. unreliable supply chain)
2. Difficulty getting goods to customers
3. Lower demand from customers
4. Clients refusing/unable to pay their bills
5. Customers feeling unsafe in premises or doing business with the enterprise
6. Damage to business property/assets
7. Relocation of premises
8. Temporary shutdown, suspension of services
9. Reduced investment
10. Harassment of staff or customers by official or unofficial entities
11. Loss of staff due to violence
12. Staff stress-related illness, injuries or physical ill health
13. Increased administrative bottlenecks
14. Requests or coercion for unofficial payments, bribes, extortion

Impact on social cohesion and trust

FRAG_C_04. How does your business ensure that contracts with buyers and suppliers are enforced as agreed upon? *(single-select)*:

1. Through legally enforced contracts
2. Through verbal agreements directly with the other party
3. Through a third (non-official) guarantor
4. All of the above
5. Most contracts are not enforced as agreed
6. other

FRAG_C_05_A. How much trust do you have in: (*likert scale 1. No trust, 2, Very little trust, 3. Little trust, 4. Some trust, 5 a lot of trust, 6. Complete trust)*:

1. People of this country
2. National government
3. Local government
4. Business support organizations (e.g. chambers of commerce)
5. Social/family networks

FRAG_C_06. To what extent does the ethnicity, family ties, political affiliation or religion of an entrepreneur affect whether they have successful interactions with official institutions? *(single-select)*

1. It is a decisive factor
2. It may help or hinder, but is not decisive
3. It is not a factor
4. Do not know

Impact on economic integration/performance

FRAG_C_07. How do you feel about the future of your business *(single-select)*:

1. Very pessimistic
2. Pessimistic
3. Somewhat pessimistic
4. Somewhat optimistic
5. Optimistic
6. Very optimistic
7. Do not know

FRAG_C_08. In the last 12 months, how have your business revenues been affected due to violence, conflict and/or political instability?

1. Negatively: reduced by 51-100%
2. Negatively: reduced by 1-50%
3. Not affected
4. Positively: increased by 1-50%
5. Positively: increased by 51-100%
6. Do not know