Sustaining Peace

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Institute for Economics & Peace
Research used extensively by organisations including the OECD, Commonwealth Secretariat, World Bank and the United Nations.

Ranked as one of the 15 most impactful think tanks in the world on the Global Go To Think Tank Index.
INDICATORS

6 measures of ongoing domestic and international conflict
Including: intensity of organised internal conflicts, relations with neighbouring countries and number of deaths from conflict

10 measures of societal safety and security
Including: number of refugees and IDPs, impact of terrorism, homicide and incarceration rates

7 measures of militarization
Including: military expenditure, number of armed service personnel, ease of access to small weapons
10 MOST PEACEFUL COUNTRIES

1. ICELAND
   Rank change: ↔

2. NEW ZEALAND
   Rank change: ↑2

3. PORTUGAL
   Rank change: ↑2

4. AUSTRIA
   Rank change: ↓1

5. DENMARK
   Rank change: ↓3

6. CZECH REPUBLIC
   Rank change: ↔

7. SLOVENIA
   Rank change: ↑3

8. CANADA
   Rank change: ↔

9. SWITZERLAND
   Rank change: ↓2

=10. IRELAND
     Rank change: ↑2

=10. JAPAN
     Rank change: ↓1
10 LEAST PEACEFUL COUNTRIES

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Rank Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>163</td>
<td>Syria</td>
<td>↔</td>
</tr>
<tr>
<td>162</td>
<td>Afghanistan</td>
<td>↓2</td>
</tr>
<tr>
<td>161</td>
<td>Iraq</td>
<td>↔</td>
</tr>
<tr>
<td>160</td>
<td>South Sudan</td>
<td>↑2</td>
</tr>
<tr>
<td>159</td>
<td>Yemen</td>
<td>↓1</td>
</tr>
<tr>
<td>158</td>
<td>Somalia</td>
<td>↑1</td>
</tr>
<tr>
<td>157</td>
<td>Libya</td>
<td>↓3</td>
</tr>
<tr>
<td>155</td>
<td>Sudan</td>
<td>↔</td>
</tr>
<tr>
<td>155</td>
<td>Central African Republic</td>
<td>↑2</td>
</tr>
<tr>
<td>154</td>
<td>Ukraine</td>
<td>↑2</td>
</tr>
<tr>
<td>153</td>
<td>Democratic Rep. Congo</td>
<td>↓1</td>
</tr>
</tbody>
</table>
Countries became MORE PEACEFUL

Countries became LESS PEACEFUL

PEACE DECLINED 2.14% PER CENT OVER THE LAST DECADE
The last decade's deterioration has been dominated by conflicts in the Middle East.

If the Middle East and North Africa were removed, the world would have become more peaceful.
DETERIORATION OF PEACE

692% increase in deaths from internal conflict from 2007 to 2016.

247% increase in deaths from terrorism from 2007 to 2016.

The number of displaced people has doubled, reaching 63,912,700 in 2016.
THE GLOBAL COST OF VIOLENCE IN 2016

$14.3 trillion

WHICH IS EQUIVALENT TO
12.6% OF WORLD GDP

OR
$1953 PER PERSON

IF THE WORLD DECREASED VIOLENCE BY ONLY 10%...

...$1.43 trillion
COULD BE DIRECTED TO OTHER ECONOMIC ACTIVITIES

This is a highly conservative estimate.
Military expenditure is the single biggest component of the global cost of violence.

A 1% reduction in the cost of violence is the equivalent to:
- The global total Official Development Assistance in 2016

A 10% reduction in the cost of violence is the equivalent to:
- The global total Foreign Direct Investment in 2016
- The total economies of Denmark, Switzerland and Belgium
The economic effects of terrorism on tourism lasts for many years. The change in tourism revenue shown below was the year following a major terrorist attack in each country.
DEFINING AND MEASURING PEACE

*The perfect state would have no police, jails or crime*

**Actual Peace**

- Crime
- Suppression
- Military
- Armed Conflict

**Positive Peace**

Derived through statistical analysis of datasets, indices and attitudes with the GPI

**Positive Peace Index**
Positive Peace creates the optimum environment for human potential to flourish.

High levels of Positive Peace are associated with:

- Higher per capita income
- Resilience
- Better environmental outcomes
- Higher GDP growth per annum
- Better performance on MDGs
Countries that improved in Positive Peace since 1996 have had larger GDP per capita growth than countries that have deteriorated.

The distribution of GDP per Capita growth since 1996 is much higher in those countries that have also improved Positive Peace.

Source: World Bank, IEP Calculations
The proportion of resistance movements that are non-violent is higher in countries with stronger Positive Peace.

Source: University of Denver, IEP Calculations
84 percent of all political and violent endogenous shocks have occurred in low Positive Peace countries.

**INCIDENCE OF SHOCKS BY LEVELS OF POSITIVE PEACE**

Source: EMDAT, INSCR, Reinhart and Rogoff, UCDP, IEP
SYSTEMS AND THE NATION STATE
What does systems thinking bring?

Social Science/Economics/Political Science

Understanding the system response requires understanding the systems and their relationship to the input.
Systems are subject to non-linear behaviour and effects. Once countries reach a certain threshold then become much more peaceful.

<table>
<thead>
<tr>
<th>Peace vs Corruption</th>
<th>Peace vs GDP per Capita</th>
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<tbody>
<tr>
<td>GPI</td>
<td>Source: Transparency International, World Bank, IEP</td>
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</table>
PREDICTING CHANGES IN PEACE - 7 YEARS IN ADVANCE

POSITIVE PREDICTIVE VALUE

<table>
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<tr>
<th>% RISK MEASURE</th>
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<tbody>
<tr>
<td>IEP – LIKE COUNTRY</td>
<td>52%</td>
</tr>
<tr>
<td>IEP – POSITIVE PEACE DEFICIT</td>
<td>55%</td>
</tr>
</tbody>
</table>

7 years provides time to implement collective action
Countries need to be willing to make changes
Falls in Positive Peace Precede Violence

*Deteriorations in Group Grievances, Control of Corruption and Freedom of the Press are common leading indicators of conflict onset.*

Prior deteriorations positive peace indicators (2007 to 2014) for the largest 20 deteriorations in negative peace from 2013 to 2017.
Gains in Positive Peace Precede Gains in Peace

*Improvements in Business Environment, GDP, Mobile Phones are common leading indicators of improvements in peace.*

Prior improvements positive peace indicators (2007 to 2014) for top 20 improvers in negative peace from 2013 to 2017.
Many Positive Peace Indicators deteriorate prior to deteriorations in negative peace.
Many Positive Peace Indicators improve prior to improvements in negative peace.

Prior improvements in number of positive peace indicators (2007 to 2014) for top 20 improvers in negative peace from 2013 to 2017.
PEACEKEEPING AND PEACEBUILDING IS EQUIVALENT TO 2% OF THE COST OF CONFLICT.

Global Value in 2015 (Billions):

- Economic losses from conflict: 742
- Total ODA, gross disbursement: 167.0
- Total Peacekeeping, 2015: 8.27
- Peacebuilding to 31 conflict-affected countries: 6.8
THE ESTIMATED COST-BENEFIT RATIO OF PEACEBUILDING INTERVENTIONS IS 1:16.

- If the activities in 50% of the countries at risk were successful the ROI would 5 times.
- Even in countries which aren’t at risk, the activities would build stronger institutions and states.
- Cost of conflict in the last ten years = $2.94 trillion.
SUMMARY

Measure and analyse peace

Factors that create peace

ACTION

- Better prediction
- Better cost/benefit analysis
- Better program outcomes

Measure and analyse peace

$$ Lost opportunity cost