

Peace, Wealth and Human Potential

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EXECUTIVE SUMMARY

One of the more remarkable findings from the 2010 Global Peace Index is that societies that are highly peaceful also perform exceptionally well in many other ways. The most peaceful societies have higher per capita income, high levels of well-being, more freedom, perform better at sustainability, and appear to have a more equitable distribution of social spending. What is important is not whether peace creates these abundances, rather the realization that what creates a peaceful society also allows for a fuller expression of human potential, and in many diverse forms.

However, humanity is currently facing some of the greatest challenges that it has experienced in its history.

These challenges are global and multifaceted; encompassing economic management, environmental sustainability, as well as a wide variety of social ills. Compounding these challenges is the inability of our institutions to adequately address their causes and to then create the remedies. This can be seen in the breakdown of the Copenhagen Climate Change talks, burgeoning government and private sector debt, lack of regulation of the speculative aspects of the financial system or indeed our inability to even articulate good capitalist models that aren't totally based on consumption.

Yet such imminent and urgent challenges do provide a unique opportunity for us to reconsider and redefine our institutions, relationships, and values so that we can create a viable future in which humanity can meet its shared challenges and continue to prosper. Peace is one of these essential elements.

In this year's report we will examine two broad themes of peace. The first theme explores the relationships between peace and economic wealth, while the second brings a fact-based approach to establishing the conditions and causes of peace while analysing trends in peacefulness over the last four years. These two themes can be broken down further:

- The Global Peace Index provides a mechanism to statistically understand the **factors that are associated with peace**. This forms the basis of creating a fact-based approach to understanding what creates peace. The key structures and attitudes derived from this approach will be discussed along with significant correlations and some of the implications that spring from the research.
- An analysis, based on the Brauer/Tepper-Marlin 2009 paper, further evaluates the economic **value of peace**. It examines the value of peace to the global economy as well as analysing the monetary value that peace would bring to the major industry sectors within a selection of countries.
- It will be explained how peace can be used by business leaders as a **strategic analysis tool** to better estimate and understand changes in markets, cost structures and margins.
- In this fourth year of the Global Peace Index, there is now enough data to perform preliminary **time-series analyses** so as to better understand the global, regional and national levels of peacefulness.

- The Alliance for Peacebuilding along with the Fulbright Centre held an innovative two - day workshop in November 2009 for the Washington DC-based Ambassadors of the two most peaceful nations from each region of the world. The aim was to share their experiences and reach a better understanding of why their nations have out-performed their neighbours in peace. Profiles of six nations have been included in this report, highlighting their path to peace.

It is hoped that this work will be useful to academics, politicians, business leaders, civil servants, philanthropists and non-governmental organizations (NGOs) in their efforts towards building a more peaceful world. It is felt that the work has relevance in helping to create successful policies in areas such as international development assistance, counter-terrorism and the domestic agendas of governments.

Global connectivity is accelerating at an ever increasing pace. This also leads to increasing interdependence. In many ways improvements in technology have been the underlying cause of change, making it easier to communicate, faster to travel, cheaper to transport goods and easier to supply intellectual services anywhere on Earth. This interdependence creates an environment where local conflicts create global ramifications and, as evidenced by Iraq and Afghanistan, wars are no longer economically viable. But if wars are no longer economically viable then how can they be prevented? Through understanding peace it is possible to build the structures that minimise the likelihood of future violent outcomes. Additionally, the finite resources of the planet will come under ever increasing strain fuelled by increasing consumption patterns and underpinned by population growth.

All of the above factors create ever increasing risk and without the risks being mitigated our quality of life could disintegrate. The attributes and qualities that create peace also create the optimum environment to resolve these challenges. Therefore peace can be seen as a measurement of systemic risk because without peace there will be failure. Through the measurement of peace we can now understand whether our actions are in fact reducing our risk of succumbing to major systemic shocks or increasing these risks.

Global challenges call for global solutions and these solutions require cooperation on a scale unprecedented in human history. Peace is an essential prerequisite because without peace we will be unable to achieve the levels of cooperation, inclusiveness and social equity necessary to solve these challenges, let alone empower the international institutions necessary to address them.

Peace lies at the centre of being able to manage these many and varied challenges, but peace does not exist on its own. In many ways it is a proxy for many other things that create the optimum environment for humanity to flourish. These can be defined as the structures that create peace and the social attitudes that support it. Based on the research that has been conducted over the last four years in the Global Peace Index, peaceful societies can be characterized as having a set of common *structures* and *social* attributes that can be identified through statistical analysis. When peace is viewed as consisting of these

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characteristics or attributes, then the word “*Peace*” can be seen as a proxy for describing an inter-related set of structures. These structures and attitudes are:

- Well-functioning government
- Sound business environment
- Respectful of human rights and tolerance
- Good relations with neighbouring states
- High levels of freedom of information
- The acceptance of others
- High participation rates in primary and secondary education
- Low levels of corruption
- Equitable sharing of resources

These qualities act as a *facilitator* making it easier for people to produce, businesses to sell, entrepreneurs and scientists to innovate and governments to regulate. A detailed review of these qualities is contained in this discussion paper.

The Global Peace Index is the first study ever to rank the nations of the world by their peacefulness. This has allowed a unique view of peace to be formed; fact based and constructive in its approach to working on the many and varied global challenges that humanity is facing. Now in its fourth year, the body of research surrounding it is growing, with more academics, researchers and global think tanks using the data and results. The Institute for Economics and Peace has analysed the four years of data to better understand the global, regional and national trends in peacefulness.

Over the four-year period the world has become slightly less peaceful. However, the regions of Sub-Saharan Africa and the Middle East & North Africa have led the world by showing slight improvements in their peacefulness. Surprisingly more countries decreased their military spending as a percentage of GDP than increased it although total expenditure on the military did increase. The indicators that deteriorated the most in the four-year period were the number of conflicts fought, deaths from organised conflicts and the number of homicides.

Peace does have a monetary value in addition to the humanitarian benefits that it provides. Following on from the groundbreaking work that was undertaken last year to estimate their value of peace to the global economy, Professor Jurgen Brauer, in conjunction with the *Institute for Economics and Peace* and the *Economists for Peace and Security*, undertook a study to further analyse the value of peace to the global economy covering the four year period from 2006 to 2009. The additional value that would have been added to the global economy would have been US\$18.50 trillion dollars over the four-year period. This does not take into account expenditure that would have been diverted from violence-related activities to other areas such as infrastructure development, sustainable technologies or to social security. That expenditure has been estimated to be US\$9.77 trillion over four years, bringing the total amount available for redeployment to US\$28.27 trillion.

It is hard to imagine a world totally at peace, one in which there is no violence; however, it is reasonable to assume that a 25% increase in peacefulness is within our grasp. This would equate to US\$7.07 trillion in additional or redirected economic value over the four years measured.

If the cost of investing in proactive peace-creation was minimal compared to the lost potential caused by violence, then would it not be fitting for governments to free up the resources needed to build a more peaceful society? And would it not be fitting for business to engage with government to create peace in the markets in which they operate?

If peace creates additional economic value then corporations can use peace to analyse their businesses to provide better insights into strategy and planning. Through analysing the variances on costs and margins by the peacefulness of their markets, corporations can get a better understanding of how to price these changes on their business, thereby improving the bottom line. Similarly, by analysing movements of peacefulness within their markets, corporations can make better assessments of where to invest, what markets to aggressively defend or where best to compete with competitors. Some examples of using peace in strategic business analysis and planning are contained in this paper.

But if peace is an essential prerequisite for solving our sustainability challenges and improving our economic and social well-being, then having a good understanding of peace is essential. This poses the question “*How well do we understand peace?*” Although great strides have been made in improving our understanding of peace with many universities now having Peace and Conflict centres, the study of peace is still not common to the major academic disciplines. There are no courses on the literature of peace in the literature departments of the major universities in the world yet there are profound works on peace. Nor is there a chair in Peace Economics in any major university, yet surveys conducted by the United Nations Global Compact show that 80% of business leaders believe that the size of their markets expand with peace and 79% believe that their costs decrease with expanded peace. Knowledge is key to creating the correct sets of initiatives to solve any problem, so if we live in a world that desires peace then how can the optimum level of peace be created without first fully understanding it.

In summary, peace research is poorly funded and without appropriate funding it is difficult to improve the knowledge base. There are many significant and inter-related challenges facing humanity. These challenges are global in nature. What creates peace also creates the optimum environment to solve these challenges as well as creating the additional economic wealth to fund the solutions. *Therefore peace is a prerequisite for the survival of society as we know it in the 21st century.*

ANALYSIS OF FOUR-YEAR TRENDS FROM THE GLOBAL PEACE INDEX

Overview

With the publication of the fourth Global Peace Index in 2010, there is now sufficient data available for a preliminary time-series analysis and identification of trends in peacefulness.

This research by the Institute for Peace and Economics (IEP) provides an introductory analysis of the four-year trends¹.

This paper examines changes in the GPI scores highlighting regional and sub-regional trends and movements in specific indicators as well as changes that have been observed in economic groupings of countries such as the OECD, G20, or BRIC.

To compare the time series accurately, only indicators and countries that have been constant throughout the four years were included in the analysis. Thus, the findings detailed below pertain to the original 120² countries and cover the 20 indicators for which the methodology has remained unchanged. Indicators excluded from this time-series analysis are listed in table 1, with a brief explanation given for their exclusion. For this reason the figures quoted in this section may not match those published in the 2010 Results and Methodology report or prior year reports.

The methodology that was used in this analysis was to sum the scores by indicator, country and region in 2007 and to then sum the scores again for 2010. The summed scores for 2007 were then subtracted from the summed scores for 2010, thereby arriving at the change figure for each indicator. This was then divided by the number of countries to give an average movement and converted to a percentage.

Table 1. Indicators excluded from time-series analysis

Indicator name	Reason for exclusion
UN deployments (percentage of total forces)	Replaced in 2009
Non-UN deployments (percentage of total forces)	Discontinued in 2009
Funding for UN peacekeeping missions	Replaced UN deployments in 2009
Aggregate number of heavy weapons per 100,000 people	Methodology improvement in 2010
Number of displaced people as % of the population	Methodology improvement in 2010

Overall findings

Overall, the world has become slightly less peaceful over the four years since the GPI's original publication in 2007. Table 2 demonstrates a slight improvement in peacefulness between 2007 and 2008, followed by a slight but steady deterioration in 2009 with an overall reduction in peacefulness of 2% occurring over the four-year period. It is interesting to note that the reduction in peacefulness did coincide with the global financial crisis. For the period 2007 to 2010 the increase in overall GPI scores has been driven by a decrease in peacefulness for 75 of the 120 countries or 62% of them, two countries recorded no change in their peacefulness and another 43 or 36% countries improved their peacefulness. Low scores indicate more peacefulness while higher scores less peacefulness.

¹ IEP will be producing a more comprehensive analysis of the data, the trends and their implications in the second half of 2010.

² Hong Kong, included in the 2007 GPI, was subsequently dropped.

Table 2: Average GPI overall scores year-on-year 2007 – 2010*

Publication year	GPI average score	Number of countries whose score has improved	Number of countries whose score has worsened	Number of countries with no score change
2007	1.94	•	•	•
2008	1.92	68	39	13
2009	1.96	36	77	7
2010	1.98	41	75	4

**A higher score denotes higher levels of violence.*

Although four years of data is still a short time series, it does give the ability to start to look at what global trends and events may be affecting the world and regional peacefulness. The most significant event during the four years was the advent of the global financial crisis which occurred during 2008 and 2009. This event has been picked up in the 2009 and 2010 GPIs. This is because there is a one-year lag on data collection and reporting as some of the data is sourced from other organisations. Economic growth rates are still below historic averages and the lingering debt means that the immediate outlook is uncertain.

The decline in peacefulness over the four-year period was primarily driven by increasing scores in the following GPI indicators: military sophistication, relations with neighbouring countries, number of deaths from organised internal conflict, number of homicides and number of external and internal conflicts fought.

While many indicators did show declining peacefulness there were some indicators that consistently improved over the four-year period. Military spending as a percentage of GDP and ease of access to weapons of minor destruction both improved. Some countries, Iceland for example, have demonstrated a certain resilience with peacefulness returning quickly.

Movements in specific indicators

Of the twenty indicators included in this study, only four improved in peacefulness over the period 2007 to 2010. Slight improvements were seen in the potential for terrorist acts and respect for human rights while ease of access to weapons of minor destruction had a higher improvement but the indicator with the most marked improvement was the percentage of GDP spent on the military. It is interesting to note that although on average more countries decreased their percentage of military spending as a portion of GDP, the overall global expenditure on the military did increase.

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Table 3: Indicator movements, 2007 – 2010

Indicator	Score change	Change
Level of distrust in other citizens	0.72%	↓
Number of internal security officers and police per 100,000 people	0.58%	↓
Number of homicides per 100,000 people	5.13%	↓
Number of jailed population per 100,000 people	2.87%	↓
Ease of access to weapons of minor destruction	-1.54%	↑
Level of organised conflict (internal)	1.75%	↓
Likelihood of violent demonstrations	1.57%	↓
Level of violent crime	0.33%	↓
Political instability	1.14%	↓
Respect for human rights	-0.16%	↑
Volume of imports of major conventional weapons per 100,000 people	1.04%	↓
Potential for terrorist acts	-0.20%	↑
Number of deaths from organised conflict (internal)	5.16%	↓
Military expenditure as a percentage of GDP	-6.44%	↑
Number of armed services personnel per 100,000 people	0.72%	↓
Volume of exports of major conventional weapons per 100,000 people	4.24%	↓
Military capability/sophistication	2.56%	↓
Relations with neighbouring countries	2.76%	↓
Number of external and internal conflicts fought	15.57%	↓
Estimated number of deaths from organised conflict (external)	0.00%	•

**Based on 120 countries.*

One of the most interesting positive trends has been the constant decline in military expenditure as a percentage of GDP. In aggregate, the 2010 total score for this indicator is the lowest it has been over the four years. Much of this improvement has been driven by the Middle East & North Africa, which has witnessed the biggest decline in military expenditure over the four years. Eleven of the eighteen countries in this region reduced military expenditure as a percentage of GDP while three held spending levels stable and four increased them. The countries of Central and Eastern Europe also registered a large decline in military spending, with nine of 21 countries reducing spending. Asia-Pacific was the only region to increase military spending on average but this was mainly driven by increases in Myanmar.

The ease of access to weapons of minor destruction indicator has shown consistent improvement from 2007 to 2010, which can be traced almost entirely to Sub-Saharan Africa. The eight largest score decreases over the four years for this indicator were recorded by Angola, Cameroon, Equatorial Guinea, Gabon, Madagascar, Namibia, Senegal and

Zambia, all countries within this region. This represents an improvement of 8.3% for the region on this indicator and highlights a regional trend towards peacefulness.

Relations with neighbouring countries deteriorated over the four-year period, led by Central and Eastern Europe. In this region only Macedonia improved its peacefulness in this score while Estonia, Hungary, Poland, Serbia, Turkey, Ukraine and Uzbekistan all experienced worsening relations with their neighbours. Canada and the United States also deteriorated on this indicator while most other regions moved only marginally.

The number of deaths from organised internal conflict has seen worsening scores overall but only from a very few countries. The Asia-Pacific region has experienced the biggest decline in peacefulness on this indicator, driven by Pakistan, Sri Lanka and the Philippines. In other regions, Yemen and Kenya also significantly worsened their score over the four-year period.

Overall, the military sophistication increased in score between 2007 and 2010, driven primarily by Sub-Saharan Africa. Cameroon, Côte d'Ivoire, Equatorial Guinea, Gabon, Mozambique, Senegal, Sudan and Tanzania were the worst performers. Middle East and North Africa also rose slightly, as did Central and Eastern Europe.

The respect for human rights indicator improved over the period despite a significant decrease for Latin American countries.

A strong regional trend can be identified in relation to the indicator for the level of perceived criminality. This measure was static or positive for every region with the exception of Latin America, which registered a sharp worsening on this indicator. 50% of the countries in this region were rated less peaceful for this indicator over the four-year period; one improved while nine stayed the same.

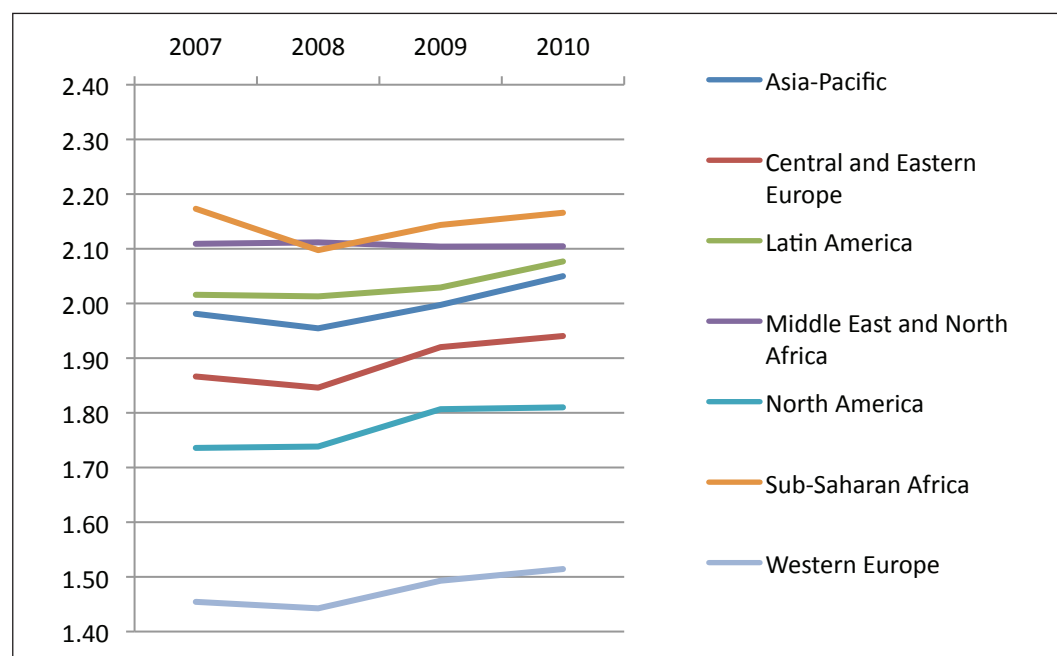
Since the index commenced, the potential for terrorist acts has declined slightly. However, the bulk of this improvement comes from score declines in Central and Eastern Europe where over half of the countries measured face a lower threat. The US also has decreased in the potential for terrorist acts. By contrast, Latin America, Sub-Saharan Africa and the Middle East & North Africa are on average more likely to have terrorist acts when compared to 2007.

Regional findings

The four-year trends by region showed some very interesting results. Surprisingly the Sub-Saharan region had the best result although it is the least peaceful region in the world. It was one of only two regions to show an overall improvement in peacefulness. The other region was the Middle East & North Africa which was also unexpected. The average scores for each region are displayed in figure 1.

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Figure 1: GPI average scores by region, 2007 – 2010



**A higher score denotes higher levels of violence.*

Europe in particular was a poor performer with its two constituent parts, Central and Eastern Europe and Western Europe, seeing their peacefulness decline by approximately four percent each. Only three of seventeen countries in Western Europe became more peaceful, while in Central Europe there were six improvers out of 21 countries.

The table below highlights the movements within the regions.

Table 4: Changes in GPI scores, 2007 – 2010, by region

Region	Change in peacefulness	% change on 2007	Score change
Asia-Pacific	↓	3.48%	+1.38
Central and Eastern Europe	↓	3.97%	+1.56
Latin America	↓	3.02%	+1.28
Middle East and North Africa	↑	-0.21%	-0.08
North America	↓	4.27%	+0.15
Sub-Saharan Africa	↑	-0.34%	-0.15
Western Europe	↓	4.13%	+1.02

Sub-Saharan Africa

Eleven of the 21 Sub-Saharan African countries measured recorded an improvement in peacefulness over the four years with the key changes being attributed to a decrease in ease of access to weapons of minor destruction and the number of conflicts fought as well as improved relations with neighbouring states. Angola, Côte d'Ivoire and Uganda

demonstrated the largest move towards peacefulness. Although this is an excellent result, these countries are in the bottom half of the Global Peace Index and as such conditions could still deteriorate under challenging circumstances. However, Africa is improving; child mortality rates are on the decline and economic growth over the last decade is the best it has ever been. Wars that had continually raged across Africa are now at their lowest point.

African countries that have become significantly less peaceful since 2007 include Madagascar, Kenya and Cameroon. It should be noted that despite this region's overall improvement, several indicators did deteriorate over the four years. These were the number of internal security officers and police, number of homicides, potential for terrorist acts and military capability/sophistication.

Middle East & North Africa

In the Middle East & North Africa region, nine of the eighteen countries improved their scores with the main factors driving this being a movement away from political instability and a reduction in military expenditure as a percentage of GDP. Algeria, Egypt and Qatar were the most improved while Israel, Syria and Yemen became less peaceful during the period measured.

Western Europe

In Western Europe declining peacefulness was driven primarily by increasing exports of major conventional weapons, and an increased likelihood of violent demonstrations. The lengthening war in Afghanistan has also had a small detrimental impact on the peacefulness of the nations that are members of the "*Coalition of the Willing*". Italy, Denmark and the Netherlands experienced the largest declines in peacefulness while Austria and the United Kingdom have shown a steady improvement in peacefulness over the four years. The steady improvement in the UK can be attributed to improvements in Northern Ireland while the improvements in Austria can be attributed to improved human rights, a decline in military exports and a decline in the number of police and internal security officers.

Eastern & Central Europe

By contrast, Eastern & Central Europe's declining peacefulness was primarily driven by increases in score in political instability and relations with neighbouring countries. Again, the ongoing war in Afghanistan has also negatively impacted the score of nations who are engaged in the conflict. The worst performing countries in this region were Russia, Turkey, Romania and Estonia, registering score increases of seven, twelve, thirteen and twenty percent respectively. Croatia, Uzbekistan and Bulgaria are the countries in this region to have made the most progress towards peacefulness.

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Latin America

Latin America has also witnessed significant decline in peacefulness with 15 of the 20 countries measured becoming less peaceful. Respect for human rights, level of organised conflict and perceptions of criminality in society were the indicators that drove this deterioration in peacefulness while very few indicators improved. Mexico, Panama and Paraguay were the worst performing countries while the only significant improver was Trinidad and Tobago. Central America is discussed further on in the paper as a separate sub-region.

Asia Pacific

In the Asia-Pacific region, nine of the twenty countries ranked improved their peacefulness but several large decreases in peacefulness significantly impacted the overall result.

The region is marked by the highest variances in peacefulness of any region in the world. The developed OECD countries such as New Zealand, Japan and Australia performed well, with New Zealand being the most peaceful nation for two of the four years measured, while countries such as North Korea and Pakistan were in the bottom 10 in the GPI.

The region's peace declined 3.5% over the four years primarily driven by increases in the number of homicides per 100,000 people, number of deaths from internal organised conflict and number of internal and external conflicts fought. There were meaningful improvements in peacefulness for Japan, Malaysia and Indonesia. However, they were far outweighed by large declines for Sri Lanka, Cambodia, Myanmar, the Philippines and Pakistan.

Geographic sub-regions and institutional groupings

In addition to the regional trends discussed above, analysis was carried out on alternative groupings of countries, such as their geographic sub-region, level of economic development or level of peacefulness. Some of the more interesting observations are detailed in the following paragraphs. To give context, average score movements for these regions are compared to those discussed in the preceding section.

Of particular interest are the regions that show trends in similar indicators.

South Asia performed poorly over the four years primarily due to an increase in the number of conflicts fought and the number of deaths that resulted from these conflicts. A decline in the level of respect for human rights was also recorded. Pakistan, India and Sri Lanka are the worst performers in this sub-region, accounting for most of its decline in peacefulness. Surrounding countries are often drawn into conflict and suffer from having un-peaceful neighbours. The International Crisis Group has estimated that 20,000 civilians were killed by the Sri Lankan government's drive against the Tamil Tigers while internal security keeps deteriorating in Pakistan as a result of the war on terror in the Pakistani Taliban tribal border regions. This deterioration has also had an affect on India.

The **Central American** region³ witnessed a large decrease in peacefulness through an increase in the number of homicides per 100,000 people, the level of organised internal conflict and perceptions of criminality in society. The region's GPI score increased by 3.87%. Much of this decrease in peacefulness was due to the escalating violence in Mexico and Panama. Slight improvements in Nicaragua and Costa Rica were offset by deteriorating peacefulness in the rest of the region. Clearly certain regions suffer problems, internal violence in this case, that extend beyond individual country borders.

Much of the increased violence in Latin America can be traced to the drug wars. Mexico's President Calderon initiated a drug war against the major drug cartels in 2006. It is estimated that 70% of foreign US illicit drugs come from Mexico. Most of the supplies of cannabis, heroin and cocaine for the US also come from Mexico while the lax guns laws in the US mean that 90% of the weapons used by the cartels originated in the US⁴. A further source of weapons is military grade weapons that are part of the huge cache left over from the Central American wars⁵.

With the demise of the Colombian Cali and Medellin drug cartels and the further campaign against drug production by the Colombian government, cartels expanded and moved into surrounding countries such as Panama and Paraguay, thereby destabilising them. U.S. President Barack Obama has proposed to ratify an inter-American treaty known as CIFTA to curb international small arms trafficking throughout the Americas. The treaty makes the unauthorized manufacture and exporting of firearms illegal and calls for nations in this hemisphere to establish a process for information-sharing among different countries' law enforcement divisions to stop the smuggling of arms, to adopt strict licensing requirements, and to make firearms easier to trace.

Table 5: Changes in GPI scores, 2007 – 2010, by geographic sub-region

Region	Change in peacefulness	% change on 2007
Central America	↓	3.87%
South Asia	↓	6.27%

Economic groupings

In addition to the geographic sub-regions, five major economic groupings were analysed over the four-year time period. Each of these groupings experienced a marked decline in peacefulness as shown below in table 6. The blocs examined were ASEAN, the G20, BRIC, OECD and the heavily indebted EU countries of Portugal, Ireland, Greece and Spain. It is interesting to note that the average decline of these groups is considerably higher than the global average and that the indebted European nations had the highest fall in peacefulness.

³ For the purposes of this analysis, Central America includes Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama.

⁴ US Bureau of Alcohol, Tobacco, Firearms and Explosives CRS report for Congress.

⁵ "Project Gunrunner". Embassy of the U.S. in Mexico. 2007.

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Table 6: Summary – changes in GPI scores, 2007 – 2010, by economic grouping

Region	Change in peacefulness	% change on 2007
ASEAN	↓	3.84%
G20	↓	3.71%
BRIC	↓	5.05%
OECD	↓	4.78%
EU high-debt countries	↓	5.15%

ASEAN

The Association of Southeast Asian Nations, ASEAN, was formed in August 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand and has since then expanded to include Brunei, Myanmar, Cambodia, Laos and Vietnam.

The association is a geopolitical and economic organisation focused on the acceleration of economic growth, social progress, cultural development and the development of peace and security within the region. It would be fair to view this as a Commonwealth of Nations rather than a tightly integrated group of countries such as the EU which creates laws and governmental structures.

ASEAN has about 8% of the world's population, an average GDP growth rate of 5.6% in 2008 and a combined GDP of US\$1.5 trillion. Important steps that have been taken by the group include the creation of a tariff free trade zone and a nuclear weapons free zone. Interestingly, given some of the members of the association, in 2003 the Bali accord was signed which subscribed to the notion of democratic peace. The outcome being that notionally all member states are meant to promote democratic processes to help create regional stability and peace. The group is currently pursuing dialogues with many of its neighbours including Japan and China and has signed free trade agreements with New Zealand and Australia in February of 2009. It is estimated that the agreement will result in approximately US\$50 billion in additional trade over a twenty year period.

In addition, ASEAN is the driving force behind the Treaty of Amity and Cooperation, to which signatories commit to peaceful settlements of regional disputes⁶. It promotes peace, amity and cooperation in accordance with the Charter of the United Nations.

⁶ ASEAN, <http://www.aseansec.org/1217.htm>

Table 7: Changes in GPI scores, 2007 – 2010, ASEAN countries

Country	Change in peacefulness	% change on 2007	Score change
Cambodia	↓	9.84%	+0.21
Indonesia	↑	-3.85%	-0.08
Malaysia	↑	-6.09%	-0.10
Myanmar	↓	8.30%	+0.21
Philippines	↓	12.18%	+0.29
Singapore	↑	-2.06%	-0.03
Thailand	↓	2.63%	+0.06
Vietnam	↓	4.59%	+0.08

**A higher score denotes higher levels of violence*

It is interesting to note the relative peacefulness of each of the ASEAN nations and the changes that have occurred over the past four years which is contained in the table above. The ASEAN countries recorded a fall in peacefulness over the four years, their GPI score increased by 3.84% and was driven mostly by Cambodia, Myanmar and the Philippines. Each of these countries recorded significant increases in the number of homicides with Myanmar also substantially increasing its military expenditure as a percentage of GDP. The neighbouring countries of Singapore, Indonesia and Malaysia have consistently been the most peaceful ASEAN countries, and have performed exceptionally well over the four years.

G20

The global financial crisis highlighted the degree to which globalisation has driven interdependence between the world's major economies, with trade and investment flows having undergone massive transformations in the prior decade.

This growing level of interdependence was expressed in the way that the global community responded to crisis. When the banking system ground to a halt the governments and central banks responded in coordinated ways to expand the money supply, stimulate economic activity and to underpin the banking sector. The increase in importance of the G20 was a direct result of the crisis and, although the G20 had been in existence since 1999, it became relevant after the UK and France pushed to have the grouping replace the G8 in 2009 as the major international body setting financial policy and the economic agenda. Collectively, the G-20 economies comprise 85% of global gross national product, 80% of world trade, including EU intra-trade and two-thirds of the world population. Global peace is highly relevant to the functioning of this body. As peace increases so should the ability of the member nations to be able to act in a cohesive manner, similarly if the G20 can become an effective organisation then global peace should improve as global governance also improves.

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It still needs to be seen if the G20 will become a meaningful policy body. One year after its revitalization it still has to deliver meaningful initiatives.

The G20 countries became significantly less peaceful over the four-year period, due to score increases in perceptions of criminality in society, the number of jailed population per 100,000 people, level of violent crime and relations with neighbouring countries. In total, their GPI scores increased 3.71% with Turkey, Russia and Mexico being the worst performers. Within the G20, Argentina, China and Mexico became less peaceful in each year of publication while the United Kingdom was the only country to record a score improvement year-on-year. Each of the nineteen G20 countries⁷ has been included in all four annual publications of the GPI.

Table 8: Changes in GPI scores, 2007 – 2010, G20 countries

Country	Change in peacefulness	% change on 2007	Score change
Argentina	↓	3.69%	+0.07
Australia	↑	-1.73%	-0.03
Brazil	↓	0.24%	0.01
Canada	↓	11.76%	+0.16
China	↓	7.12%	+0.14
France	↓	5.05%	+0.08
Germany	↓	4.00%	+0.05
India	↓	4.93%	+0.13
Indonesia	↑	-3.85%	-0.08
Italy	↓	8.83%	+0.14
Japan	↑	-8.12%	-0.12
Mexico	↓	9.37%	+0.19
Russia	↓	7.17%	+0.21
Saudi Arabia	↓	4.11%	+0.09
South Africa	↓	2.60%	+0.06
South Korea	↓	5.71%	+0.09
Turkey	↓	12.26%	+0.27
United Kingdom	↑	-5.34%	-0.10
United States of America	•	0.00%	0.00

⁷ The EU is counted as a G20 member.

BRIC

The acronym was first used by Goldman Sachs in 2001 to define the grouping of Brazil, Russia, India and China as they covered 40% of the world population, and 25% of the global land mass. They were also comparatively under-developed but were developing very quickly. Extrapolations of growth meant that the economies of the group could be bigger than all developed economies by 2050, therefore as a group they were worthy of attention. Goldman Sachs also saw that they were underrepresented in the international capital markets given the size of their future internal markets. Although in 2001 Goldman Sachs did not see an economic grouping such as the EU as a possibility, the four countries have now become more tightly engaged. The BRIC countries have been seeking to form a political grouping or loose alliance to leverage their growing economic influence into geopolitical influence. In June 2009, the leaders of the BRIC countries held their first summit in Yekaterinburg, and issued a declaration calling for the establishment of a multi-polar world order.

The BRIC countries are also far less peaceful in 2010 than in 2007 but this result is driven mostly by large score increases for China, India and Russia, while Brazil became only marginally less peaceful. All four countries are in the bottom half of the index in terms of ranking with Brazil the only country to move up the index over the four years. Table 9 shows score movements for the four countries between 2007 and 2010. Driving score decreases for this group is the number of conflicts fought.

Table 9: Changes in GPI scores 2007 – 2010, BRICs

Country	Change in peacefulness	% change on 2007	Score change
Brazil	↓	0.49%	+0.01
Russia	↓	7.29%	+0.13
India	↓	5.00%	+0.14
China	↓	7.11%	+0.21

OECD

The Organisation of Economic Co-operation and Development, OECD, is an international economic organisation consisting of 31 countries. It would describe itself as an organisation of countries that are committed to democracy and market economies. Given these commonalities in approach to national governance the organisation compares members' policy approaches and experiences so as to derive answers to common problems, identify best practices and to help in the co-ordination of both the domestic and international policies of its members.

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The organization was originally founded in 1948 to help with the administration of the Marshall Plan and was expanded in 1961 to include non-European states. Its members can be described as high income nations with high levels of human development. The OECD promotes policies designed to:

- achieve the highest sustainable economic growth and employment with a rising standard of living in member countries, while maintaining financial stability, and thereby contributing to the development of the world economy;
- contribute to sound economic expansion in member as well as non-member countries in the process of economic development;
- contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

The table opposite lists each of the countries from the OECD and their movements over the last four years.

Despite its similarities to the G20, the OECD marks a bigger decrease in peacefulness between 2007 and 2010. Twenty-eight of its thirty member countries have been included in all four years of the GPI with Iceland and Luxembourg being added to the Global Peace Index in 2008. It has consistently maintained a low average score (high peacefulness) but its decrease in peacefulness is mostly caused by an increased likelihood of violent demonstrations, rising levels of violent crime, growing exports of major conventional weapons and number of conflicts fought, due to the lengthening war in Afghanistan.

Table 10: Changes in GPI scores, 2007 – 2010, OECD countries

Country	Change in peacefulness	% change on 2007	Score change
Australia	↑	-1.73%	-0.03
Austria	↑	-6.02%	-0.08
Belgium	↓	4.78%	+0.06
Canada	↓	11.76%	+0.16
Czech Republic	↓	2.59%	+0.03
Denmark	↓	14.89%	+0.18
Finland	↓	4.17%	+0.05
France	↓	5.05%	+0.08
Germany	↓	4.00%	+0.05
Greece	↓	6.27%	+0.11
Hungary	↓	7.83%	+0.11
Ireland	↓	7.58%	+0.10
Italy	↓	8.83%	+0.14
Japan	↑	-8.12%	-0.12
Mexico	↓	9.37%	+0.19
Netherlands	↓	12.68%	+0.19
New Zealand	•	0.00%	0.00
Norway	↓	7.93%	+0.10
Poland	↓	8.50%	+0.13
Portugal	↓	0.37%	+0.01
Slovakia	↓	5.59%	+0.08
South Korea	↓	5.71%	+0.09
Spain	↓	6.17%	+0.09
Sweden	↓	0.98%	+0.01
Switzerland	↓	7.63%	+0.10
Turkey	↓	12.26%	+0.27
United Kingdom	↑	-5.34%	-0.10
United States of America	•	0.00%	0.00

EU High Debt Countries

Portugal, Ireland, Greece and Spain are grouped together due to the size of their accumulated debts relative to GDP. Listed in table 11 on page 22 they have collectively experienced the largest decline in peacefulness of any region, sub-region or economic grouping. The deterioration was particularly acute between 2008 and 2009 and is driven by increases in score in political instability, likelihood of violent demonstrations and number of conflicts. As Eurozone members, these countries used their access to cheap sources of debt to run large structural deficits but all were especially vulnerable to the global financial crisis. In Greece in recent months the political instability has given way to violent demonstrations

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and tensions are mounting throughout these four countries as a result of questions surrounding their ability to repay or take the steps necessary to balance their budgets.

Table 11: Changes in GPI scores, 2007 – 2010, EU high-debt countries

Country	Change in peacefulness	% change on 2007	Score change
Portugal	↓	0.37%	+0.01
Ireland	↓	7.58%	+0.10
Greece	↓	6.27%	+0.11
Spain	↓	6.17%	+0.09

Changes in Top 20, Middle 80 and Bottom 20

Certain trends were evident across the indicators when countries were grouped by the top 20, middle 80 and bottom 20 GPI ranks. On average, the bottom 20 countries recorded the biggest decrease in peacefulness, driven by increases in conflicts, potential for terrorist attacks and number of homicides. By contrast, the top 20 experienced the least fall in peacefulness with improvements in the number of homicides and potential for terrorist acts.

Table 12: Indicator movements – top 20, middle 80 and bottom 20, 2007 – 2010

Indicator	Top 20	Middle 80	Bottom 20
Level of distrust in other citizens	-0.15	0.09	-0.10
Number of internal security officers and police per 100,000 people	0.15	0.02	-0.15
Number of homicides per 100,000 people	-0.40	0.21	0.25
Number of jailed population per 100,000 people	-0.05	0.04	0.13
Ease of access to weapons of minor destruction	0.15	-0.14	0.15
Level of organised conflict (internal)	-0.05	0.13	-0.23
Likelihood of violent demonstrations	0.05	0.09	-0.15
Level of violent crime	-0.02	0.00	0.07
Political instability	0.16	0.04	-0.16
Respect for human rights	-0.05	0.01	-0.02
Volume of imports of major conventional weapons per 100,000 people	0.02	0.00	0.05
Potential for terrorist acts	-0.20	-0.04	0.33
Number of deaths from organised conflict (internal)	0.00	0.03	0.30
Military expenditure as a percentage of GDP	0.02	-0.17	0.08
Number of armed services personnel per 100,000 people	0.10	-0.06	0.18
Volume of exports of major conventional weapons per 100,000 people	0.08	0.05	0.03
Military capability/sophistication	0.02	0.09	0.00
Relations with neighbouring countries	0.00	0.04	0.20
Number of external and internal conflicts fought	0.53	0.10	0.38
Estimated number of deaths from organised conflict (external)	0.05	-0.01	0.00
Overall score	0.04	0.04	0.07

Trends within the most peaceful countries

The five countries which are consistently the most peaceful over the four years are Denmark, New Zealand, Norway, Ireland and Finland; however, Denmark did have a greater fall in 2010 than the other nations. Each is an OECD member and four of the five are in Western Europe. They have all had falling levels of peacefulness with the exception of New Zealand. Table 13 shows the overall change for each of these most peaceful countries.

Table 13: The five most peaceful countries, 2007 – 2010

Country	Change in peacefulness	% change on 2007	Score change
Denmark	↓	14.89%	+0.18
New Zealand	•	•	0.00
Norway	↓	7.93%	+0.10
Ireland	↓	7.58%	+0.10
Finland	↓	4.17%	+0.05

The large percentage increases that these countries have experienced are partly caused by their low score base. The score decrease for the worst performer in this group, Denmark, was driven by a small decrease in respect for human rights, an increase in exports of major conventional weapons, and an increased score for the duration of the conflicts it is engaged in. Finland also increased its exports of major conventional weapons while Norway decreased its score for this indicator. Norway did, however, increase its imports of weapons over the period. Ireland's increased score came from a higher likelihood of violent demonstrations and increasing political instability. Effectively, New Zealand's scores were unchanged over the four years, highlighting its stability as a peaceful country.

Trends within the least peaceful countries

The five countries which are consistently the least peaceful over the four years are Pakistan, Russia, Israel, Sudan and Iraq. Despite having large score changes across the four years, the outright low scores of these countries meant that they don't change rank much. Table 14 shows the overall change for each of these least peaceful countries.

Table 14: The five least peaceful countries, 2007 – 2010

Country	Change in peacefulness	% change on 2007	Score change
Pakistan	↓	19.32%	+0.53
Russia	↓	7.17%	+0.21
Israel	↓	3.48%	+0.11
Sudan	↑	-7.31%	-0.24
Iraq	↑	-2.95%	-0.10

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Pakistan's main movements were attributed to a constant increase in the number of conflicts fought, and an increase in the number of deaths from internal conflict. In 2010 Pakistan had its lowest levels of peacefulness in the four years covered. The indicators that deteriorated were the likelihood of violent demonstrations, number of homicides and potential for terrorist attacks.

Russia experienced a gradual increase in the likelihood of violent demonstrations, political instability, and ease of access to weapons of minor destruction. However, the level of organised internal conflict and the number of deaths from internal conflict improved over the same period. From 2008-2009 Russia's military expenditure improved. Its move therefore is in large part due to the war against Georgia, as well as domestic threats of political instability and violent demonstration.

Israel's likelihood of violent demonstrations, number of armed service personnel, imports and exports of conventional weapons, number of jailed population and respect for human rights worsened over the period. However, the indicators measuring perception of criminality, political instability, potential for terrorist acts and the number of internal security officers and police improved.

Sudan's increase in peacefulness was due to an improvement in the number of external and internal conflicts. However, it has expanded its military capability and sophistication and has had a gradual increase in the potential for terrorist acts. Political instability has also gradually worsened over the four years while the likelihood of violent demonstrations saw an initial improvement in 2009, before getting worse again in 2010.

Iraq's indicators show a gradually improving situation. The number of external and internal conflicts fought improved as did its relations with neighbours and its political stability. By contrast, its number of internal security and police, military expenditure as a percentage of GDP, number of armed services personnel and military capability/sophistication worsened. The improved indicators showed more stability and better external relations. Iraq's decline in internal peacefulness could well be a reflection of it taking over the responsibility for its own security as the American forces withdraw.

STRUCTURAL ATTRIBUTES OF PEACEFUL NATIONS

Using the Global Peace Index it is possible to analyse the relationships between peace and society so as to develop a fact-based approach to determining what type of society will deliver the optimum environment for peace.

Based on the research that has been conducted over the last three years into the Global Peace Index, peaceful societies can be characterized as having a set of common *structures* and *social* attributes that can be identified through statistical analysis. When peace is viewed as consisting of these characteristics or attributes, then the word “*Peace*” can be seen as a proxy for describing an inter-related set of structures. These structures then create an environment that is optimal for human potential to flourish. These structures and attitudes are:

- Well-functioning government
- Sound business environment
- Respectful of human rights and tolerant
- Good relations with neighbouring states
- High levels of freedom of information
- High participation in primary and secondary education
- Low levels of corruption
- Acceptance of the rights of others
- Equitable sharing of resources

There are many benefits that societies can derive from the aforementioned structures. Some of these benefits are an improved security outlook, lower levels of business risk, higher per capita income, a better developmental environment and improved human happiness. The following examples illustrate how the attributes of peace help to create a productive and resilient society:

- Peaceful societies are less likely to create alienation. Qualities such as tolerance and respect for human rights mean that more members of society are likely to be heard and included in decisions, especially when the decisions materially affect their lives.
- In times of crisis peaceful societies are more likely to co-operate and support each other. High levels of distrust or inequities leave fault lines within societies which fracture during crises, leading to blame and incrimination, which lessen a society’s ability to respond to the crisis at hand.
- Violence is unpredictable and generally requires an immediate response. It is usually accompanied by the destruction of tangible or intangible items such as lives, health and property. Peaceful societies have less destruction and less unplanned negative events. This allows for more forethought and planning which in turn creates a more predicable future.

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- A society that has a free flow of information throughout is more capable of making intelligent and better informed decisions. Similarly the free flow of information allows more accurate pricing of financial instruments and investments and helps to create a transparent environment for governments to operate within.
- High participation rates in primary and secondary schooling will create a society that contains a larger pool of skilled human capital. Better skills help fulfil the individuals' needs and create a more flexible and prosperous economy.

The above examples demonstrate how *peace creates resilience*. *This allows societies to absorb shocks more easily. Peace, when viewed through this lens, is a collection of activities that creates an optimal environment for human potential to flourish.*

Additionally, further research that has been conducted on societal values and the GPI⁸ showed strong and consistent correlations between harmony, hierarchy (negative) and intellectual autonomy⁹. Overall an integrated set of values was systematically related to the GPI. Effects remain strong and stable even when controlling for economic, societal, political development and perceptions of corruption. One of the findings from this research was that although societal values correlated strongly, economic and developmental indicators consistently correlate higher with the GPI than values.

This section of the research highlights the main significant structural correlations with the GPI and describes how they were measured, including a description of their characteristics. All correlations presented, other than societal attitudes, have a level of significance > 0.5 or < -0.5 . The threshold for a statistically meaningful correlation from global surveys was considered more appropriate at $r = 0.4$. A wide variety of statistical techniques has been used in arriving at the conclusions and the results are a collection of different individuals' work.

Well-functioning government

The GPI has been tested against three different indexes that measure effective government: the World Bank's *World-Wide Governance Indicators*, the Freedom House *Freedom in the World survey* and the Economist Intelligence Unit's (EIU) *Political Democracy Index*. These are summarized in table 15. What was striking about these indexes when compared to the GPI was that many of the sub-indexes also correlated strongly as did their OLS (ordinary least squared) regressions, meaning that no one aspect of a well-functioning government was meaningful on its own. Some of the sub-indexes that correlated most strongly were civil liberties, political rights, independence of judiciary, rule of law, regulatory quality and voice and accountability. Interestingly, the percentage of women in parliament and electoral process didn't strongly correlate with the GPI.

⁸ Fischer, Ronald and Hanke, Katja(2009) 'Are Societal Values Linked to Global Peace and Conflict?', Peace and Conflict Journal: *Journal of Peace Psychology*.

⁹ Intellectual Autonomy: People are viewed as autonomous bounded entities; they are expected to cultivate and express their own ideas and intellectual directions.

It appears that well-functioning governments need to have many aspects working correctly if they wish to help create peace. It does not appear that it is good enough to have one or two aspects of government functioning correctly while others are given a lower priority. This has relevance in the approach that developed nations take to building competencies in ‘failed’ or fragile states or even in their approach to Official Development Assistance. All too often governments have focused on the acute problems rather than looking at the inter-related aspects of overall nation building.

Table 15: Functioning of government correlations with the GPI

Index Name	Source	Correlation coefficient
Worldwide Governance Indicators	World Bank	
Voice and Accountability		-0.61
Political Stability		-0.87
Government Effectiveness		-0.70
Regulatory Quality		-0.67
Rule of Law		-0.76
Control of Corruption	-0.72	
Political Democracy Index	Economist Intelligence Unit	0.64
Freedom in the World Survey	Freedom House	0.57

To further illustrate the point we have selected the ‘*functioning of government*’ measure from the Political Democracy Index. This is a qualitative assessment of whether freely elected representatives determine government policy, and whether there is an effective system of checks and balances on the exercise of government authority. It is collected by The Economist Intelligence Unit (EIU) analysts and correlates strongly with the overall GPI ($r = 0.64$). In fact it correlates higher than with the overall Political Democracy Index ($r = 0.56$), which would imply that being a democracy alone does not guarantee a more peaceful society. There are also some societies which are peaceful but are either not democratic or only partly democratic and have well-functioning government such as Singapore, Oman and Qatar. However, the top 10 most peaceful nations in the GPI are all well-functioning democracies.

Several positive outcomes can arise where there is a well-functioning government, each of which are linked to the common structures of peaceful countries. Generally speaking, political instability and corruption are lower, while law and order and the legal process in general are more robust and equitable which then create community buy in. The provision of education and health services is generally of a higher standard and more evenly distributed than when governments are ineffective. These are some of the reasons why well-performing governments tend to be more peaceful.

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Table 16: Significant correlations between well-functioning government, selected GPI indicators and other selected indexes

Index Name	Source	Correlation coefficient
Political instability	Economist Intelligence Unit	-0.81
Corruption perceptions	Transparency International	0.76
Freedom of the press	Reporters without borders	-0.63
15-34 year old males as a % of adult population	UN World Population Prospects	-0.62
The extent of regional integration	Economist Intelligence Unit	-0.62
GDP per capita	Economist Intelligence Unit	0.61
Respect for human rights	Political Terror Scale	-0.60
Life expectancy	World Bank	0.59
Ease of access to weapons of minor destruction	Economist Intelligence Unit	-0.56
Relations with neighbouring countries	Economist Intelligence Unit	-0.56
Mean years of schooling	UNESCO	0.55
Global Gender Gap	World Economic Forum	0.55
Level of organised conflict (internal)	Economist Intelligence Unit	-0.55
Human Rights Index	Escola de Cultura de Pau	-0.51
Perceptions of criminality in society	Economist Intelligence Unit	-0.05

Political stability and institutional effectiveness become key attractors for foreign capital so that countries with well-functioning governments are better able to attract greater levels of investment. This is a component of economic development and, as we have seen earlier, countries with strong economies tend to be more peaceful.

European countries generally score highly on this indicator. Neither authoritarian regimes nor countries that are transitioning from one style of government to another perform well, with some exceptions.

Sound Business Environment

Although significant when compared to the overall index ($r = -0.57$), GDP per capita aligns even more closely to the GPI's *internal* measure of peace ($r = -0.64$). The correlation is slightly stronger than in previous years. Although lagged regression analysis would point to peace being a causal factor for economic growth, peace and per capita growth do form a virtuous cycle¹⁰. While employment is increasing, so is household wealth, and under these conditions people are less likely to need to commit crime or fight a system in which they struggle to find their place, thereby increasing peace. Similarly, improving the conditions of peace will unlock more efficiencies than would have been there otherwise, thereby improving productivity and the overall business environment.

The Global Peace Index has also been correlated against a range of business competitiveness indexes to further understand the significance of these relations. The results are contained in Table 17.

¹⁰ Ben Goldsmith's spatial econometric analysis presented in the 2009 GPI Discussion paper, "Peace, It's Causes and Economic Values" indicated that a 1-point improvement in the GPI adds 1.49% to a country's annual economic growth.

Table 17: Economic correlations with the GPI

Index Name	Source	Correlation coefficient
Global Competitiveness Report	World Economic Forum	-0.59
Economic Freedom of the World Index	Frazer Institute	-0.58
GDP per capita	Economist Intelligence Unit	0.57
Ease of Doing Business Index	World Bank	0.52

Table 18: Significant correlations between per capita income, selected GPI indicators and other selected indexes

Index Name	Source	Correlation coefficient
Corruption perceptions	Transparency International	0.83
Global Competitiveness Report	World Bank	0.77
Political instability	Economist Intelligence Unit	-0.66
Human Development Index	UNDP	0.63
Functioning of government	Economist Intelligence Unit	0.61
Likelihood of violent demonstrations	Economist Intelligence Unit	-0.61
Life expectancy	World Bank	0.59
UNESCO mean years of schooling	UNESCO	0.57
GPI score	Global Peace Index	-0.57
Political Democracy Index	Economist Intelligence Unit	0.56
Respect for human rights	Political Terror Scale	-0.56
Ease of access to weapons of minor destruction	Economist Intelligence Unit	-0.54
The extent of regional integration	Economist Intelligence Unit	-0.53
Number of homicides per 100,000 people	UNODC	-0.52
Level of violent crime	Economist Intelligence Unit	-0.52
15-34 year old males as a % of adult population	UN World Population Prospects	-0.51
Infant mortality per 1,000 live births	World Bank	-0.5

Wealthy countries, therefore, allow the peace dividend to be realized by allocating productive resources away from violence-related industries. Studies undertaken for the Institute of Economics and Peace by Prof. John Tepper-Marlin and Prof. Jurgen Brauer in conjunction with the Economists for Peace and Security show that peace unleashes previously suppressed economic activity. A subsequent extension of this study found that World GDP in 2009 would have been US\$4.9 trillion, or 8.5%, higher had the world basically been peaceful. This is considered a highly conservative number and the real figure could be three times as high. For example, increasing peace creates a safer environment for capital investment than would otherwise be the case. This stimulates investment because of reduced risk, thereby stimulating growth and higher living standards. Thus a virtuous circle between peace and prosperity can emerge.

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High GDP per capita countries that are peaceful also tend to be associated with comparatively effective health and education services which are generally available to all or most members of the society. The distribution of health and education through a society can be seen as proxies for the equitable distribution of wealth.

Additionally, a broad education base creates a larger pool of human capital and can assist in a better flow of accurate information throughout society. This free flow of information also helps to improve life choice strategies, creates the knowledge to cope with social change, and creates a more flexible and better skilled workforce. All of these effects help to create a better functioning business environment.

Respectful of human rights

The Global Peace Index was correlated with three human rights indexes to better understand the relationship between human rights and peace. These indexes are the Human Rights Index, the CIRI Physical Integrity Rights Index and the Political Terror Scale Index.

The Political Terror Scale Index is used within the GPI as its measurement of levels of respect for human rights. This indicator is sourced from the University of North Carolina's *Political Terror Scale*, which draws its information from the Amnesty International Yearbook and country reports from the US State Department. Countries are rated (on a 1 to 5 scale) based on their level of civil and political rights violations, which can include factors such as political imprisonment, unlimited detention, torture, executions and disappearances.

The GPI has an extremely high correlation with this index ($r = 0.85$), which highlights the similarities between societies that place a high value on both peace and the respect for human rights. Peaceful countries tend not to support the use of violence to achieve their political goals, thus exhibiting and reinforcing the behaviour that makes them peaceful. There are also linkages to the functioning of government, which is discussed earlier. It is interesting to note that global polling data conducted by a variety of organizations such as World Value Survey, World Public Opinion and Pew Global Attitudes Program show that in a peaceful society citizens:

- support leaders who are cooperative and compromising
- are more likely to say that their media has a lot of freedom
- are more likely to believe that men and women make equally good leaders
- believe that their country has high levels of respect for human rights.

There is considerable confidence that respect for human rights is a key characteristic of peaceful nations. The average score for the *Political Terror Scale* has been consistent at 2.7 (on a scale of 1 to 5) across each year of the GPI with the spread of scores roughly evenly distributed among the categories. This would imply that although human rights are not deteriorating they certainly are not making big gains. Countries that score poorly on this indicator are those that have been associated with so-called ‘failed states’ such as Somalia and Afghanistan, or repressive regimes such as Myanmar and Sudan. Countries that perform well on this score are much more diverse and include liberal democracies such as New Zealand but also former authoritarian regimes such as Nicaragua and Taiwan which demonstrates the ability of nations to change and sometimes quickly.

Additional correlations with the Escola de Cultura de Pau’s *Human Rights Index* and the Cingranelli-Richards *Human Rights Data Project* support the importance of a commitment to human rights for peace. The GPI correlates strongly with both indexes as shown in table 19 below. The *Human Rights Index* is now in its second year of publication and measures the degree of noncompliance of the obligations of states to human rights and international humanitarian law. It covers 22 indicators which are grouped into the following three dimensions: a) failure to ratify the principal instruments of human rights and international humanitarian law; b) violation of the international law on human rights; and c) violation of international humanitarian law. The *Human Rights Data Project* spans back to 1981 and measures governments’ human rights practices.

Table 19: Human Rights correlations with the GPI

Index Name	Source	Correlation coefficient
Political Terror Scale	University of North Carolina	0.85
CIRI Physical Integrity Rights	Cingranelli-Richards	-0.77
Human Rights Index	Escola de Cultura de Pau	0.76

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Table 20: Significant correlations between respect for human rights, selected GPI indicators and other selected indexes

Index Name	Source	Correlation coefficient
GPI score	Global Peace Index	0.85
Human Rights Index	Escola de Cultura de Pau	0.78
Level of organised conflict (internal)	Economist Intelligence Unit	0.74
Corruption perceptions	Transparency International	-0.69
Political instability	Economist Intelligence Unit	0.64
Perceptions of criminality in society	Economist Intelligence Unit	0.62
Number of deaths from organised conflict (internal)	IISS	0.61
The extent of regional integration	Economist Intelligence Unit	0.61
Ease of access to weapons of minor destruction	Economist Intelligence Unit	0.6
Freedom of the press	Reporters without borders	0.6
Functioning of government	Economist Intelligence Unit	-0.6
GDP per capita	Economist Intelligence Unit	-0.56
UNESCO mean years of schooling	UNESCO	-0.56
Global Competitiveness Report	World Bank	-0.55
Likelihood of violent demonstrations	Economist Intelligence Unit	0.54
Level of violent crime	Economist Intelligence Unit	0.53
Potential for terrorist acts	Economist Intelligence Unit	0.53
Relations with neighbouring countries	Economist Intelligence Unit	0.53
Number of homicides per 100,000 people	UNODC	0.52
Human Development Index	UNDP	-0.51

As a set of related indexes, these strong correlations make a powerful statement about how a peaceful country, through its government, outwardly promotes peace while at the same time providing the necessary institutions and structures to develop a peaceful society within.

Good relations with neighbouring states

Measured by EIU analysts, this is a qualitative assessment of the intensity of contentiousness between neighbours. Using a 1 to 5 scale where 1 is peaceful and 5 is very aggressive, countries are rated on: the frequency of conflict; level of aggression; and economic and diplomatic openness. In 2010, the average score for this indicator was 2.3 which represented a small decrease in tension on previous years (2.3 in 2009, 2.2 in 2008 and 2.1 in 2007). It is interesting to note that 90% of countries scored as having good to very good relations with other states.

A country's overall state of peace is heavily reliant on the way it conducts relations with its immediate neighbours. Aggressive neighbourly relations tend to accompany higher than average military expenditure, armed services personnel, number of aggregate heavy weapons per capita and number of displaced people. In addition, hostile relations virtually prohibit the possibility of regional economic integration, eliminating the chance of mutual gains from trade. Countries rated as aggressive are grouped around hot spots in Asia, Africa and the Middle East and are often linked to poorly functioning governments, a topic discussed in more detail earlier in this section. Violent or hostile countries also have a tendency to spread these effects on to their neighbours.

By contrast, peaceful neighbourly relations are characterized by countries that reject conflict as a means of dispute settlement, encourage strong diplomatic and business links, and avoid aggressive posturing.

Though not exclusively a European phenomenon, many of the EU members fall into the most peaceful category. The tolerance exhibited by this group of countries supports their ability to react appropriately in times of high stress and leverage the linkages that have been created during the absence of hostilities. European history has been marked by a millennium of nearly constant conflict and after the ending of the Second World War the European countries made conscious efforts to build the appropriate relations and structures to avoid conflict. This is reflected in their high ranking in peace.

In the 2010 GPI we observed a marked improvement in relations with neighbours in Africa, particularly the Central African Republic and Uganda which are geographically close to one another. Both of these countries moved from very aggressive neighbourly relations to moderate levels. Table 21 highlights the regional variation for this indicator with Western Europe clearly the region exhibiting the most peaceful and stable neighbourly relations. Changes between 2009 and 2010 are also included in this table showing the improvement in Sub-Saharan Africa and deterioration in the Middle East & North Africa.

Table 21: Relations with neighbours by region

Region	Average GPI score 2010	% change on 2009
Asia-Pacific	2.50	-1.60%
Central & Eastern Europe	2.61	1.42%
Latin America	2.02	-1.08%
Middle East & North Africa	2.66	4.17%
Sub-Saharan Africa	2.41	-5.92%
Western Europe	1.15	0.00%

A lower score indicates better relations with neighbours.

STRUCTURAL ATTRIBUTES OF PEACEFUL NATIONS

High levels of freedom of information

Freedom of information has many flow-on effects for a society covering both economic efficiencies as well as social benefits. Freedom of information can be measured through understanding press restrictions as well as the population's perceptions of freedom of speech.

Reporters Without Borders measures the degree of freedom journalists and news organizations experience in each country and the efforts made by the state to respect and ensure this freedom. Though not as strongly correlated to the GPI ($r = 0.52$) as other determinants listed here, it is statistically significant. Global attitudinal surveys also support the correlation. A World Public Opinion poll correlated at 0.56 with the GPI on the question whether citizens felt "*that their country had a lot of media freedoms*". Similarly, a significant correlation was found that peaceful societies are less likely to believe that their governments should be able to limit the expression of ideas ($r = 0.42$).

On balance, a society with a free flow of information can disseminate information in a way that helps the community react appropriately. A better flow of information through society can help to provide citizens and decision makers with the balanced viewpoints necessary to make rational responses during times of crisis. Additionally, freedom of information can also apply to financial information. An informed market will allow for the appropriate pricing of financial instruments in a public market, thereby allowing for a broader capital base and greater community participation.

Countries that tightly control the flow of information often do so to protect their grasp on power. There are many countries identified in the index that restrict the free flow of information but they tend to be authoritarian.

High participation in education – mean years of schooling

Measured by the United Nations Educational, Scientific and Cultural Organization (UNESCO), this indicator counts the primary to tertiary school life participation in years of schooling. It correlates strongly with the overall GPI ($r = -0.58$).

A broad education base creates a larger pool of human capital in which societies are more likely to continue to learn and adapt and to make more reasoned responses to crisis situations. Well-educated societies are usually successful at attracting foreign investment because skilled workforces are typically more valued. Well-educated societies also tend to have well-functioning governments because the delivery of educational services is generally supplied by government. Low levels of school life expectancy are evident in impoverished countries throughout the world, but particularly in Africa and parts of Asia. In these regions the average is significantly under 10 years of total schooling while in some developed countries, such as the Nordic countries, the total exceeds 20 years. Where secondary education is absent, unemployed youths often fall into a cycle of violence, which can easily become intractable problems for the society to fix. There is a strong correlation

between 15-24 year old males as a percentage of adult population and the Global Peace Index at 0.56. There is more likelihood of violence when there are large groups of unemployed young males within a society.

At the other end of the scale, ageing populations are often a characteristic of developed societies and the correlation between the GPI and the portion of population over 60 is -0.5. This measure also relates closely to other indicators such as life expectancy, literacy and GDP per capita.

It is interesting to note that the amount of money that governments spend on education does not correlate with the GPI. As demonstrated below in table 22, the percentage of GDP spent on education records the weakest correlation with the GPI of all the education factors examined. Aside from this, most measures of education are deemed as significant correlations with the GPI.

Table 22: Education correlations with the GPI

Index name	Source	Correlation coefficient
Mean years of schooling	UNESCO	-0.58
Secondary school enrolment ratio (% net)	World Bank	-0.50
Primary school enrolment ratio (% net)	World Bank	-0.48
Higher education enrolment (% gross)	World Bank	-0.46
Adult literacy rate (% of population over 15)	UNESCO	-0.45
Current education spending (% of GDP)	UNESCO	-0.33

Low levels of corruption

Transparency International's *Corruption Perception Index* uses expert assessments and opinion surveys to rank societies' perceptions of public sector corruption. It is one of the determinants most closely correlated to the GPI ($r = -0.70$) and is, of course, intuitively linked to the functioning of government discussed above.

Strong correlations have been found with similar indexes as well. The World Bank Worldwide Governance Indicators sub-index of Control on Corruption correlated at -0.72 with the GPI and the Heritage Foundation *Economic Freedom Index* also correlates at 0.70 with the GPI for the sub-index for Freedom from Corruption.

These strong correlations have been consistent across each year of the GPI and in fact the Transparency International correlation has improved in significance from 2008 to 2009 and then remaining stable between 2009 and 2010. This strength and consistency adds confidence to our certainty that it is a structural attribute of peace. Table 23 lists the GPI correlations with corruption-related indexes.

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Table 23: *Corruption correlations with the GPI*

Index name	Source	Correlation coefficient
Control on Corruption	World Bank	-0.72
Corruption Perceptions Index	Transparency International	0.70
Economic Freedom Index	Heritage Foundation	0.70

In societies with high corruption, resources are inefficiently allocated, often resulting in essential services such as schools and hospitals missing out on appropriate funding. The resulting inequality can manifest into civil unrest and in extreme situations can be the catalyst for violence. Low corruption, by contrast, can support confidence in institutions, which in turn helps to create peaceful societies.

Table 24: *Significant correlations between corruption, selected GPI indicators and other selected indexes*

Index name	Source	Correlation coefficient
GDP per capita	Economist Intelligence Unit	0.83
Political instability	Economist Intelligence Unit	-0.81
Political Democracy Index	Economist Intelligence Unit	0.71
GPI score	Global Peace Index	-0.7
Respect for human rights	Political Terror Scale	-0.69
Likelihood of violent demonstrations	Economist Intelligence Unit	-0.67
Ease of access to weapons of minor destruction	Economist Intelligence Unit	-0.66
Life expectancy	World Bank	0.65
Human Development Index	UNDP	0.65
Level of organised conflict (internal)	Economist Intelligence Unit	-0.61
Infant mortality per 1,000 live births	World Bank	-0.61
Number of homicides per 100,000 people	UNODC	-0.59
Level of violent crime	Economist Intelligence Unit	-0.59
Freedom of the press	Reporters without borders	-0.58
15-24 year old males as a % of adult population	UNESCO	-0.56
Number of visitors as % of domestic population	UNWTO	0.57
Perceptions of criminality in society	Economist Intelligence Unit	-0.57
The extent of regional integration	Economist Intelligence Unit	-0.57
Hostility to foreigners/private property	Economist Intelligence Unit	-0.54
Human Rights Index	Escola de Cultura de Pau	-0.53
Mean years of schooling	UNESCO	0.53

The most corrupt countries according to the Transparency International index typically are also in the grouping of least peaceful countries in the GPI. Additionally, the top countries in each list are also very similar.

Acceptance of the Rights of Others

Although not one of the strongest sets of associations, both the attitudinal surveys and the EIU's assessment of a country's citizens attitude to foreigners do show that acceptance of others' rights is relevant to peace.

The EIU measures society and governments' general attitudes to foreigners and their investments in any given country. It correlates strongly to the overall GPI ($r = 0.59$) and is collected by EIU analysts for all countries measured.

It is interesting to note that acceptance of the rights of others doesn't necessarily mean citizens of other countries; it also applies to ethnic, religious or socio-economic groups within a country. Analysis of attitudinal surveys also supports the relationship between hostility to others and peace. The results of various global polling surveys on attitudes to other cultures are contained below in table 25. To phrase the findings in terms of peacefulness, people in countries that are rated more peaceful on GPI tended to have the values that are listed below.

Table 25: Attitudinal surveys and the relationship between hostility to foreigners and peace

Value	Source	Correlation
Less likely to see their culture as superior	Pew Global Attitudes	0.49
More likely to see their country as having average morality in its foreign policy	World Public Opinion	0.47
More likely to think that it is important to understand other preferences in building good relations	World Values Survey	0.47
Less likely to think that their way of life needs to be protected against foreign influence	Pew Global Attitudes	0.39

High levels of hostility can easily manifest into internal or racial unrest. At extreme levels, physical attacks on foreigners or other ethnic groups certainly create a non-peaceful society and contrast against the tolerant attitude that peaceful countries tend to exhibit. This can significantly discourage foreign investment, which then limits a country's ability to develop economically.

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Table 26: Significant correlations between hostility to foreigners, selected GPI indicators and other selected indexes

Index Name	Source	Correlation coefficient
Likelihood of violent demonstrations	Economist Intelligence Unit	0.60
GPI score	Global Peace Index	0.59
Political instability	Economist Intelligence Unit	0.55
Corruption perceptions	Transparency International	-0.54

Nationalism, ethnicity and religion are often reported to be a factor in conflicts. If hostility to foreigners is evident at the government level, then relations with neighbouring states are likely to be adversely affected. Countries that, on balance, are relatively hostile to foreigners tend to be the least peaceful nations as ranked by the GPI. They include several countries currently at war and several so-called 'failed states'. By contrast, countries that score well on this measure tend to welcome immigration, have less ethnic friction and are also typically developed countries.

Equitable Sharing of Resources

Several demographic characteristics as well as wealth distribution measurements correlated with the GPI. Some of these results provide further insights into how peaceful societies operate.

The Gini coefficient is considered to be an imperfect measure for many developing countries due to issues of accurate data collection and has therefore not been widely used in this analysis. However, some commentary is helpful.

Although there is not a significant relation between the Gini coefficient¹¹ and the Global Peace Index, its correlation with the index's internal peace measure is 0.45. Interestingly two other indicators also correlated with the Gini coefficient and they are the Level of Homicides at 0.59 and Level of Violent Crime at 0.50. What this would point to is that there is a relationship between crime and inequality. If better data were available then the Gini coefficient may become more meaningful.

Low child mortality rates are also correlated with the GPI. This measure, along with educational rates, can also be seen as a proxy for wealth distribution. Societies where government resources were fairly distributed would see a broad access to health and education.

Research carried out by Ronald Fischer and Katja Hanke¹¹ has shown strong and consistent correlations between harmony, hierarchy (negative) and intellectual autonomy and peace as measured by the GPI. The research suggested that the link between harmony and peace is strongest in highly developed societies. This would imply that a certain level of development may be necessary before harmony values will be associated with peace. The lowest countries in the sample group did not have harmony consistently associated with

¹¹ Fischer, Ronald and Hanke Katja (2009) 'Are Societal Values Linked to Global Peace and Conflict?', *Peace and Conflict: Journal of Peace Psychology* 15: 3, 227-248

the GPI. What this would suggest is that stressing harmony values through education programs would not be successful until basic developmental needs have been met.

Hierarchy was also found to be negatively associated with peace and egalitarianism had a positive association. Hierarchy in this analysis is expressed as authority, wealth and social power. Additionally, societies with low societal development are more individualistic and are more likely to engage in militaristic action. In these societies having a strong focus on communal values may act as a buffer against violence. In contrast in more developed societies peace is associated with less group orientation and more individualistic expression. Therefore individual-group relationships are linked to global peace but may be contingent on the resources available to individuals within society.¹²

Other research would point to inappropriate wealth distribution leading to increased likelihood of violence. In *The Spirit Level: Why Equality is Better for Everyone*, Wilkinson and Pickett associate income inequality with several characteristics which are likely to lead to lower levels of peace¹³. These include trust, number of homicides, levels of imprisonment and child conflict.

The World Economic Forum *Gender Gap Index* measures the size of the gap between men and women across four categories: economic participation and opportunity; educational attainment; political empowerment; and health and survival. The GPI correlates at $r = -0.43$ to the overall Gender Gap Index, a significant relationship but not as strong as other factors.

The Human Development Index (HDI), produced by the United Nations Development Program (UNDP), ranks countries in areas such as life expectancy, education, standard of living and GDP. This index correlates significantly with the GPI at $r = -0.51$. Table 27 shows this along with other development-related correlations from the World Bank.

Table 27: Development correlations with the GPI

Index Name	Source	Correlation coefficient
Infant mortality per 1,000 live births	World Bank	0.53
Life expectancy	World Bank	0.52
Human Development Index	UNDP	-0.51
Gini coefficient	UNHDI, WBDI, EIU	0.45 - internal

The Gini coefficient measures the inequality of income distribution within a country. Source: The Economist, <http://www.economist.com/research/economics/alphabetic.cfm?letter=G#ginicoefficient>

12 Are Societal Values Linked to Peace and Conflict Paper?

13 Wilkinson. R, & Pickett, K., "The Spirit Level: why Equality is Better for Everyone", p284

THE MONETARY VALUE OF PEACE

In this section we further analyse the value of peace to the global economy by estimating what the additional value would have been if the world had been peaceful. This is referred to as the Peace Dividend and the study covers the four years 2006 to 2009.

The monetary value of peace to the global economy has been calculated by assuming that there was no violence in the world and although the world has a long way to go before we can imagine the end of violence it is, however, feasible to assume that a 25% reduction in violence can be achieved.

A 25% reduction in violence would yield a substantial increase in global GDP, unleashing enough wealth to address many of the major challenges facing the world today.

In addition to calculating the value of peace to the global economy, we analysed the monetary value that peace would bring to the major industry sectors within a selection of countries. This Peace Dividend was further broken down by what would accrue through changes in the internal and external peacefulness of these countries. An additional breakdown shows the effect of peacefulness on various economic sectors within these countries thereby enabling a better understanding of what sectors within an economy would grow and by how much, from reductions in violence.

Although this section analyses the economic impact of peace on the global economy the real benefits are felt in human intangibilities which are much harder to measure such as improved well-being, better health, feelings of security and confidence, general happiness and improved opportunities.

In the 2009 GPI discussion paper, Brauer and Tepper Marlin calculated that the cessation of violence would generate a “peace dividend” equivalent to approximately 13.1% of the 2007 gross world product¹⁴. This was divided into two categories that were labelled Dynamic Peace and Static Peace. Dynamic Peace is the total additional economic output likely to occur due to the liberation of human, social and physical capital, which was suppressed by violence and had been calculated at 8.7% of global GDP in 2007 or US\$4.8 trillion. The Static Peace dividend is the economic activity that would be transferred from violence related industries to peace related industries, i.e. expenditure on prison guards could be transferred to more teachers due to the need to imprison less people. This was calculated at 4.4% of global GDP or US\$2.4 trillion, and when added together makes the total peace dividend of 13.1% or US\$7.2 trillion.

The Institute for Economics and Peace commissioned an extension of this analysis for 2010 to identify trends in the peace dividend over time and to estimate the impact by industry sector for each of the countries included in the GPI. This additional report was carried out by Dr Jurgen Brauer, Professor of Economics at James M. Hull College of Business, Augusta State University, Georgia, USA and Visiting Professor at Chulalongkorn University, Bangkok, Thailand. The findings detailed in this section pertain to the original 120 countries rated in the 2007 GPI minus Cuba, for which certain economic data are unavailable, and cover 20 of the 23 indicators for which the methodology has remained

¹⁴ Brauer, J. and J. Tepper Marlin. 2009. “Defining Peace Industries and Calculating the Potential Size of a Peace Gross World Product by Country and by Economic Sector”, Economists for Peace and Security USA for the Institute for Economics and Peace.

unchanged. This research focused on the value of the Dynamic Peace dividend and has not attempted to value what the Static Peace dividend would be for 2008 and 2009, nor has there been an attempt to value the Static Peace for individual countries. Extrapolations can be done from the original paper to understand what the probable Static Peace dividend may have been. The static dividend was estimated at 4.4% of global GDP in 2007. Global military expenditure was the largest contributor to this figure and was approximately 2.5%. The overall changes in peacefulness during the four years of the Global Peace Index have shown a slight decrease in peacefulness. It would be safe to assume that there would have been only a slight change in the Static Peace percentage; therefore, for consistency, a 4.4% figure will be assumed.

Before reviewing the details of the research outcomes some simple observations based on the literature are worth considering.

- ✓ The figures used are conservative; estimates could place the peace dividend significantly higher.
- ✓ Additional world GDP growth in any one year could be at the minimum doubled if there was a cessation of global violence¹⁵.
- ✓ The global financial crisis saw the global economies contract 0.6% in 2008-2009. An economic downturn occurs about once every 10 years; however, world economic growth could have been 8.5% higher if the world was peaceful.
- ✓ Studies of violence in Latin American countries show that lost GDP growth through violence is not recoverable; i.e. there is a compounding effect on the gap between the actual and the potential economy which increases with decreasing peacefulness and that when peace is improved the lost growth is not caught up.
- ✓ Countries with high per capita income, large GDPs and lower levels of peacefulness have the largest possible gains in absolute terms. This is highly relevant for multi-national corporations who have an interest in tapping into the peace dividend.

Overall costs of violence to the world economy

A key finding of this research was that violence costs the world economy just under five trillion US dollars per annum. In 2009 it is estimated that world economic output could have been higher by 8.5%. This is based on potential gains from the Dynamic Peace dividend only. Table 28 on page 42 shows the additional gross world product (pGWP) from 2006 to 2009 in dollar and percentage terms if the world had been free from violence. All monetary figures mentioned in the paper are converted at relevant exchange rates into the USD equivalent.

¹⁵ In 2007 world economic growth was 5.2% being comprised of 2.7% for the advanced economies, 2.1% for the US and 7.9% for developing countries - IME, World economic outlook, October 2009.

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Table 28. Average country GPI score and actual and projected gross world product (in US\$ billions), 2006 – 2009

Year	GPI score	aGWP*	pGWP**	Potential gain ¹⁶	Amount
2006	1.941	\$48,802	\$52,828	8.3%	\$4,026
2007	1.918	\$54,975	\$59,410	8.1%	\$4,435
2008	1.957	\$60,755	\$65,867	8.4%	\$5,112
2009	1.983	\$57,522	\$62,411	8.5%	\$4,889

* The aGWP (actual gross world product) numbers are in nominal terms and based on the 119 countries in the IMF World Economic Outlook April 2010 data base.

** pGWP = Peace Gross World Product – what the gross world product would have been if the world was peaceful.

One way to appreciate these numbers is by noting that the Dynamic Peace dividend is higher than the annual growth in total world economic output. Another way is to note that the world economic and financial crisis of 2008/09 reduced gross world product by little more than one percent. In contrast, the peace gross world product calculations suggest that violence has had a much higher impact on overall economic performance. The decline in per capita world economic output occurs on the order of once every ten years, while the suppression of output due to violence is ongoing, in other words an annual affair. If policy makers had in the past spent as much time focusing on reductions in violence as they have spent on the global financial crisis the economic payoff could have been huge. Additionally, if we look at the mayhem caused by the global financial crisis, then improved peacefulness could easily have the opposite effect with substantial gains in profits, co-operation and well-being.

Additional economic wealth also creates the opportunity to fund activities that may be difficult or unattainable to do in its absence. This is specifically relevant to many of the major challenges facing humanity today. *If an improvement of 25% in global peacefulness could have been achieved in 2009 then this would have unleashed \$1.2 trillion in additional economic activity.* Adding to this figure the possible Static Peace dividend, then the total amount of additional funds available for allocation would be US\$1.8 trillion. In relation to the US, the total improvement in its economy from a 25% improvement in peacefulness would create approximately US\$300 billion.

Adding in the Static Peace dividend allows us to estimate the total economic impact on an annual basis from a cessation of violence. This is the total amount of economic value liberated and is a combination of new economic activity as well as a shift from violence-related activities to peace-related activities. For 2009 this overall peace dividend was equal to US\$7.4 trillion or 12.9% of 2009 gross world product. As an illustrative example the following table 29 has made the assumption that the Static Peace dividend was the same each year at 4.4%.

¹⁶ The pGWP numbers and the potential gains are based only on the matched samples for which both GPI and GDP data were available.

Table 29: Dynamic, static and total peace dividend (in US\$ billions), 2006 – 2009

Year	Actual GDP	Dynamic dividend	Static Dividend	Total Dividend
2006	\$48,802	\$4,026	\$2,147.29	\$6,173.29
2007	\$54,975	\$4,435	\$2,418.90	\$6,853.90
2008	\$60,755	\$5,112	\$2,673.22	\$7,785.22
2009	\$57,522	\$4,889	\$2,530.97	\$7,419.97
Total	\$222,054	\$18,460	\$9,770.38	\$28,232.38

Potential gains from internal and external peacefulness

The research also found that a slightly larger than expected proportion of the Dynamic Peace dividend accrues to internal peace. The GPI is constructed so that internal peace accounts for 60% of the total score with 40% from external peace. The report confirms that, on average, improving internal peace represents the largest economic opportunity, equating to a little over 62%. For the year 2009, it was estimated that improvements in internal peace represented potential economic gains of close to three trillion US dollars, or 62.2% of the total Dynamic Peace dividend. Cumulatively, the economic value forgone on account of violence is estimated at over US\$18 trillion for the 119 countries over the four years of the GPI (see cumulative effects). Table 30 below shows the potential gains deriving from internal and external peace.

Table 30. Dynamic peace dividend, weighted by internal and external peace (US\$ billions), 2006 – 2009*

Year	Internal	%	External	%	Weighted
2006	\$2,490	63.3%	\$1,446	36.7%	\$3,936
2007	\$2,732	62.9%	\$1,609	37.1%	\$4,342
2008	\$3,115	62.3%	\$1,883	37.7%	\$4,999
2009	\$2,978	62.2%	\$1,807	38.8%	\$4,786

*Weighted pGWP estimates yield slightly lower numbers than unweighted estimates.

Sectoral analysis

A major enhancement included in this year's study is the allocation of the potential peace dividend to economic sectors. In other words, what would be the dividend from non-violent behaviour to various economic sectors? The analysis below breaks the global economy into six sectors. The value of the peace dividend will vary from country to country depending on the size of each of these sectors. For example, India's economy is highly dependent on agriculture, which in 2008 comprises 19% of the economy. Therefore the peace dividend would amount to US\$31 billion for the agriculture sector while the wholesale and retail sector's peace dividend would amount to US\$26 billion. This compares with the US where the agriculture sector accounts for 1.1% of the economy and the wholesale and retail

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sector accounts for 15.2%. The peace dividend for these two sectors would be calculated at US\$13.1 billion and US\$185.01 billion respectively.

These six categories could be divided further but there is no adequate global data available. However, some countries, particularly the developed economies, do develop their accounts showing a greater level of detail.

Two sectors in particular stand to benefit significantly from a decrease in violence. These are the global manufacturing sector, which in 2008 could have gained up to US\$906 billion (17.7% of the Dynamic Peace dividend), and the global wholesale, retail trade, restaurants and hotels sector, which could gain up to US\$742 billion (14.5% of the Dynamic Peace dividend). Table 31 below summarizes estimates of the size of the peace dividend for each sector in billions of US\$. There has been no attempt to estimate the Static Peace dividend for industry sectors as it is difficult to separate what portions of an industry sector is spent on violent and non-violent activities. An example would be of a construction company, it could build either a jail or a power plant. This level of detail is not contained in national accounts; however, it would be safe to assume that the power plant would yield higher productivity than the jail. A shifting of economic activity that has been sunk into violence or protection against violence could be diverted to other activities that create future capacity or fund immediate needs.

Table 31. Sectoral allocation of global Dynamic Peace dividend (unweighted; US\$ billions), 2006 – 2008

Sector ¹⁷	2008	%	2007	%	2006	%
Agriculture, hunting, forestry, fishing	277.49	5.4	232.06	5.2	201.72	5.0
Utilities and mining	403.45	7.9	334.93	7.6	307.43	7.6
Manufacturing	905.97	17.7	777.84	17.5	703.80	17.5
Construction	291.41	5.7	250.76	5.7	226.52	5.6
Wholesale, retail trade, restaurants and hotels	742.44	14.5	645.55	14.6	590.30	14.7
Transport, storage and communication	368.75	7.2	319.91	7.2	288.73	7.2
Other activities	2,122.72	41.5	1,873.56	42.2	1,708.57	42.4
Total	5,112.23	100.0	4,434.61	100.0	4,027.06	100.0

Had the world been peaceful then the amount of funds that could have been diverted to more productive activities could be calculated by summing the Static and Dynamic Peace dividends together. In 2009 this would have been equal to US\$7.4 trillion. If a 25% reduction in global violence could be achieved then this would have equalled US\$1.85 trillion in additional or redirected economic activities. These funds could be used to fund a myriad of essential activities. These activities could cover infrastructure investments, better social policies, renewable energy, debt repayment, enhanced global food security or better water usage. If the G20 nations other than Brazil, China and India were to pay 0.7 of their GDP to meet the Millennium Development Goals then the savings in one year alone could fund MDG's commitments for six years¹⁸.

¹⁷ Sectors are based on the International standard industrial classification

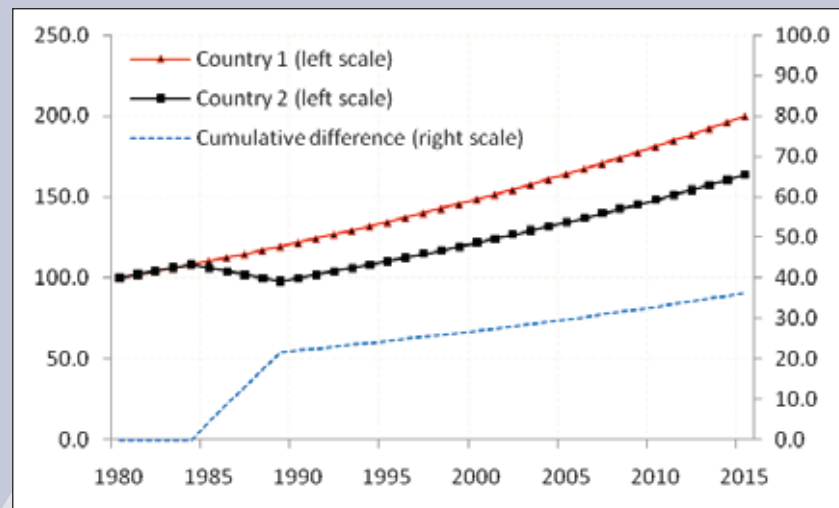
¹⁸ G20 is estimated to be 85% of global GDP, for 2008 world GDP was US\$57T while India's economy was \$1.2T, China \$4.9T and Brazil \$1.57T

Cumulative effects

Measuring the cumulative effects of peace on total economic output can highlight the development gap caused by violence. For the four years for which the calculations for the Dynamic Peace dividend have been carried out, the cumulative value of forgone output has reached US\$18.4 trillion, which is equivalent to adding the combined economies of Russia, Brazil, India and Indonesia¹⁹ to the current world output.

The hypothetical example in figure 2 shows how the GDP differential between a peaceful and non-peaceful country will increase forever, even for a relatively minor war of short duration.

Figure 2 Cumulative peace dividend



The example shows two countries, marked in red and black, with five years of equal GDP growth (two percent per person per year). In 1985, Country 2 experiences violence such that growth falls by 2% per year. Over the span of the 35 years depicted in the figure, Country 1's GDP per person doubles from 100 to 200. By contrast, Country 2 lags behind by nearly 40 points, shown by the blue line. The divergent paths of GDP are clear enough during the violence years, but because Country 2's base has been lowered during its war years, the GDP differential between the two countries will increase forever.

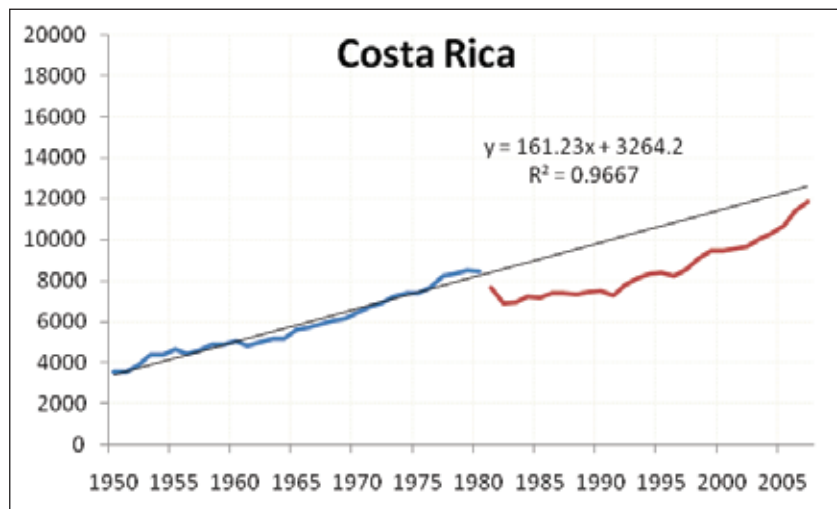
It can be shown that the gap between the red and black lines amounts, by 2015, to the equivalent of eight years of lost economic output. For Country 2 to catch up with Country 1 by the year 2015, Country 2's post-violence growth rate would have to equal 2.8% higher per year, that is, forty percent faster than Country 1 – a very difficult goal to achieve. Even then, the cumulative gap would have amounted to four times Country 2's initial GDP of 100, or the equivalent of four years of output loss.

¹⁹ Russia \$1.2T, India \$1.2T, Brazil \$1.6T, Indonesia \$540B – Source 2009 IMF

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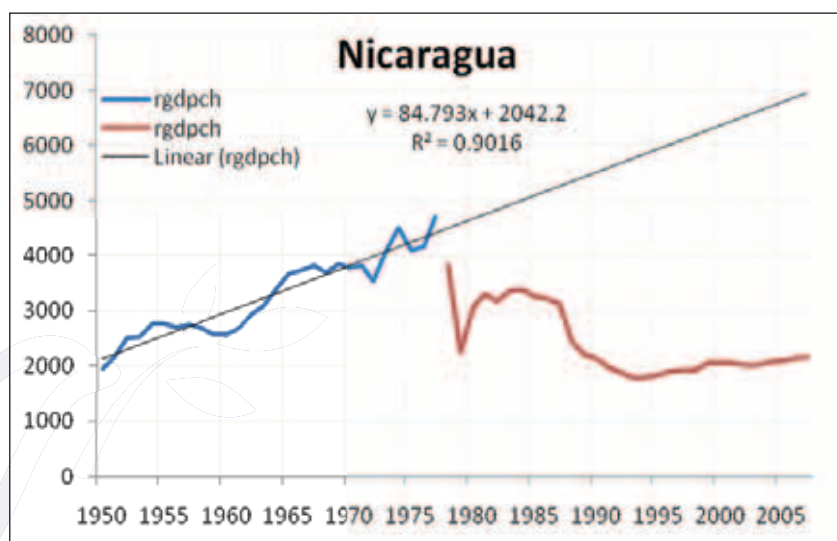
Instead of speaking of Countries 1 and 2, consider the example of Costa Rica in figure 3. While that country did not suffer from war or civil war, its neighbours did – they fought a decade-long war in the 1980s. The spillover effects badly affected Costa Rica through the disruption of trade and tourism. By 2007 the country still had not recovered from the cost its neighbours had imposed, shown clearly by the red line in this chart.

Figure 3. Real GDP per capita, Costa Rica, 1950 – 2007²⁰



Costa Rica fared well compared to its neighbour, Nicaragua, which did experience a war and has clearly paid a more severe price in terms of lost GDP output. In this example the GDP²¹ (red line) doesn't even begin to trend upwards, let alone converge with the trend line based on the pre-conflict GDP growth average.

Figure 4. Real GDP per capita, Nicaragua, 1950 – 2007²⁰



²⁰ Source: Computed from Penn World Table v6.3

²¹ Costa Rica and Nicaragua are measured in population, inflation and purchasing power parity adjusted international dollars

Relative potential peace gains by country

A country's relative state of peacefulness and economic size influence their potential economic gains from a reduction of violence. The report found that the estimated gains vary widely across countries. In percentage terms, the smallest gain for 2009 would accrue to Japan, at 3.2%, and the largest to Zimbabwe at 65.2%. In absolute terms, the smallest gain would accrue to Bhutan, US\$1.14 billion and the largest gain would accrue to the United States, US\$1.14 trillion.

For states that are relatively peaceful to begin with, the postulated gains are smaller than for states suffering from larger-scale internal or external violence. Consider two states with nearly equal GPI scores. The richer one will have less upside potential in relative terms, although it may have a much larger absolute potential if it also has a much larger economy to begin with. For example, Oman and Malaysia rank 20 and 21 respectively on the overall GPI 2010 list²², with almost equal internal, external, and overall GPI scores.

For a large number of countries, internal peace generates 80% or more of their overall peace dividend, in some cases much larger than would be expected on the basis of their internal GPI measures. Conversely, countries such as Japan and Sweden have much less to gain from greater internal peace, at 20% and 28% of their overall peace dividend.

Country sector analysis

The research also looks in depth at the effects on the economic sectors of breaking the Dynamic Peace dividend into its internal and external components for each industry sector for 2008. A number of countries have also been highlighted to show what the effects by industry sector of the internal and external peace dividend could be. The countries selected are the United States, Brazil, Russia, South Africa, France and China.

United States

Being the world's largest economy, the United States has the most to gain in absolute value from improved peacefulness. Table 32 displays a detailed sector analysis dividing the US economy into 20 different economic sectors with the estimated value of internal and external peace for each of these sectors. The 2008 GDP for the US was US\$14,441 billion²³. The United States has opportunities to realize significant economic gains from improving both internal and external peacefulness. Just over 55% of its potential peace dividend, which totals more than US\$1 trillion, accrues to internal peace. These figures only apply to the Dynamic Peace dividend; it does not apply to the Static Peace dividend which would see employment shift from industries such as prison guards to jobs such as school teachers and health workers. The Static Peace dividend could be conservatively estimated at US\$635 billion being 4.4% of total US GDP.

22 Re-scored for trend analysis using 120 countries, 20 indicators

23 IMF World Economic Outlook database

THE MONETARY VALUE OF PEACE

Table 32. United States sectoral analysis, 2008 (US\$ billions)

Sector ²⁴	Internal pGDP	External pGDP
Agriculture	7.15	6.22
Mining	14.76	12.83
Utilities	13.88	12.07
Construction	26.38	22.94
Manufacturing	74.28	64.59
Wholesale trade	37.14	32.29
Retail trade	40.16	34.92
Transportation and warehousing	18.82	16.36
Information	28.21	24.53
Finance and insurance	48.30	42.00
Real estate, rental, leasing	80.89	70.34
Professional, scientific, technical services	49.69	43.21
Management of companies and enterprises	12.87	11.19
Administrative and waste management services	19.34	16.82
Educational services	6.27	5.45
Health care and social assistance	46.25	40.22
Arts, entertainment, recreation	6.36	5.53
Accommodation and food services	17.97	15.63
Other services, except government	14.82	12.89
Government	83.45	72.57
Total	646.96	562.60

A clear example for the United States is the finance and insurance sector, which represents about 7.5% of overall US GDP. For this sector the total peace dividend would be US\$90.3 billion. In total, the US Dynamic Peace dividend is greater than US\$1 trillion, or over seven percent of actual US GDP. This type of benefit could easily repair the current economic malaise, reduce unemployment and fund future infrastructure, education and social programs.

Due to the limited availability of data in countries other than the US, the following sector-specific information is grouped into six key industries²⁵.

Brazil

With high levels of external peace, 92.7% of Brazil's potential gain comes from improvements in its internal peace. This is reflected in table 33 which shows a potential Dynamic Peace dividend in excess of US\$100 billion for internal peace alone. The sector which stands to gain the most in Brazil is wholesale, retail trade, restaurants and hotels, where a potential gain of over US\$23 billion exists. Brazil ranks in the bottom half of the GPI, at 83 in 2010, and therefore has considerable opportunity to emulate the world's more peaceful countries and recognize a sizeable economic gain. The total GDP for Brazil in 2008 was US\$1,635 billion²⁶.

²⁴ US sectoral data sourced from the Bureau of Economic Analysis

²⁵ Non-US sectoral data sourced from the United Nations Statistics Division

²⁶ IMF World Economic Outlook database

Table 33. Brazil sectoral analysis, 2008 (USD billions)

Sector	Internal pGDP	External pGDP
Agriculture, hunting, forestry & fishing	8.64	0.92
Utilities and mining	7.35	0.78
Manufacturing	22.50	2.40
Construction	6.05	0.64
Wholesale, retail trade, restaurants & hotels	23.54	2.51
Transport, storage & communication	11.07	1.18
Total	101.66	8.44

South Africa

As with Brazil, a huge proportion of South Africa's potential gains come from internal peace, 79% to be precise. South Africa is in the bottom quartile of the 2010 GPI, at rank 121 and if internal peace improved then some of the additional economic output from these key industries could be used to provide much needed health, education and other vital infrastructure. The size of the South African economy in 2008 was US\$276 billion²⁷.

Table 34. South Africa sectoral analysis, 2008 (USD billions)

Sector	Internal pGDP	External pGDP
Agriculture, hunting, forestry & fishing	1.12	0.29
Utilities and mining	3.97	1.04
Manufacturing	6.32	1.65
Construction	1.04	0.27
Wholesale, retail trade, restaurants & hotels	4.26	1.11
Transport, storage & communication	2.72	0.71
Total	25.74	5.08

Russia

Russia derives 37% of its peace dividend from external peace and 63% from internal peace. When compared with Brazil and South Africa, it has more opportunities to realize economic gains from improving its external peacefulness but internal peace is still worth considerably more. At rank 143 for the 2010 GPI, Russia is not only one of the least peaceful countries; it is the worst in its region. When combined with a sizeable economy, this means Russia has a potential Dynamic Peace dividend close to US\$200 billion. Particular attention could be given to reducing violent crime and homicides, factors contributing to its low state of peace. The GDP for Russia for 2008 was US\$1,660 billion²⁷.

THE MONETARY VALUE OF PEACE

Table 35. Russia sectoral analysis, 2008 (US\$ billions)

Sector	Internal pGDP	External pGDP
Agriculture, hunting, forestry & fishing	7.59	3.89
Utilities and mining	19.01	9.74
Manufacturing	27.20	13.93
Construction	10.07	5.16
Wholesale, retail trade, restaurants & hotels	33.73	17.28
Transport, storage & communication	14.58	7.47
Total	139.37	57.45

China

China's status as a global manufacturing giant is evident in table 36 below with a large share of its GDP going to manufacturing and the utilities that are needed to supply this sector. At over US\$300 billion of gains just for these key sectors, China's potential gains are second only to the United States in absolute value. Close to three quarters of the peace dividend accrues to internal peace and at rank 80 in 2010, there is significant benefit in becoming much more peaceful.

Table 36. China sectoral analysis, 2008 (US\$ billions)

Sector	Internal pGDP	External pGDP
Agriculture, hunting, forestry & fishing	29.69	12.74
Manufacturing, utilities and mining	109.32	46.42
Construction	14.27	6.12
Wholesale, retail trade, restaurants & hotels	21.18	9.09
Transport, storage & communication	15.05	6.46
Total	189.51	128.25

France

Of all the countries profiled in this section, France is by far the most peaceful. In the 2010 GPI, its overall rank is 32, though this does place it near the bottom of the relatively peaceful Western European region. It is a sizeable economy, which means that it has a potential Dynamic Peace dividend of US\$74 billion per annum, based on 2009 figures. This is weighted slightly towards internal peace and the main sectors to which the potential gain accrues are utilities and mining, manufacturing and wholesale, retail trade, restaurants and hotels.

Table 37. France sectoral analysis, 2008 (US\$ billions)

Sector	Internal pGDP	External pGDP
Agriculture, hunting, forestry & fishing	2.09	1.54
Utilities and mining	1.92	1.42
Manufacturing	12.47	9.20
Construction	6.99	5.15
Wholesale, retail trade, restaurants & hotels	12.80	9.44
Transport, storage & communication	6.70	4.95
Total	42.97	31.71

Key findings

Gross world product in 2009 reached just over US\$57.5 trillion. On the baseline scenario, had the world been at peace, world economic output might have reached US\$62.4 trillion, an increase of 8.5% and easily exceeding the output losses due to the economic crisis of 2008/9 of about minus 0.6%. Even a reduction in levels of violence of just 15% would equal the output loss due to the economic crisis.

For the four years for which the calculations have been carried out, the cumulative value of forgone output has reached US\$18.5 trillion. If we add the Static Peace dividend then the total economic impact of a reduction in violence extends to US\$28.2 trillion. The sums involved are large, and the case for business and peace is easily made. The economic gains from even modest reductions in violence would easily equal the losses due to the world economic crisis of 2008/9.

USING THE GLOBAL PEACE INDEX FOR BUSINESS STRATEGY

This section gives a brief overview of how the Global Peace Index can be used by business to enhance their business planning and strategic analysis activities. It explains how existing planning techniques can be enhanced so that an additional dimension, peace, defined as the absence of violence, can be added.

The Global Peace Index is unique in the depth of statistics that it collects on violence and its ability to integrate these statistics into a single measure to assess relative relationship of the peacefulness of nations.

The examples that have been set out below have deliberately been simplified and the explanations kept short. They demonstrate techniques that are new methods of analysis which will help in increasing a corporation's understanding of its existing and future business environments. The aim has been to get the concept of '*Peace analytics for business*' explained as simply as possible. A paper uniquely dedicated to this subject will be published at a later date.

These new methods are innovative techniques for analysis, which allow companies to utilise the measurement of peace to improve their insight and future plans and to also better understand their competitive situations.

Research carried out by the Institute for Economics and Peace has uncovered a strong statistical relationship between increasing per capita income and increasing peacefulness, as well as increases in the size of various consumer markets. Additionally, there are high correlations between the ease of doing business and competitive business environments and peace. However, peace is rarely used in strategic planning or analysis. To highlight this point, the United Nations Global Compact surveyed its members' companies in 2008 asking senior executives whether they thought that the size of their markets expanded with increasing peacefulness²⁸. Eighty percent responded that it would. In addition, 79% thought that their costs also decreased with increasing peacefulness yet only 13% knew of any tools or materials that helped them understand the peacefulness of their markets.

The GPI, or any of its 23 indicators individually, can be applied to existing planning frameworks to better understand what effect changes in peacefulness may have on margin, cost structures, size of markets, product pricing and competitive analysis. Differences in the overall score for a range of countries when benchmarked against a corporation's costs, margins or market sizes can indicate what the likely effect of changes in peacefulness could have on these items.

It was established earlier in this discussion paper that research undertaken using data from the Global Peace Index has shown that societies with the appropriate structures and attitudes tend to be more peaceful. These are important attributes to consider when planning which markets to target and invest resources in. However, the GPI goes beyond measures of good governance in assisting corporate strategy and planning. It can be used to improve the competitiveness and profitability of corporations.

As a quantitative measure of peacefulness, the GPI is comparable over time and therefore

28 UN Global Compact,
Response to Violent
Conflict survey,
May 2008

allows corporate decision makers to identify and understand peace trends in their markets of interest. Executives can monitor changes in certain GPI indicators to forecast the impact of changing peacefulness on their organisation's operations, revenue and profit. Comparing the cost structures, pricing and margins indexed by peacefulness will allow companies to better understand the impact of peacefulness on these items.

The economic benefits of peace are substantial²⁹. Peaceful countries will tend to have lower interest rates, lower risk profiles, shorter pay-back periods and provide a more stable environment for investment. This in turn will lead to improved long-term planning and increased government spending on infrastructure such as health, education and transport.

Given that the vast majority of corporations prefer to invest their resources in less volatile markets, insight into which markets are trending towards peace can be a valuable source of competitive advantage. Listed below are some simple examples that corporations could apply to their businesses so that the impact of improvements in violence can be quantified.

Market selection strategies

Several traditional business tools can be used in conjunction with the GPI to assist in the strategic decision making process. For example, assessing which markets to invest in typically involves plotting a set of markets on a chart where the dimensions could be market size, penetration and GDP growth. An innovative use of the GPI is shown below in figure 5, where the dimensions are modified to be market penetration and peacefulness. Markets falling on the right hand side of the matrix are more likely to be extended or exploited as these are more peaceful. The markets on the left will require further analysis regarding future risk and growth scenarios.

Figure 5. Peace and market penetration

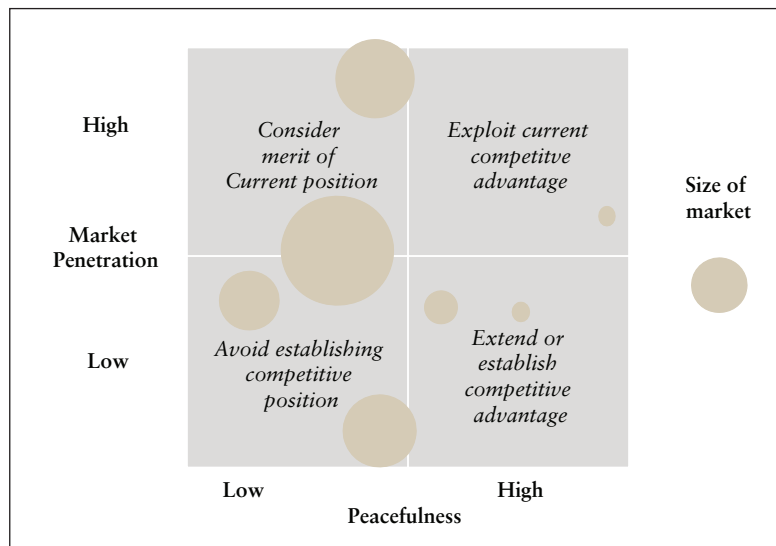
Market Penetration	High	<i>Consider merit of current position</i>	<i>Exploit current competitive advantage</i>
	Low	<i>Avoid establishing competitive position</i>	<i>Extend or establish competitive advantage</i>
		Low	High
		Peacefulness	

²⁹ Tepper-Marlin & Brauer, "Defining Peace Industries and Calculating the potential size of a peace gross world product by country and by economic sector", 2009.

USING THE GLOBAL PEACE INDEX FOR BUSINESS STRATEGY

A variation of this model is shown in figure 6, where the size of the market is overlaid on the matrix so that organisations can view market opportunity by changes in peacefulness. In this example the organisation could seek an early entrant advantage and expand in these markets as they have rising peacefulness. This may be especially applicable where there is a low market share. Alternatively, they should look to leverage existing market opportunities in the top right quadrant, where peacefulness is rising but they already have a presence and vigorously defend highly peaceful markets where they have high market penetration.

Figure 6. Peace and market share



Research has shown that there is a strong correlation between per capita income and peace³⁰. On average, for every 10- places a country rises on the GPI, Gross Domestic Product per capita increases by US\$3,100. Similarly, the size of various consumer markets also increases. For example, for every 10 places a country improves on the Global Peace Index, per capita expenditure on clothing and footwear increases by US\$65 while per capita expenditure on food and non-alcoholic beverages increases by US\$132. Correlations between the GPI and per capita income are not a linear equation; poorer countries near the bottom of the GPI can expect less, and those near the top can expect more.

Industry lifecycle analysis

Organisations should also consider the impact of changing peacefulness on the industry lifecycle curve. As violence increases, so do the costs associated with the establishment of the business including fixed costs such as plant and equipment as well as the length of time to become operational.

³⁰ Institute for Economics and Peace, "Peace, its Causes and Economic Value", 2009

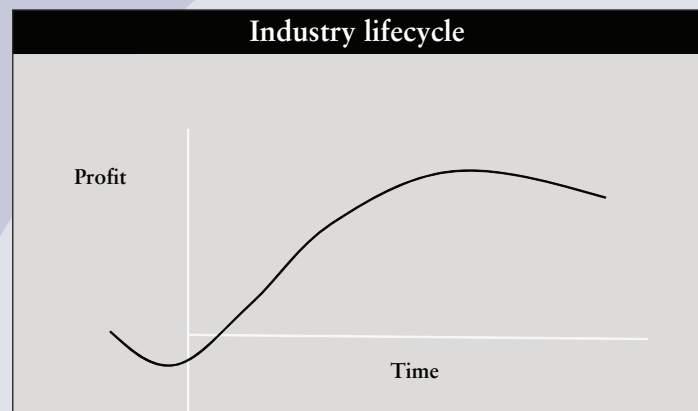
Additionally, deployment and the building of distributor networks will probably also take longer and cost more due to increased concerns and costs for security. There is a strong correlation with corruption, well-functioning government and peace. Low levels of corruption and effective government facilitate speedy and cost-effective implementations.

Markets generally do not grow as quickly in less peaceful societies, and even where they do, the volatility and associated need for more complex planning tend to lengthen pay-back period. This will create additional costs for insurance and security as well as a loss of management time to manage these issues.

Through benchmarking similar businesses in different geographies and indexing them by changes in peacefulness it may be possible to estimate the additional changes in costs, time to roll out and potential future market sizes.

Figure 7 shows a standard industry lifecycle curve. Using the GPI, the level of violence can lengthen the time to deploy, and therefore the breakeven point. This in turn determines the return on investment. Improving peacefulness would reduce the time to breakeven, driving greater profits and return on investment.

Figure 7. Industry lifecycle analysis



Cost analysis

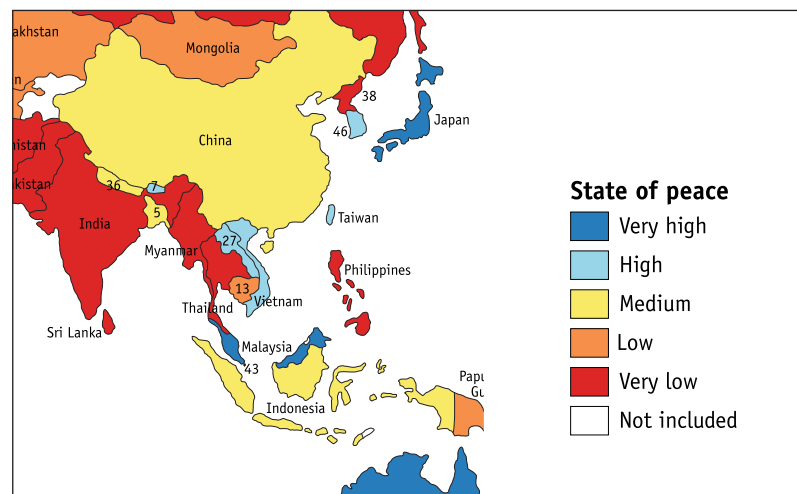
The GPI can also support cost driver analysis through an improved understanding of how changes in peacefulness can affect the cost structures and supply lines for each cost component.

Globalization and offshore sourcing are driving upwards the number of countries involved in the production and assembly of manufactured goods. Global supply chain management is a key area of management focus. Organisations that better understand the changing levels of peace within their supplier markets are better equipped to make critical and timely sourcing decisions which can significantly improve the bottom line.

One possible use of the GPI in this context is to overlay it with an organisation's product sourcing map. Of vital interest here are the changes in peacefulness of countries involved in the relevant supply chain. Those countries tending towards greater levels of peacefulness

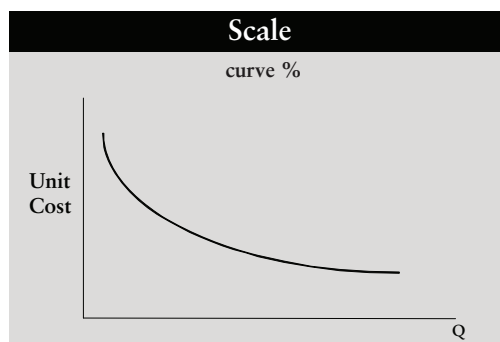
will typically represent more stable business environments, and therefore more reliable locations for manufacturing Figure 8 shows the state of peace in 2009 for the major manufacturing regions within Asia. As the acknowledged growth engine of world trade, it is obvious that this is a diverse region in terms of peace and the GPI can provide important information on the inherent risks in sourcing from these markets.

Figure 8. State of peace in Asia in 2009



Another determinant of cost is the ability to leverage economies of scale. Such economies of scale are often difficult to achieve in violence-prone areas due to higher fixed overheads than more peaceful regions. Increasing peacefulness is associated with higher GDP growth rates which then allow for greater scalability. This in turn allows a producer's average cost per unit to decrease. Figure 9 shows a typical scale curve where the unit cost decreases along with rising levels of peacefulness. Rising peace allows countries to advance up the value chain which is where efficiency gains are more likely to be obtained. The GPI can improve a company's predictive capacity in the identification of countries where improving peacefulness can lead to improving economies of scale.

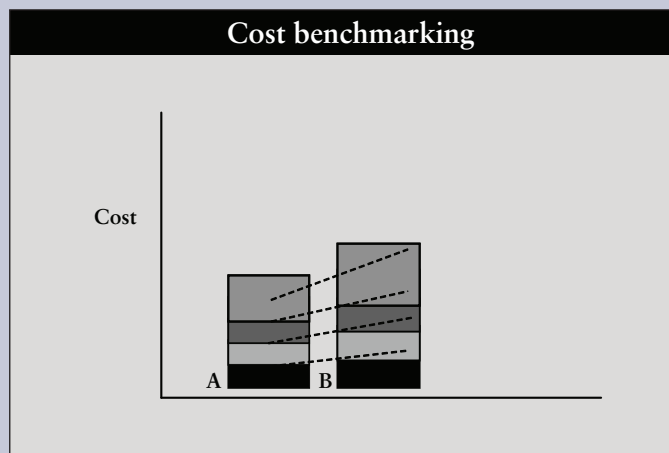
Figure 9. Peace and economies of scale



As peacefulness increases, scalability becomes less costly, thereby positively affecting economies of scale

Cost benchmarking is another area in which the GPI can support business strategy. Through benchmarking costs based on peace it becomes possible to better determine likely pricing in a new market, or likely pricing when conditions change in an existing market. The GPI can become an integral step in business case preparation by understanding the differential for various costs when indexed by peace. Figure xv shows the various cost components for a theoretical product from two distinct markets.

Figure 10. Cost benchmarking using the GPI



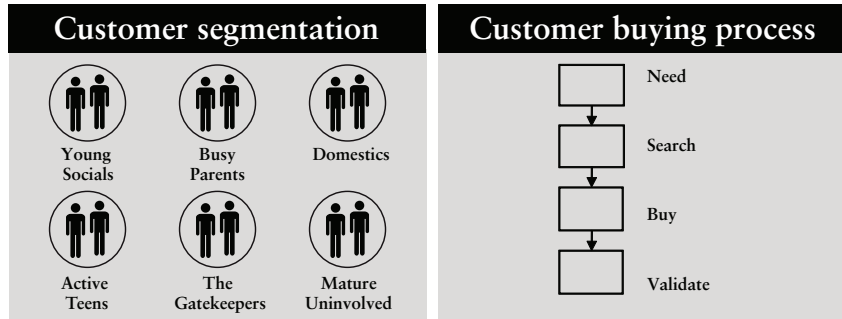
**A and B, above, are two separate products.
The shaded portions represent components of the product cost.*

Peace as an ethical consumer segment

The rise of ethical consumerism presents an opportunity to those organisations wishing to promote the positive aspects of the markets from which they source production. Many consumers view peace as highly desirable yet this is a relatively untapped consumer segment. This consumer group may favour products sourced in peaceful countries and boycott those with violent or aggressive societies or governments. Figure 11 shows other well-known consumer segments alongside the customer buying process. Much as the Equator Principles and Fair Trade have shaped consumer buying behaviour, the GPI could be used by progressive organisations seeking to attract ethically conscious consumers.

The consumer demographic that desires more peace, whether in the form of an ending to international conflicts such as Iraq and Afghanistan or as a reduction of violent crime in the neighbourhood where they live, have a need to have this desire met. Appropriate marketing campaigns can connect the consumer's desire for peace with the appropriate products.

Figure 11. The 'Peace' consumer



Many consumers view peace as highly desirable – how can they be viewed as a consumer segment, what are their emotional needs and how can products be created to fulfill their needs

Competitive strategies and the GPI

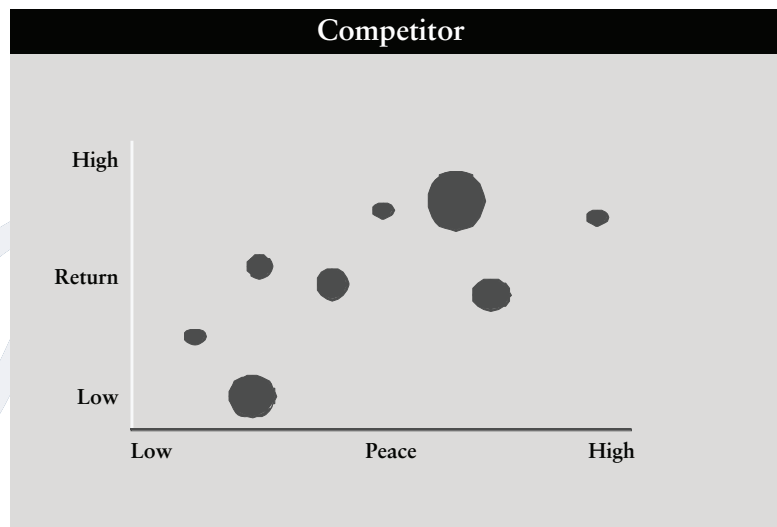
Competitors make different margins on their products in different markets. By indexing the margins by the movements in peace it is possible to understand changing trends in their profitability, thereby helping to better understand the competitive landscape and how to compete.

Strategies used to gain competitive advantage – such as segmentation, differentiation or cost leadership – can also be guided by an analysis of the relative peacefulness of each target market.

If a competitor is overcommitted to a market that is falling in peacefulness but only has a minimal presence in another market that has increasing peacefulness then this does give some insight into where an organisation may wish to invest and compete.

Figure 12 shows the profitability of competitors. Generally higher returns will be obtained in more peaceful markets.

Figure 12. Competitive strategies using the GPI

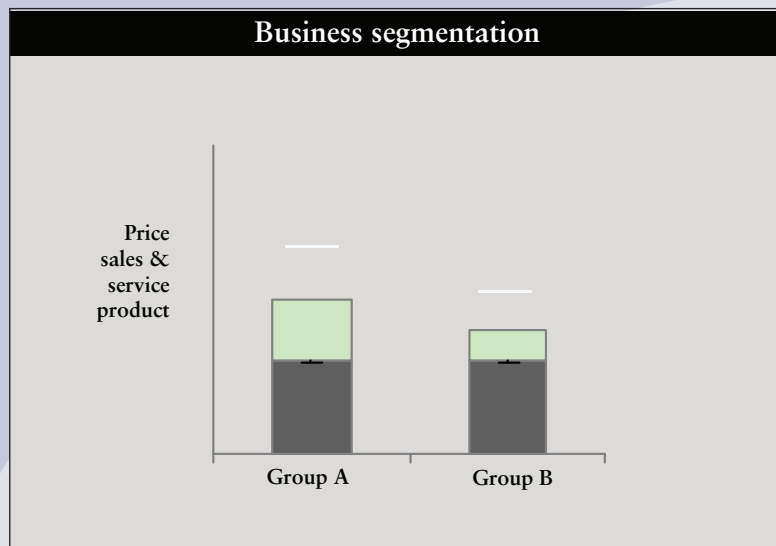


*Size of circle = size of market share

Profit and revenue analysis using the GPI

When rated by peacefulness, executives can compare the price relationship for the same product in different markets. Through analysing the slope of the change in price by peace it is possible to then understand what the likely effect on price will be in any particular market if peace does change. There are many variables that create the cost of a particular product and these would need to be isolated as much as possible to gain a clear insight into the effects of peacefulness. Figure 13 shows segment B having a lower potential maximum price, influenced by its lower level of peacefulness relative to segment A. Using trends in peace scores from the GPI, organisations can help to predict likely future pricing levels and therefore which markets represent the greatest opportunity for them.

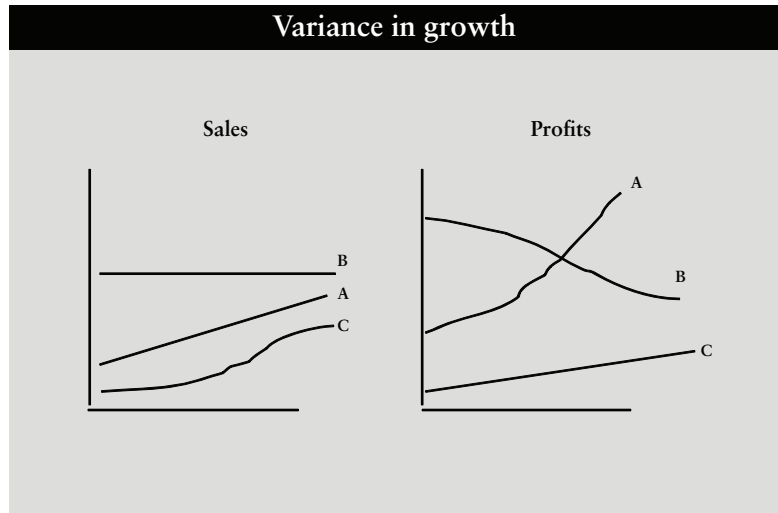
Figure 13. Pricing for different markets or segments



Changes in peacefulness can influence the relationship between sales growth and profits and in this regard the GPI can also be helpful.

Corporations naturally invest more resources into markets where they expect higher profit growth. Successfully identifying these markets is key to a successful expansion strategy. An understanding of the direction of peace in a market is an area in which the GPI can make an important contribution because it utilises a wide range of social demographic variables typically used in business planning. Figure 14 shows the impact of peace on profits for three different markets.

Figure 14. Using the GPI to identify profit opportunity



Corporations should not underestimate the importance of understanding the relative peacefulness of the markets in which they operate. For more insights into trends on the countries in the GPI, see the analysis of four-year trends section on page 8 of this discussion paper.

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

Selections from Peaceful Nations: The Official Report of the Global Symposium of Peaceful Nations by Susan Allen Nan, Joshua Fisher, Saira Yamin, Daniel Druckman, Danielle Olsen, and Meltem Ersoy.

In November 2009, the Alliance for Peacebuilding and the J. William and Harriet Fulbright Center convened the inaugural Global Symposium of Peaceful Nations in Washington D.C. Based on the 2009 Global Peace Index rankings, representatives from the two most peaceful countries from each of nine regions of the world were invited to attend the event and to share their views on why their countries had achieved such high levels of peace. The countries that attended are listed in Table 38 broken up by region.

Table 38. Most peaceful countries by region as per the 2009 Global Peace Index

Region	Most peaceful countries	GPI Rank
Western Europe	Denmark	2
	Norway	2
Central and Eastern Europe	Slovenia	9
	Czech Republic	11
East Asia	Japan	7
	South Korea	33
Middle East and North Africa	Qatar	16
	Oman	21
Sub-Saharan Africa	Botswana	34
	Malawi	47
South and South East Asia	Singapore	23
	Vietnam	39
Oceania	New Zealand	1
	Australia	19
South America	Chile	20
	Uruguay	25
North and Central America and the Caribbean	Canada	8
	Costa Rica	29

The Symposium had three key purposes:

3. The first was to celebrate the achievements of the eighteen participating countries in fostering peace and to award them with a prize. This was the first time that the most peaceful countries of the world had been acknowledged in this way.
2. Secondly, to learn from the eighteen countries the historical, political and cultural aspects that have helped them achieve their high levels of peacefulness.
1. Finally to develop avenues for the peaceful countries to lead their regions and the world toward a greater and more comprehensive peacefulness.

It should be noted that some regions of the world are less peaceful than others, therefore some of the countries are not in the top quartile, such as Malawi 47 and Vietnam 39; however, these countries did outperform their peer group.

Using an appreciative inquiry approach, the event focused on learning from the experiences of the most peaceful societies. It explored how each country became peaceful, then reflected on their accomplishments and sought ways to strengthen their peacefulness and share these strengths in other societies.

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

A full analysis of the 18 participating countries was conducted by academics from George Mason University³¹ and is presented in “Peaceful Nations – The Official Report of the Global Symposium of Peaceful Nations”

In this section we summarize some of the main findings as well as present the analysis of six of the eighteen countries contained in the report.

Through understanding the relative success that the most peaceful countries have had in creating peace at home and abroad, researchers could better understand the paths to peace that are open to every country today, and also what individuals, civil society, countries and the international community can do to encourage the growth of peace.

No country has always been peaceful and no country is perfectly at peace. Wars have ravaged every continent at some point in history, and each society has known some measure of injustice or violence. The countries whose stories are described here have each found their own way out of a troubled past. And each of them continues to build toward an even better future.

A “forward focus” is one of the themes that researchers have seen emerge when looking beyond the concrete characteristics of peace and examined the less quantifiable dynamics that has driven each country’s path to peace. Peaceful countries tend to focus on building their future, rather than righting past wrongs. They also focus on getting their own house in order, rather than intervening in others’ affairs. Regionally and globally, the peaceful countries participate in international governmental organizations to harmonize approaches with their neighbours, but not to impose their ways. These peaceful countries realize they are not perfect, as they see better futures they want to build. Their peace is a process of cooperating to meet common aims, not a static state.

Within each peaceful country, leaders have emerged to shape the nation’s culture, conduct, and manage its trajectory. These countries made space for leaders, and responded to new ideas with flexibility and a willingness to innovate. No country on earth has been without war throughout human history. But, the peaceful countries have allowed leaders for peace to emerge and have institutionalized national structures to continue the dynamics these leaders energized.

The cultures of today’s peaceful countries vary, but researchers observed that they do share some common traits. Social justice is a concept that resonates in the most peaceful countries. For all, there is a commitment to the value and dignity of human life. For some, the egalitarian distribution of wealth is an important part of this. For some, universal access to healthcare and education are the key manifestations of social justice. For all, there is an awareness of the interconnectedness of peace at home and peace abroad, and a commitment to continually strive for both.

31 Susan Allen Nan et al, Peaceful Nations – The Official Report of the Global Symposium of Peaceful Nations, December 2009, Alliance for Peacebuilding, www.allianceforpeacebuilding.org/documents/GSPNPeacefulNationsReportFinal.pdf

Aspects of positive peace were uncovered by comparing and contrasting the most peaceful countries, thereby allowing the researchers to come to some general conclusions on the trends of peaceful dynamics such as leadership, multilateral engagement, social justice, forward-focus, human development, and what was the peace dividend. But these insights come from a big picture examination of peaceful countries today. There are other lessons to be drawn by studying any one of these countries more in-depth.

After observing the common themes and comparative insights from examining the most peaceful countries as a group, George Mason researchers looked into what can be learned about each country individually. They have identified the characteristics that make each country the most peaceful in its region, and examined its strongest areas of peace today.

The pages that follow present a snapshot of six of the eighteen regional leaders. This profiling aims at telling the story of the development of peace in each country. Using a case study approach, these profiles discuss the characteristics of each country in order to produce a more nuanced understanding of their peacefulness.

Norway

Norway has created a high level of peacefulness through focusing on the following broad themes:

- It is a model welfare state ensuring maximum income equality and a high standard of living
- It promotes peace through a strong commitment to funding both the UN regular budget and its peacekeeping missions
- It champions welfare, human rights, and democracy as being essential to domestic policies
- It mediates conflict negotiations and international peace processes of many parties that are involved in conflict.

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

Norway 2009 GPI Profile Score: 1.217 GPI Rank: 2			
Number of external and internal conflicts fought: 2002 – 2007	1.5	Likelihood of violent demonstrations	1
Estimated deaths from external conflict	1	Number of jailed population per 100,000 people	1
Estimated deaths from internal conflict	1	Number of internal security officers and police per 100,000 people	2
Level of organized conflict	1	Military expenditure as % of GDP	1
Relations with neighbouring countries	1	Number of armed services personnel per 100,000 people	1
Perceptions of criminality in society	2	Volume of exports of major conventional weapons	1.5
Number of displaced people as % of population	1	Volume of imports of major conventional weapons	2
Political instability	1	Funding for UN peacekeeping missions	1
Respect for human rights	1	Aggregate number of heavy weapons per 100,000 people	1
Potential for terrorist acts	1	Ease of access to weapons of minor destruction	1
Number of homicides per 100,000 people	1	Military capability/sophistication	3
Level of violent crime	1	*All indicators ranked on a 1-5 scale, with lower scores indicating greater peacefulness	

Recent Peaceful Accomplishments

Norway is ranked second in the GPI in 2009, and it was ranked the most peaceful country in 2007. Between 2001 and 2006, Norway ranked the highest on the UNDP's Human Development Index. Norway has been especially peaceful since the end of the Second World War.

Following the age of petty kingdoms, Norway experienced the Viking Age, leading many Norwegians to flee the country. In 1319 after many wars, Norway and Sweden were unified, later including Denmark, under the throne of Queen Margrethe. In the 17th century, Norway lost some of its land to Sweden during the wars between the united Denmark-Norway and Sweden. During this period while Denmark-Norway was weakened with ongoing wars, the United Kingdom attacked Denmark-Norway, causing severe economic circumstances. As a result of these conflicts Norway fell under the rule of Sweden, yet nationalism still thrived in Norway, which led to an independence movement. With a sense of increased national identity, Norway declared independence, subsequently causing a war with Sweden until they decided to unify, with independent governments and a united foreign policy. However, Norway still aspired for complete independence, which

was declared in 1905, under the leadership of the Prime Minister Christian Michelsen. Although Norway did not have an aggressive policy of expansion or declaring wars with its neighbours, it was drawn into a series of wars, throughout which it struggled for independence. During both of the World Wars, Norway aimed for a neutral policy, but German expansionism prevented this. In 1940, Germany occupied Norway for five years, giving rise to a resistance movement.³² It is this history of war, fighting and struggles for independence, followed by the Second World War, that led to Norway becoming one of the most peaceful countries in the world. Economic welfare is another factor that helped Norway become a strong state working for the wellbeing of its citizens and ensuring its security and stability.

One of the lingering problems Norway faced throughout its history was its treatment of the Sámi people. An assimilation policy in the 19th century led to a ban on cultural activities and changes in property rights. This was a successful policy and achieved assimilation. The Sámis changed their names and forgot their language to some extent. A recent government decision to build a dam in a region where the Sámis resided reignited conflict. The dam would have meant that a town would have needed to be evacuated and gave rise to civil disobedience in agitation for their indigenous rights. Thomas Hylland Eriksen, a professor at the University of Oslo, stated that “For my generation of Norwegians, the Sámi struggle for indigenous rights became our issue, and we all got into our vans and went up to Alta.”³³ In 1989, a Sámi assembly was created and cultural rights were presumed.³⁴

Norway is one of the biggest providers of funding to the UN, and it was the seventh biggest financial contributor as of 2006.³⁵ Norway is one of the founding members of the European Free Trade Area. Norway provided 70 million Norwegian crowns to help with the elections in Afghanistan and Norwegian Foreign Minister Jonas Gahr Støre declared, “Afghanistan will continue to be the primary focus of Norway’s international engagement – civilian, political and military – in 2009.” Norway’s international interventions are not limited to Afghanistan; Sudan is another important region where Norway is active with peace processes. The assistance Norway offers to Afghanistan, Palestine and Sudan totals 750 million Norwegian crowns per year.³⁶ As a world model for a welfare state, Norway is one of the countries that have held strong through the 2009 economic crisis.³⁷ Since 1970, Norway has built a sound economy based on the large petroleum reserves that were discovered, with policies to ensure maximum income equality and a high standard of living for its citizens.

GPI Strongest Indicators

In the 2009 GPI, Norway scored very peaceful in 20 of the 24 factors showing domestic and international peacefulness.

Welfare, human rights and democracy are landmarks of Norwegian politics. A social welfare state that is based on high taxation ensures a high standard of living for all its citizens, and a relatively lower income gap. Besides its respect for democratic principles and

32 Norway the Official Site in the UK, History, <http://www.norway.org.uk/history/>

33 Warren Hoge, “Inside the Arctic Circle, an Ancient People Emerge,” *New York Times*, March 18 2001

34 Norway the Official Site, *The Sámi People*, <http://www.norway.org.tr/facts/sami/>

35 Reform the UN, *Revised List of Top UN Financial and Troop Contributors*, February 2, 2006

36 Norway the Official Site, *Foreign Minister’s Address 10 February 2009*, February 15, 2009

37 Landon Thomas Jr, “Thriving Norway Provides an Economics Lesson,” *New York Times*, May 13

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a peaceful domestic arena with a low crime rate, Norway is also an important promoter of peace in the international arena.

Norway is active in numerous avenues for providing international peace, from aid projects to sending troops for peacekeeping roles. Norway allots a considerable part of its GDP for aid. For instance, Bill Gates suggested that Norway is the best partner in the Global Alliance for Vaccine and Immunization (GAVI), which according to the World Health Organization (WHO) saved three million lives around the world. Norway contributes to GAVI alliance 500 million Norwegian crowns per year (US\$78 million).³⁸

Norway has also been active in reducing the usage of landmines, with the concrete result of the Mine Ban Convention that was completed in Oslo in 1997.³⁹ It acted as a mediator between Sri Lanka and the Tigers of Tamil, worked for ensuring international support for the peace process in Sudan, and was active during the Oslo Peace Talks. Norway's active foreign policy and assertiveness in international projects, negotiations and operations reflects its understanding that international conflicts do have an impact on domestic security. This is due to globalization and can be seen through the trafficking of crime, people, and increasing terrorism.⁴⁰

Opportunities for Growth of Peace

As the second most peaceful nation in the world in 2008, Norway is an exemplary state that promotes and adheres to a culture of peaceful existence. However, Norway demonstrates room to improve its score on one factor in the 2009 Global Peace Index:

- Military capability/sophistication

To Norway, international peacefulness and international security are not divergent issues and because the country sends troops for international interventions and is keen on providing international security, it has a higher military capability and sophistication. However, Norway is dedicated to being a peaceful country, and the relatively higher scores are only 2 out of 5.

It has been reported that although Norway's crime rates are overall relatively low, the crime rate in Oslo has been increasing in the last couple of years. Oslo has the highest crime rate in Scandinavia, 12 percent higher than Stockholm's crime rate and 45 percent higher than Copenhagen's.⁴¹ The police force in Norway has drastically decreased since 1960, yet as the crime rate is increasing, the police are facing challenges such as fighting organized crime and increased security demands for public figures. This has been criticized as a reason for the police neglecting to solve the petty crimes, and for lack of security on the streets.⁴²

Reflections from the Global Symposium of Peaceful Nations

Norway used its increase in wealth from oil to directly invest in its people. Education and social services were the top priorities of the Norwegian government, and it became a model welfare state. The people of Norway are socially democratic, and there remains a small-town feel among society, where you want to help and share with your neighbours.

38 Norway the Official Site in the UK, Bill Gates: Norway had become our best partner

39 Norway the Official Site in the UK, Norway as a Prime Mover for a Total Ban on Landmines

40 Norway the Official Site in the UK, *Norway's Peace and Reconciliation Efforts in Different Parts of the World*

41 World Travel Watch, "Norway: Oslo Crime Rate Now Highest In Scandinavia"

42 Nina Berglund, "Police Struggling as Oslo's Crime Rate Jumps", *Aftenposten*, February 26, 2007

Internationally, Norway dedicates itself to securing peace and development and maintains an active foreign policy.

Qatar

Qatar has created a high level of peacefulness through focusing on the following broad themes.

- No violent conflicts occurring within the country and low military expenditure.
- It is working to improve women's rights and their steady integration into society.
- It has a peaceful presence within a conflict ridden region and provides financial and medical assistance to many Arab nations.
- It provides social services to its citizens with special attention on improving the quality of life of the nation's young people and women.

Qatar 2009 GPI Profile Score: 1.392 Rank: 16			
Number of external and internal conflicts fought: 2002 – 2007	1	Likelihood of violent demonstrations	1
Estimated deaths from external conflict	1	Number of jailed population per 100,000 people	1
Estimated deaths from internal conflict	1	Number of internal security officers and police per 100,000 people	3
Level of organized conflict	1	Military expenditure as % of GDP	1
Relations with neighbouring countries	1	Number of armed services personnel per 100,000 people	1.5
Perceptions of criminality in society	2	Volume of exports of major conventional weapons	1
Number of displaced people as % of population	1	Volume of imports of major conventional weapons	1
Political instability	1.875	Funding for UN peacekeeping missions	1
Respect for human rights	2	Aggregate number of heavy weapons per 100,000 people	1.5
Potential for terrorist acts	1	Ease of access to weapons of minor destruction	3
Number of homicides per 100,000 people	1	Military capability/sophistication	3
Level of violent crime	1	*All indicators ranked on a 1-5 scale, with lower scores indicating greater peacefulness	

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Recent Peaceful Accomplishments

Qatar's rich history dates back to 4000 BC and during the 14th century under the Abbasid State rule, the region saw a prosperous era. Then from the 16th century until the early 20th century, Qatar lived under the rule of the Ottoman Empire. With the end of the First World War came the end of Ottoman Empire rule in Qatar. However, independence was not achieved immediately as Qatar had made an agreement with Britain in 1916 to have a protectorate in the country.

Sheikh Jassim bin Mohammed Al Thani, who ruled until 1913, is considered the founder of the modern state in Qatar, where Sheikhs from the Al-Thani family have ruled since the early 18th century. Hoping to balance out the British influence in the regions contiguous to Qatar, Sheikh Jassim asked the Ottoman Empire to increase its presence in the country, and as a result of this confidence-building request, was conferred the governor position in 1876. However, the Sheikh's advancement created conflicts with Britain, who also aspired to have influence over the region. Some Qataris who had not complete control over their territory later fought a war with the Ottoman forces that were looking to increase their presence and influence in the region. Qataris won this battle in 1893, and have since considered this date a sign of national pride and solidarity for the Qatari people. Although Qatar officially declared its independence on September 3, 1971, the national day is celebrated on December 18th, when Sheikh Jassim took office in 1878.⁴³

Oil was discovered in Qatar in 1913 changing the dynamics in the country. The Emir who ruled Qatar since 1972 did not ensure proper distribution of the oil revenues leading to economic difficulties, and was toppled by a coup in 1995, led by his son, who is still the Emir of Qatar.

Border issues with Bahrain and Saudi Arabia were resolved in 2001; Qatar does not have any ongoing regional conflicts or domestic unrest. Since the resistance to the Ottoman rule and the British protectorate, the Qataris managed to found their independent state by mobilizing behind their leader. Britain and the Ottoman Empire in the region helped Qatar achieve this objective. The present day Qatar has a balanced foreign policy between different regions, religions, and ideologies. Qatar respects and underlines the importance of the rule of law and international governance.⁴⁴ Qatar is a member of the UN, the Arab League and the Non-Aligned movement. It is one of the founders of the Arab Gulf Cooperation Council, and provides aid to developing countries while working in collaboration with their governments and nongovernmental organizations (NGOs). It also makes donations to regional and international development funds.⁴⁵ Qatar provides financial and medical assistance to some Arab countries, and some countries in Asia and Africa. It also supports the negotiations for re-establishing peace in South Sudan.⁴⁶

⁴³ Ministry of Foreign Affairs, *Historical Note*

⁴⁴ Ministry of Foreign Affairs, *Opening Speech By H.E. Sheikh Hamad Bin Jassim Bin Jabr Al Thani Prime Minister and Minister of Foreign Affairs At Doha Forum for Democracy, Development and Free Trade*, 3 May 2009

⁴⁵ Ministry of Foreign Affairs, *The March of the Qatari diplomacy*

⁴⁶ Ministry of Foreign Affairs, *Arab issues*

GPI Strongest Indicators

In the 2009 GPI, Qatar fared extremely well in 15 of the 23 factors across domestic and international peacefulness.

There is no violent conflict in the country and the military expenditure is low. In 2007, Qatar also earns the second highest GDP per capita in the world.⁴⁷ The wealthy Qatari state, mostly due to the oil reserves, provides social services to its citizens, such as health care, and has various programs for the enhancement of the quality of life and rights of young people and women.⁴⁸ The government emphasizes the importance of youth education in producing quality citizenship.⁴⁹

It also has a special committee that works on improving women's integration into the society. While the government works to help women earn salaries on par with men and to provide equal opportunities for their education and employment, women's important role in family responsibilities is also emphasized. A leading female figure and the wife of the Emir, Sheikha Mozah bint Nasser Al Missne, works for the protection of women's rights, and has sponsored events such as The Woman between the Family and the Workplace conference.⁵⁰ The development of women's rights is recent in Qatar; only in 1999 were women granted the right to vote and run for public office. The Emir has been taking some measures to implement democratic reforms, such as decreasing censorship of the media, which is apparent in the success of the Al Jazeera network.⁵¹ Also, Qatar began its environmental efforts rather early, by establishing a permanent committee for environmental protection in 1981.⁵²

Opportunities for Growth of Peace

While Qatar's internationally peaceful posture and its great strides towards domestic peace are remarkable, Qatar still scores moderately less peaceful on three factors:

- Number of internal security officers and police per 100,000 people
- Ease of access to weapons of minor destruction
- Military capability/sophistication.

Although Qatar maintains a peaceful foreign policy and domestically a low level of violence, it is a militarized country with a relatively high number of internal security officers. Qatar also faces the challenge of illegal immigration in the country, and needs to consider appropriate measures to address the issue.⁴⁷ The driver information in the GPI also points to room for peaceful growth in Qatar. The country has a relatively high ranking for political culture, 4.8 out of 10, revealing the level of social consensus to strengthen democratization efforts and move to secularization. However, the political participation in the country is ranked lower relative to the political culture, 2.22 out of 10.

47 The World Factbook, Qatar, <https://www.cia.gov/library/publications/the-worldfactbook/geos/qa.html>

48 Qatar Government Online, *Health and Environment*

49 Ministry of Foreign Affairs, *Youth Welfare*, <http://english.mofa.gov.qa/details.cfm?id=101>

50 Ministry of Foreign Affairs, *Qatari Women*, <http://english.mofa.gov.qa/details.cfm?id=33>

51 Louay Bahry, "Elections in Qatar: A Window of Democracy Opens in the Gulf", *Middle East Policy Council* 6, no.4 (June 1999)

52 Qatar Government Online, *Our Environment*

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Also, despite government efforts to emphasize women's rights, no women were elected to parliament in 2007. However, it must be understood that the development of democratic ideals and practice takes time, and these figures show that Qatar's political participation levels may soon catch up with its level of political culture.

Reflections from the Global Symposium of Peaceful Nations

In terms of Qatar's internationally peaceful posture, the country is dedicated to open and direct dialogue with many different parties. Qatar believes its relationship with its neighbours is important to peace building. It extends this vision by working in Darfur and engaging with Hamas. Qatar invests in its people as a strategy for building peace, through education, healthcare, and enterprise development. Like other countries, a strong and visionary leadership in Qatar made way for positive changes that have modernized and developed the country to increase its domestic peacefulness and be a peaceful presence internationally.

Botswana

Botswana has created a high level of peacefulness through focusing on the following broad themes:

- It has achieved a strong economic growth rate and is also the largest exporter of diamonds in the world
- Is an active member of the United Nations, the Non-Aligned Movement, the Organization of African Unity, and the Southern African Customs Union
- Commits to remaining peaceful within its hostile region
- It has dramatically enhanced its infrastructure, education system, health facilities, and housing facilities.



Botswana 2009 GPI Profile Score: 1.643 Rank: 34			
Number of external and internal conflicts fought: 2002 – 2007	1	Likelihood of violent demonstrations	1
Estimated deaths from external conflict	1	Number of jailed population per 100,000 people	2.5
Estimated deaths from internal conflict	1	Number of internal security officers and police per 100,000 people	3
Level of organized conflict	1	Military expenditure as % of GDP	1.5
Relations with neighbouring countries	1	Number of armed services personnel per 100,000 people	1
Perceptions of criminality in society	2	Volume of exports of major conventional weapons	1
Number of displaced people as % of population	1	Volume of imports of major conventional weapons	1
Political instability	1.25	Funding for UN peacekeeping missions	1
Respect for human rights	2	Aggregate number of heavy weapons per 100,000 people	1
Potential for terrorist acts	1	Ease of access to weapons of minor destruction	3
Number of homicides per 100,000 people	4	Military capability/sophistication	2
Level of violent crime	3	*All indicators ranked on a 1-5 scale, with lower scores indicating greater peacefulness	

Recent Peaceful Accomplishments

In 1806, Botswana became an attractive site for European hunters and merchants. As in the rest of Africa, colonial powers played a predominant role in carving out its history. The wave of foreign hunters introduced guns to Botswana while at the same time the missionaries taught the Batswana Christianity which greatly influenced the country.

Botswana suffered many wars due to the British presence in the area and territorial conflicts with the different peoples of the region. The territory of Mzilikazi's Ndebele has been a particular source of conflict between the Botswana and the Boers in the region. The territory had earlier belonged to the Batswana and but after the Boers moved in they became workers in the farms of Boers. When later a large number of Boers changed their settlement to elude the British bureaucracy, the Batswana helped the British prevail over the territory. The Boers and the Batswana still experience conflicts over the land.

The borders of Botswana were set in 1885 and the region became independent and under the protection of the Boers in the south and the Ndebele in the northeast. The republic of Botswana became independent on September 30, 1966, with Sir Seretse Khama as its president.⁵³

⁵³ Republic of Botswana: The Government of Botswana Web Site, *History of Botswana*

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Botswana, from being a poor British protectorate under the name of Bechuanaland, slowly moved toward peacefulness, democracy and economic growth. For the first five years of its political independence, Botswana was financially dependent on Britain. However, the discovery of a huge diamond mine in Orapa in 1967 sparked Botswana's great leap in economic advancement. Since then, De Beers operates the diamond mines in Botswana, sharing a 50-50 joint venture with the country with one-third of the GDP coming from the diamond mining.⁵⁴

The history of Botswana is intermingled with the histories of South Africa, Zimbabwe, Namibia, Angola, and Zambia. Botswana acted as a "Front Line State" to found popular governments in Zimbabwe, Namibia and South Africa. Botswana also became a destination for refugees escaping the civil war in Rhodesia and urban uprisings in South Africa. In the early 1970s, Botswana finally began to build its own army, which engaged in the regions' conflicts. Botswana became an important factor in the establishment of the Southern African Development Coordination Conference. In 1990, Namibia declared its independence, and in 1994 South Africa followed, finally leading to considerable peace in the region. Botswana became a member of the UN, NAM, the OAU, and the Southern African Customs Union.⁵⁵

GPI Strongest Indicators

In the 2009 GPI, Botswana scored extremely well in 13 of the 23 factors showing domestic and international peacefulness.

The real GDP economic growth rate is at 6.9% while per capita income is stable at 4.3% annual growth.⁵⁶ About 60% of the population lives above the international poverty line of US\$1.25 a day.⁵⁷ As its economy strengthened, Botswana extended the basic infrastructure for mining development and the basic social services for its population. Botswana is still working on big infrastructural projects, such as the North-South water pipeline, and the Trans-Kalahari road that connects Walvis Bay in Namibia with Gaborone, South Africa and Zimbabwe. Botswana provides financial assistance for investments in rural areas or regions that have development potential.⁵⁸ It is also the largest exporter of diamonds in the world⁵⁹ and according to Transparency International Botswana is the least corrupt country in Africa and ranks similarly close to Portugal and South Korea.⁶⁰

⁵⁴ Joe Nocera, *Diamonds are Forever in Botswana*, August 8, 2008

⁵⁵ The Botswana History Pages by Neil Parsons, *A Brief History of Botswana*, September 19, 2000

⁵⁶ Republic of Botswana: The Government of Botswana Web Site, *Stability and Financial Strength*,

⁵⁷ Human Development Reports, UNDP, 2008 *Statistical Update: Botswana*

⁵⁸ Republic of Botswana: The Government of Botswana Web Site, *Development Initiatives*

⁵⁹ Republic of Botswana: The Government of Botswana Web Site: *Democracy, Development, Selfreliance and Unity*

⁶⁰ Transparency International, *2008 Corruption Perception Index*

Opportunities for Growth of Peace

While making great strides towards peacefulness on many of the factors that have been measured, Botswana could improve its performance in some of its domestic areas according to the 2009 GPI:

- Number of homicides per 100,000 people
- Level of violent crime
- Number of internal security officers and police per 100,000 people
- Ease of access to weapons of minor destruction
- Number of jailed population per 100,000 people.

One of the crucial problems Botswana faces is the AIDS rate in the country, which is among the highest in the world. The Botswana government is having conflict with the Bushmen but is committed to managing the conflict. The Bushmen are an economically deprived sector of the population that are seeking their own land and the right of recognition.⁶¹ The Botswana government has also excelled in its international peaceful posture, it continues to manage and improve the domestic issues it faces.

Reflections from the Global Symposium of Peaceful Nations

Botswana's journey to democracy has influenced its respect for institutions and free and fair elections. In democratic politics, Botswana believes stronger institutions, not people, should be the focus and the unit of analysis for government performance. While diamonds have been a source of violence and strife for many of its neighbours, the strong institutions in Botswana have allowed for fair distribution of the diamond revenues, which were invested in the betterment of the country's social sector, particularly education and infrastructure.

New Zealand

New Zealand has created a high level of peacefulness through focusing on the following broad themes:

- It demonstrates firm commitment to regional and international peacekeeping
- It progressively promotes race and gender equality as well as gay rights
- It maintains low military expenditure and works closely with Australia in promoting regional peace
- New Zealand boasts an extremely admirable human rights record.

⁶¹ Suzanne Daley, Botswana is Pressing Bushmen to Leave Reserve, New York Times, July 14, 1996

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

New Zealand 2009 GPI Profile Score: 1.202 Rank: 1			
Number of external and internal conflicts fought: 2002 – 2007	1	Likelihood of violent demonstrations	1
Estimated deaths from external conflict	1	Number of jailed population per 100,000 people	1.5
Estimated deaths from internal conflict	1	Number of internal security officers and police per 100,000 people	1
Level of organized conflict	1	Military expenditure as % of GDP	1
Relations with neighbouring countries	1	Number of armed services personnel per 100,000 people	1
Perceptions of criminality in society	2	Volume of exports of major conventional weapons	1
Number of displaced people as % of population	1	Volume of imports of major conventional weapons	1
Political instability	1.25	Funding for UN peacekeeping missions	1
Respect for human rights	1	Aggregate number of heavy weapons per 100,000 people	1
Potential for terrorist acts	2	Ease of access to weapons of minor destruction	1
Number of homicides per 100,000 people	1	Military capability/sophistication	3
Level of violent crime	2	*All indicators ranked on a 1-5 scale, with lower scores indicating greater peacefulness	

Recent Peaceful Accomplishments

New Zealand is ranked the most peaceful nation in the world in both the 2009 and 2010 GPI. This peacefulness is as much cultural as it is political. Indeed, the peacefulness of New Zealand is best captured in the anthem God Defend New Zealand, which celebrates the nation of “men of every creed and race” living free from “dissension, envy [and] hate”.⁶² That anthem goes on to declare the New Zealander pride in peace, and later reinforces the national values of love, peace, and truth.

The peacefulness of New Zealand is exemplified in both its domestic situation and its foreign relations. Internally, New Zealand demonstrates: low levels of crime; tolerance and acceptance of race, class, gender and ideology; and an orientation for social welfare. Internationally, New Zealand maintains excellent relations with its neighbours, demonstrates a firm commitment to regional and international peacekeeping, and maintains an incredibly open and developed economy.

For much of its history New Zealand had at least two distinct cultures, the Maori (original inhabitants) and the Pakeha (largely of European descent). This has shifted in recent years, however. Following the end of the Second World War New Zealand adopted an immigration policy that directly targeted White/European settlers.

⁶² Ministry for Culture and Heritage, *New Zealand's National Anthems*, (May 22, 2006)

Throughout the 1990s this policy shifted, and large numbers of immigrants came to New Zealand from around the Pacific Islands, Asia, Africa and the Middle East. While nearly three-quarters of New Zealanders are of European descent⁶³, the demographic character of the country has opened dramatically in recent years. Today, New Zealand is an increasingly multicultural society, with well over half a million of New Zealand's 4.3 million people speaking at least one language other than English.⁶⁴

The 1980s and 1990s witnessed additional opening of New Zealand society. During this time advances were made in women's rights and sex and gender rights across New Zealand's legal and social systems. Particular advances were made during those years to redress the economic and political disparities between men and women. While gender differences still exist, particularly in the economic realm, by 2005 women held many key political positions including: the Prime Minister, Governor General, Chief Justice, Attorney General, and Speaker of the House of Representatives.⁶⁴ Likewise, gay rights improved significantly from the late 1970s onward, first through decriminalization of homosexual acts, and then later, as laws were passed prohibiting discrimination based on sexual orientation. In the 2000s openly gay men and women have begun to win seats in Parliament and hold key positions inside the government.

GPI Strongest Indicators

New Zealand scores extremely well on 17 of the 23 indicators of peacefulness in the 2009 GPI. Additionally, New Zealand scored moderately well on 5 of the remaining 6 indicators. These scores set the country apart as the most peaceful nation in 2009.

In the domestic arena New Zealand manifests low levels of violent and organized crime. This is highlighted by the almost static number of registered offences between 2007 and 2008, which grew by only 0.2% when adjusted for population increases.⁶⁵ Its human rights record is also well respected. In both the GPI and other independent rankings, New Zealand consistently scores well for its human rights record. The score of 1 in the GPI is assigned due to the rule of law, legal and political tolerance for individual views/opinions, and the absence of torture by military or police. In addition to these baseline indicators for human rights, New Zealand is also proud of its egalitarian approach to human development. This approach is evidenced in both the ease of access to higher education for all New Zealanders and the social welfare systems that are in place. While there are disparities among various social, ethnic, and gender groups pertaining to the level of human development currently being achieved, the New Zealand government undertakes periodic reviews of its human rights context in society, identifying groups and areas that are marginalised and recommending strategies for addressing social disparities.⁶⁶

63 John Wilson. 'Society' - The people of New Zealand, *Te Ara - the Encyclopedia of New Zealand*

64 John Wilson. 'Society', *Te Ara - the Encyclopedia of New Zealand*

65 Judith Collins. "Statistics show police success in fight against crime", *The official website of the government of New Zealand*. (April 1, 2009)

66 Ministry of Foreign Affairs and Trade. *New Zealand's National Human Rights Report, Section 3*

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In foreign affairs New Zealand also stands out as a leader of peacefulness. Its relations with neighbours are exceptionally strong. Most notable among its regional affairs are its military and economic cooperative relations with Australia. These two regional leaders have committed to mutual protection and maintaining security in the South Pacific. Likewise, under a Closer Economic Relations (CER) agreement and Trans-Tasman Travel agreements, citizens of both Australia and New Zealand are permitted to travel and work in either country.

New Zealand is unique among peaceful nations for its strikingly low military expenditures yet strong commitment to peace and peacekeeping. With a military force of less than 15,000⁶⁷, and military spending under 1.1% of GDP⁶⁸, New Zealand supports and maintains personnel in peacekeeping missions or observation roles in Sudan, Sinai Peninsula, the Middle East, Iraq, Afghanistan, Korea, Timor Leste, and the Solomon Islands.⁶⁹

Opportunities for Growth of Peace

New Zealand scores moderately less peaceful on only one indicator:

- Military capability/sophistication

The New Zealand Defence Act of 1990 charges the New Zealand Defence Force (NZDF) with: the defence of New Zealand and its domestic and foreign interests; the contribution of forces to treaties and alliances; and the contribution of forces to UN and multinational operations. With these goals in mind the New Zealand government strives to maintain its forces such that they are current with state-of-the-art technology and training. According to the Government's Defence Policy Framework of 2000, this is fundamental for maintaining both its effectiveness in national defence and its interoperability with allies.⁷⁰

An additional limit to New Zealand's peacefulness is its moderate score on the jailed population. While crime is very low in New Zealand compared to other countries – the prison system can only accommodate roughly 6,000 inmates⁷¹ – there is a surprising disparity in the demographic of the jailed population. Approximately half of the jailed population is below the age of 30, and more than 40% of the jailed population is ethnically Maori.⁷¹ Thus, while across countries New Zealand scores well for its crime and jailed indicators, it is clear that internally there still exist social and institutional aspects of New Zealand society that marginalize some groups more than others.

67 New Zealand Defence Force. *Personnel Summary*, (August 4, 2009) <http://www.nzdf.mil.nz/at-aglance/personnel-composition.htm>

68 Visions of Humanity. *GPI 2009 Methodology, Results and Findings* (2009)

69 New Zealand Defence Force. *NZDF Deployments*. (August 26, 2009)

70 New Zealand Defence Force. *Military Capability* (August 31, 2007) <http://www.nzdf.mil.nz/at-aglance/military-capability.htm>

71 John Wilson. 'Society', *Te Ara - the Encyclopedia of New Zealand*. (November 21, 2008)

Reflections from the Global Symposium of Peaceful Nations

Economic prosperity has been an essential ingredient of New Zealand's rise as the most peaceful country in the world. Its internal security environment may partly be attributed to effective environmental resource management. Sustained leadership has been a critical element of New Zealand's success. Under former Prime Minister Helen Clark New Zealand grew as a harmonious and inclusive society. Clark promoted social welfare focusing on health and education, thereby laying the foundation for a sustainable nation. Fundamental values and human rights were upheld, putting the country in a leadership position on the international stage. New Zealand is proactive in advancing its foreign policy of good relations with Australia and Asia and supports the principles of regional and global interconnectedness.

Chile

Chile has created a high level of peacefulness through focusing on the following broad themes. It represents one of the most remarkable cases of democratic transformation in modern history:

- It boasts one of the strongest economies in Latin America with a record of consistently high growth
- It represents the ideals of egalitarian values for women and men and recently had a female head of state
- Chile strives for domestic stability by focusing on poverty reduction, protection of civil liberties, and relative freedom from crime and corruption
- It is a key regional and international player, demonstrating strong leadership in regional and global frameworks for peace and development.

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

Chile 2009 GPI Profile Score: 1.481 Rank: 20			
Number of external and internal conflicts fought: 2002 – 2007	1	Likelihood of violent demonstrations	3
Estimated deaths from external conflict	1	Number of jailed population per 100,000 people	2.5
Estimated deaths from internal conflict	1	Number of internal security officers and police per 100,000 people	1
Level of organized conflict	1	Military expenditure as % of GDP	1.5
Relations with neighbouring countries	1	Number of armed services personnel per 100,000 people	1
Perceptions of criminality in society	3	Volume of exports of major conventional weapons	1
Number of displaced people as % of population	1	Volume of imports of major conventional weapons	1.5
Political instability	1	Funding for UN peacekeeping missions	1
Respect for human rights	1.5	Aggregate number of heavy weapons per 100,000 people	1
Potential for terrorist acts	1	Ease of access to weapons of minor destruction	3
Number of homicides per 100,000 people	1	Military capability/sophistication	3
Level of violent crime	2	*All indicators ranked on a 1-5 scale, with lower scores indicating greater peacefulness	

Recent Peaceful Accomplishments

Chile is a model South American country that has earned the admirable distinction as one of the two most peaceful societies in the region. Given that the country has emerged from oppressive military rule as recently as 1990, Chile has set new standards for achieving socio-political stability and economic prosperity at a remarkable pace.⁷² It may be noted however, that General Augusto Pinochet's dictatorial regime spanning the period 1973 to 1990 was an unusual occurrence in the recent history of Chilean politics. Unlike most of Latin America, Chile has been relatively free of coups and authoritarian regimes. Nonetheless a peaceful and successful transition to democracy is an outstanding feat for any country escaping a long period of arbitrary rule. Chile's experience provides lessons for many states struggling towards representative government, usually amidst throes of violence associated with radical systemic change. The friction between various agents of transformation and the existing order is often so immense that it could take decades for most states to achieve what Chile has in an incredibly short period of time.

The present Chilean system represents the ideals of egalitarian values for women and men that clearly set it apart from many developed and developing nations of the world. Article 1 of Chile's political Constitution states: "Men and women are born free and equal in dignity and rights."⁷³ True to the spirit of its Constitution, in 2006 the Chilean people elected a female head of state for the first time in the history of the country.

Military rule between 1973 and 1990 characterized a period of severe human rights violations including the killings and abductions of thousands of dissidents. Today Chile is relatively free from crime and corruption.⁷⁴ Social reform in the country has brought marked improvements in health care, social protection and equitable employment. Specific accomplishments include Chile's rise to the second highest position in the UNDP's Human Development Index in Latin America with a reduction in the poverty rate by over half, an 80 percent increase in public expenditure on primary health care, reductions in age and gender based inequality in employment, and creation of opportunities for public participation – where in the past there were none.⁷⁵

Economic reform in the country began with trade liberalism. In one area some credit must be accorded to General Pinochet who laid the foundations for greater economic freedoms during the early years of his military rule.⁷⁶ By the time democracy was re-established in 1990, Chile recorded the fastest economic growth rate in Latin America and has been consistent in its performance as one of the strongest economies in the region, even today.⁷⁷ The country has demonstrated great resilience in the face of the global economic crisis, which speaks volumes to the merits of its economic order.⁷⁸ For the past three decades Chile has encouraged trade liberalism and an environment of competition to its own benefit. The relatively small South American nation has entered the twenty-first century as one of world's most open economic markets. To be sure it provides a glorious example of how a developing country could shun dependence on foreign aid and successfully embark upon a cycle of self-generated growth and peaceful coexistence.⁷⁹

GPI Strongest Indicators

Chile rates moderately peaceful to extremely peaceful in 18 out of 23 indicators of domestic and international peacefulness in the 2009 rankings of the GPI. Consequently it has earned an enviable ranking as the 20th most peaceful nation from the 144 countries measured.

The findings of the GPI suggest that Chile is peaceful both externally and internally.

Recent trends reveal that it avoids military engagement with other states and maintains excellent relations within the region. Economic prosperity and human security have had a positive impact on its outstanding performance in keeping low its levels of displaced people, homicide and its vulnerability to terrorism. Regionally, it boasts the best standards of living. Furthermore, it is evident that the country pays adequate importance to ensuring internal law and order. Chile generally displays great respect for human rights and remains distinguishable for its refrain from the arms trade. Freedom of the press has been provided for by a 2001 legislation that removed many of the restrictions imposed during General Pinochet's era.⁸⁰

73 Chilean Government, *The Indigenous People*, August 25, 2009

74 BBC: World News America, *Country Profile: Chile*, August 20, 2009

75 Carmelo Mesa-Lago, "Social Protection in Chile: Reforms to Improve Equity," *International Labor Review* 147, no. 4 (2008): 377-402

76 Ana I. Eiras, "Chile 10 Steps for Abandoning Aid Dependency for Prosperity," *The Heritage Foundation*, May 20, 2003, <http://www.heritage.org/research/latinamerica/bg1654.cfm>

77 Central Intelligence Agency

78 BBC: World News America

79 Ana I. Eiras

80 BBC: World News America

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

Chile is a key regional player and an important international actor. In its relations with the global community, it gives priority to promoting Latin American interests; multilateralism; it has trade agreements with the EU, US, and South Korea; and working is towards a stronger leadership role in APEC (Asia-Pacific Economic Cooperation Forum).⁸¹ Chile is one of the founding members of the UN where it remains actively involved. It has also contributed peacekeeping troops to UN operations in Cyprus and Haiti. As one of the founding members of the OAS (Organization of American States) it plays a prominent role at this forum for regional social and economic development and cooperation. Presently, the Secretary General of the OAS is Jose Miguel Insulza who has served as Minister of Foreign Affairs; Minister Secretary General of the Presidency and Minister of the Interior of Chile. Chile is the newest member of the OECD, the only Latin America country, after Mexico, to join the organization. Further, the OECD membership attests to Chile's economic and political credentials in the international community.⁸²

Opportunities for Growth of Peace

Although the Chilean model offers tremendous inspiration to other states, the GPI data suggest that Chile has opportunities in some areas to improve its peacefulness. The indicators however, should not be interpreted as a significant threat to the country's stability, and are given below:

- Perceptions of criminality in society
- Likelihood of violent demonstrations
- Ease of access to weapons of minor destruction
- Military capability and sophistication.

Easy access to small arms has contributed to the incidence of crime, although the crime rate in Chile is not particularly high.⁸³ The country has a small arms industry serving mainly as a supply line for the armed forces and the police. Nonetheless, an *increasing* level of violence perpetrated mostly with imported weapons has been of concern to the Chilean government.⁸⁴ Since the restoration of democracy and the associated freedoms of expression, the country has also experienced sporadic protests that often turn to violence.⁸⁵ In view of the rise in proliferation of weapons of minor destruction, the government may consider preventive and community based measures whereby civilian possession of arms is discouraged.

81 Foreign and Commonwealth Office, *South America and South Atlantic Islands: Chile*, February 20, 2009, <http://www.fco.gov.uk/en/aboutthefco/countryprofiles/southamerica/chile/?profile=intRelations&pg=4>

82 Foreign and Commonwealth Office

83 U.S. Department of State, *Chile: Country Specific Information, August 20, 2009*, http://travel.state.gov/travel/cis_pa_tw/cis/cis_1088.html#crime

84 Pablo Dreyfus and William Godnick, *Small Arms Control in Chile*, Monitoring the Implementation of Small Arms Control (International Alert), 3

85 BBC, *Chile Student Rally Turns Violent, August 23, 2006*

Reflections from the Global Symposium of Peaceful Nations

The Chilean experience demonstrates that improving the quality of life of citizens contributes immensely to cultivating a culture of peace. Ensuring food security, health care, and education for its people has been a critical element of Chile's approach towards the welfare of its people. Chile actively pursues community-building approaches centred on human rights. Its political leadership has supported democratic values as the foundation of building a stronger state and institutions and have successfully transitioned to a democratic system. The Chilean police force commands high confidence among its people. The country has demonstrated a strong commitment to eradicating corruption, making responsible economic decisions, and promoting strong relations with its neighbours.

Canada

Canada has created a high level of peacefulness through focusing on the following broad themes:

- It is a non-nuclear weapon state and member of the NPT
- It promotes sustainable development and human security with an endogenous culture of peace
- It is a leading nation in the protection of human rights
- Canada actively pursues global cooperation and multilateralism, as well as peacekeeping.

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

Canada 2009 GPI Profile Score: 1.311 Rank: 8			
Number of external and internal conflicts fought: 2002 – 2007	1.5	Likelihood of violent demonstrations	1
Estimated deaths from external conflict	2	Number of jailed population per 100,000 people	1.5
Estimated deaths from internal conflict	1	Number of internal security officers and police per 100,000 people	1
Level of organized conflict	1	Military expenditure as % of GDP	1
Relations with neighbouring countries	1	Number of armed services personnel per 100,000 people	1
Perceptions of criminality in society	2	Volume of exports of major conventional weapons	1.5
Number of displaced people as % of population	1	Volume of imports of major conventional weapons	1
Political instability	1	Funding for UN peacekeeping missions	1
Respect for human rights	1.5	Aggregate number of heavy weapons per 100,000 people	1
Potential for terrorist acts	2	Ease of access to weapons of minor destruction	2
Number of homicides per 100,000 people	1	Military capability/sophistication	3
Level of violent crime	1	*All indicators ranked on a 1-5 scale, with lower scores indicating greater peacefulness	



Recent Peaceful Accomplishments

Canada's peaceful position in the global community is attributable to an endogenous culture of peace that permeates its social, political and economic environment. Former Prime Minister Pierre Trudeau once referred to Canada as "a refuge from militarism".⁸⁶ Over the years Canada has evolved as a society that values peace, inclusion, cultural diversity and sustainable development. However, the country has had a long history of militarism. Canada's engagement in warfare in the last 120 years reveals its participation in the South African Boer War in 1899, in the First World War from 1914 to 1918, in the Second World War from 1941 to 1945; and the Korean War in 1950.⁸⁷ Canada's extensive losses and casualties in the Second World War had a deep impact on Canadian society, marking a turning point in its relations with other countries, and steering its course towards multilateralism and global peace.

In 1947 Canada became one of the founding members of the United Nations. Both protecting and advancing human rights is a cornerstone of Canadian foreign and domestic policy. At the inception of the UN in 1947-1948, Canada played a central role in drafting the Universal Declaration of Human Rights. It has since been at the forefront in promoting global peace and democratic values. The core principles of the Universal Declaration of Human Rights have been integrated in Canadian law. Key mechanisms to protect human rights in the country include the Canadian Charter of Rights and Freedoms, the Canadian Human Rights Act, Human Rights Commissions and provincial human rights laws and legislation.⁸⁸

In 1957 the former Secretary of State for External Affairs of Canada, Lester B. Pearson received the Nobel Peace Prize in recognition of his tireless efforts in establishing an international police force to resolve the 1956 Suez Crisis.⁸⁹ Canada is signatory to all six major international human rights conventions, among many others, Canada's commitment to peace and human security has been exemplary.⁹⁰ It takes pride in being a non-nuclear-weapon state member of the Non-Proliferation Treaty (NPT) and as such has committed not to possess or export weapons or nuclear materials or technology for the development of nuclear weapons.⁹¹ Canada was also instrumental in launching the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction in an effort to deter states and non-state actors from acquiring them.⁹²

At the heart of Canada's progress as one of the world's most peaceful societies, lies its deep commitment to sustainable development and human security.⁹³ Canada's relations with its neighbours and peace building interventions around the world demonstrate its contribution to both a regional and global culture of peace. Its interventions in conflict hotspots around the world cover a spectrum of activities including negotiation, mediation, peace-keeping and post-conflict reconstruction.

86 BBC World News America, Head to Toe: *Refuge for Deserters*, June 11, 2008

87 Government of Canada, *History*, February 2, 2008

88 United Nations Association in Canada, *Canada and Human Rights*

89 United Nations Association in Canada, *UNA-Canada Celebrates the 50th Anniversary of Lester B. Pearson's Nobel Peace Prize (1957-2007)*, <http://www.unac.org/en/projects/pearsonnobel50/index.asp>

90 Government of Canada, *Canada's International Human Rights Policy*, July 22, 2009

91 Ploughshares, "Canada and Nuclear Weapons: Kicking the Nuclear Habit," *The Ploughshares Monitor* Vol. 16, no. 2 (June 1995)

92 Government of Canada, *Global Partnership Program*, March 9, 2009

93 Canadian Commission for UNESCO, *Culture of Peace*

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

Canada is typically among the first countries to respond to international crises during and after armed conflicts and natural disasters. The Canadian International Development Agency (CIDA) delivers relief assistance in coordination with the United Nations, the Red Cross, local and international Non-Governmental Organizations (NGOs) and other development and aid agencies. In extending humanitarian assistance around the world, Canada is particularly concerned with protecting civilians and vulnerable populations in armed conflict; addressing the needs of refugees and internally displaced persons; promoting a coordinated civil and military local response; and risk reduction measures.⁹⁴

Canada has a track record of over 50 years of active involvement in integrated UN peace operations. It pursues its initiatives with regional or coalition missions mandated by the UN and in partnership with the North Atlantic Treaty Organization (NATO), the EU and the African Union (AU). Diplomatic, humanitarian and military interventions underpin Canada's efforts to promote stability in volatile regions and have included demobilization, disarmament, and reintegration (DDR) in post-conflict societies.⁹⁵ In recent years, Canada has actively collaborated with the international community in establishing stability and security in Haiti and Afghanistan and has also committed to a longer-term post-conflict reconstruction effort. Canadian expertise and assistance in state-building in the two states shall be premised upon institutional development, political reconciliation, democratic governance, sustainable peace and security, service delivery and provision of basic human needs.⁹⁶

The Canada model in more ways than one upholds Pearson's vision for a peaceful and cooperative world: "The stark and inescapable fact is that today we cannot defend our society by war since total war is total destruction, and if war is used as an instrument of policy, eventually we will have total war. Therefore, the best defence of peace is not power, but the removal of the causes of war, and international agreements which will put peace on a stronger foundation than the terror of destruction."⁹⁷

GPI Strongest Indicators

Canada rates moderately to exceptionally peaceful in 22 out of 23 indicators of domestic and international peacefulness in the 2009 rankings of the GPI. Canada's performance has earned it the distinction of 8th most peaceful out of 144 countries. It is also one of two most peaceful nations in Central and North America and the Caribbean region per the GPI.

The findings of the GPI confirm that Canada is peaceful both internally and externally. Canadian society is distinguishable for its low levels of internal violence and organized conflict. These attributes bode well for Canada's success in maintaining a low rate of homicides and in preventing internal displacement and instability. While violent crime is often a feature of poorly developed nations, over the years it has also become characteristic of highly industrialized nations. Canada must therefore be commended for advancing a system that fosters internal peace, and indeed, political and economic stability.

⁹⁴ Government of Canada, *Humanitarian Affairs*, August 11, 2008

⁹⁵ Government of Canada, *Canada and Peace Operations*, May 4, 2009

⁹⁶ Government of Canada, *Canada's Contribution to Haiti: Four Years of Progress*, April 6, 2009

⁹⁷ United Nations Association in Canada

Canada's successful socio-economic performance is a pull-factor for immigration to the country. The rate of immigration to Canada has outpaced its birth rate enriching its ethno-cultural diversity. To welcome and accommodate diversity, Canada provides equality of opportunity, democratic governance, social, economic, and political interactions and expression, to promote national cohesiveness and a strong sense of Canadian identity.⁹⁸

Canada maintains friendly relations with its neighbours and most other states. Canada's military expenditure as a percentage of its national income is evidence of its relatively peaceful posturing in the global security architecture. Canada's nuclear program is dedicated to peaceful purposes such as the generation of nuclear energy and medical research.⁹⁹ Canada actively supports regional economic integration through the North America Free Trade Agreement (NAFTA). NAFTA was instituted in 1994 and forms the world's largest free trade zone. The mechanism has been pivotal in strengthening the Canadian economy and has been equally beneficial for neighbouring USA and Mexico.¹⁰⁰

Opportunities for Growth of Peace

The GPI 2009 findings suggest that Canada could enhance its peacefulness through better performance in a few areas. Of primary concern to the GPI is Canada's military capability and sophistication, which is placed in the middle on a scale of 1 to 5. It is neither significantly high nor low on a global level. However, compared to other states in the Americas, Canada's annual military expenditure is the second highest. Its regional share in the volume of imports of conventional weapons stands at about 12%, which is the fourth highest in the region.¹⁰¹ The Canadian Department of National Defence (DND) is the largest department of the federal government with a budget of 18 billion dollars and 110,000 employees.¹⁰² This is a manifestation of the priority ascribed to defence in the Canadian national security agenda.

The Arctic presents a key foreign policy and domestic priority for Canada which bases its strategy on four pillars: exercising sovereignty; promoting economic and social development; protecting the environment, and improving and devolving governance.

Canada works closely with other Arctic States to promote cooperation in the region through, for example, the United Nations Commission on the limits of the Continental Shelf (CLCS). Canada actively supports NATO led International Security Assistance Forces (ISAF) in Afghanistan with 2,800 Canadian troops currently deployed in the war ravaged nation.¹⁰³ Canadian casualties in external conflicts have a bearing on the GPI indicator estimating the number of deaths in organized conflict. While Canada's performance is moderately high in this area, nevertheless, it is one of the factors that in combination with others place some limitations on Canada's peacefulness.

98 Government of Canada, *Canadian Human Rights Commission*, February 27, 2009

99 Canadian Nuclear Association, "Nuclear Facts: Does Canada Contribute to Nuclear Weapons Proliferation?"

100 Government of Canada, *Canada and the North American Free Trade Agreement*, July 10, 2009

101 Mark Bromley, "Arms Transfers to the Americas," *Stockholm International Peace Research Institute*, June 2009, <http://books.sipri.org/files/misc/SIPRIBP0906.pdf>

102 Government of Canada, *National Defence and the Canadian Forces*, July 9, 2009

103 CBC News Canada, "Soldiers out of Kandahar by 2011: Defence Chief", Nov 10, 2009

LESSONS LEARNED FROM THE WORLD'S MOST PEACEFUL COUNTRIES

Reflections from the Global Symposium of Peaceful Nations

Canadian society demonstrates its appreciation for cultural diversity and pursues policies that support a multi-ethnic mosaic. Immigration to the country is encouraged. Canada upholds social democratic values such as equality. Curiosity about diverse groups facilitates dialogue contributing to peace, prosperity and interconnectivity. Canada fosters conditions of peacefulness through institution building. Good leadership has been the key to this success. Canada also believes that other countries can be inspired by the robust policies of another.

Sound foreign policy and internal growth have contributed to Canada's credibility as a responsible world leader. Canada believes in collaboration with other countries regionally as well as globally and actively pursues partnerships with countries across the world. To mark the Armistice of World War I, Canada commemorates Remembrance Day on November 11 every year. This serves as a reminder to Canadian children that they live in an environment that is peaceful and secure. Canada is rich in national resources and proud of the determination of its people in charting the trajectory towards sustainable peace.



ANNEX I – COUNTRIES’ SUPPORT TO UNITED NATIONS PEACEKEEPING OPERATIONS

Financial support of peacekeeping operations is vital to the functioning of this important instrument of peace. Table 39 on page 88 ranks countries according to their outstanding payments versus annual assessment to the budget of the current peacekeeping missions. Data is calculated over an average of three years (2006 – 2008). The table aims to provide a snapshot and proposes no conclusion about countries’ participation. There are different reasons why UN Member States may be delayed in the payment of their UN dues, including national budget timelines.

The concept of peacekeeping is not specifically mentioned in the Charter of the United Nations. It evolved as a pragmatic solution in the early years of the Organization when it became apparent that some of the Charter provisions relating to the maintenance of international peace and security could not be implemented as envisaged.

United Nations peacekeeping is an instrument developed as a way to help countries torn by conflict create the necessary conditions for lasting peace. The first UN peacekeeping mission was established in 1948, when the Security Council authorized the deployment of UN military observers to the Middle East to monitor the Armistice Agreement between Israel and its Arab neighbours. Since then, there have been a total of 63 UN peacekeeping operations around the world.

UN peacekeeping aided the transition to democratic rule in Namibia and supported similar transitions in El Salvador, Nicaragua and Guatemala. UN peacekeepers oversaw the withdrawal of foreign forces from Cambodia, and conducted the 1993 elections that led the Khmer Rouge out of power. A UN peacekeeping mission led the way to a peace that has brought sustained economic growth in Mozambique, and helped it become a symbol of hope in Africa.

Today’s peacekeepers undertake a wide variety of tasks, from helping to build sustainable institutions of governance, to human rights monitoring, to security sector reform, to the disarmament, demobilization and reintegration of former combatants. The peacekeeping budget for the period from 1 July 2009 to 30 June 2010 is approximately US\$7.9 billion. This represents about 0.5 per cent of global military spending which is estimated at US\$1.464 trillion in 2008.

All United Nations Member States share the costs of United Nations peacekeeping operations. The General Assembly apportions these expenses based on a special scale of assessments applicable to peacekeeping. This scale takes into account the relative economic wealth of Member States, with the permanent members of the Security Council required to pay a larger share because of their special responsibility for the maintenance of international peace and security.¹⁰⁴

Many countries have also voluntarily made additional resources available to support United Nations peacekeeping efforts on a non-reimbursable basis in the form of transportation, supplies, personnel and financial contributions above and beyond their assessed share of peacekeeping costs.

104 General Assembly Resolution 55/235 “Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations” details assessment rates for the financing of peacekeeping operations

ANNEX I – COUNTRIES’ SUPPORT TO UNITED NATIONS PEACEKEEPING OPERATIONS

It is important to note that we have only calculated outstanding amounts to current peacekeeping operation budgets and not to political missions nor to capital funds. The table includes all the 149 countries in the 2010 GPI with the exception of Taiwan (not a UN Member State) and is based on the Status of Contributions as at 31 December 2006, 2007 and 2008.¹⁰⁵

Table 39: Countries with no outstanding contributions are ranked at the top, in alphabetical order.

GPI 2010 Countries Ranked According to their Contributions to UN Peacekeeping Missions					
COUNTRY		COUNTRY		COUNTRY	
1	Australia	51	Moldova	101	Uzbekistan
1	Canada	52	Algeria	102	Mongolia
1	Czech Republic	53	Albania	103	Swaziland
1	Denmark	54	Madagascar	104	Montenegro
1	Finland	55	South Korea	105	Morocco
1	Iceland	56	Malaysia	106	Costa Rica
1	Indonesia	57	Hungary	107	Gabon
1	Ireland	58	Libya	108	Nicaragua
1	Italy	59	Turkmenistan	109	Bangladesh
1	Lithuania	60	Latvia	110	Nepal
1	New Zealand	61	Namibia	111	Malawi
1	Norway	62	Japan	112	Laos
1	Singapore	63	El Salvador	113	Gambia
1	Slovakia	64	Armenia	114	Rwanda
1	Sweden	65	Qatar	115	Cambodia
1	Switzerland	66	Cuba	116	Iran
1	Thailand	66	Zambia	117	Chad
1	Turkey	68	Tanzania	118	Georgia
1	United Kingdom	69	Jordan	119	Vietnam
20	Azerbaijan	70	Tunisia	120	Sudan
21	South Africa	71	Egypt	121	Senegal
22	Luxembourg	72	Portugal	122	Bolivia
23	Estonia	73	Angola	123	Syria
23	Kazakhstan	74	Nigeria	124	Honduras
25	Russia	75	United States of America	125	Haiti
26	Germany	76	Guatemala	125	Zimbabwe
26	Poland	77	Uruguay	127	Mali
28	Mexico	78	Panama	128	Trinidad and Tobago
29	Croatia	79	Democratic Republic of Congo	129	Lebanon
30	Kuwait	80	North Korea	130	Myanmar
31	Austria	81	Iraq	131	Equatorial Guinea
32	Colombia	82	Mozambique	132	Papua New Guinea
33	Israel	83	Macedonia	133	Kenya
34	Romania	84	Serbia	134	Chile
35	Bosnia & Herzegovina	85	Philippines	135	Sri Lanka
36	Bulgaria	86	Burundi	136	Ethiopia
37	France	87	Congo (Brazzaville)	137	Cameroon
38	Oman	88	Spain	138	Peru
39	India	89	Saudi Arabia	139	Somalia
40	Netherlands	90	Bahrain	140	Uganda
41	Pakistan	91	United Arab Emirates	141	Ecuador
42	Venezuela	92	Ghana	142	Belarus
43	Cyprus	93	Sierra Leone	143	Yemen
44	Slovenia	94	Burkina Faso	144	Paraguay
45	Brazil	95	Afghanistan	145	Liberia
46	Jamaica	96	Guyana	146	Central African Republic
47	Belgium	97	Mauritania	147	Dominican Republic
48	Botswana	98	Côte d'Ivoire	148	Argentina
49	Ukraine	99	Greece		
50	China	100	Bhutan		

105 ST/ADM/SER.B/761, ST/ADM/SER.B/727, ST/ADM/SER.B/708

ANNEX II – COUNTRIES RANKED BY THEIR AGGREGATE WEIGHTED NUMBER OF HEAVY WEAPONS

Endorsed by the GPI international panel of experts, the Institute for Economics and Peace, in conjunction with SIPRI, developed a new categorized system for rating the destructive capability of heavy weapons. This follows the discontinuance of data collection by the Bonn International Centre for Conversion (BICC). The data was compiled from two sources, namely *The Military Balance 2009*, published by The International Institute for Strategic Studies, and the *United Nations Register of Conventional Arms, 2009*.

The table below displays the five categories of heavy weapons identified and the weights assigned to them based on their destructive capability.

Table 40: Heavy weapons categories and weightings

Type of weapon	Weighting
Armoured Vehicle Artillery Piece	1 point
Tank	5 points
Combat Aircraft Combat Helicopter	20 points
Warship	100 points
Aircraft Carrier Nuclear Submarine	1000 points

Table 41 displays countries ranked according to their aggregate weighted number of heavy weapons using this improved methodology. Countries with no heavy weapons are ranked at the bottom, in alphabetical order.

Table 42 ranks these same countries according to their aggregate weighted number of heavy weapons per 100,000 people, which is the method used for the scoring of the indicator in the 2010 GPI.

ANNEX II – COUNTRIES RANKED BY THEIR AGGREGATE WEIGHTED NUMBER OF HEAVY WEAPONS

Table 41: Countries with no heavy weapons are ranked at the bottom, in alphabetical order.

GPI 2010 countries ranked by aggregate weighted number of heavy weapons					
COUNTRY		COUNTRY		COUNTRY	
1	Russia	51	Chile	101	Slovenia
2	United States of America	52	Venezuela	102	Laos
3	China	53	Sudan	103	Mozambique
4	North Korea	54	Finland	104	Afghanistan
5	India	55	Myanmar	105	Mali
6	Syria	56	Nigeria	106	Cameroon
7	Turkey	57	Portugal	107	Honduras
8	Israel	58	Colombia	108	Chad
9	Egypt	59	Mexico	109	Lithuania
10	South Korea	60	Kuwait	110	Moldova
11	Ukraine	61	South Africa	111	Paraguay
12	France	62	Bangladesh	112	Ireland
13	United Kingdom	63	Azerbaijan	113	Estonia
14	Germany	64	Bosnia & Herzegovina	114	Congo (Brazzaville)
15	Libya	65	Serbia	115	Rwanda
16	Taiwan	66	Austria	116	Montenegro
17	Pakistan	67	Lebanon	117	Mauritania
18	Italy	68	Ethiopia	118	Namibia
19	Japan	69	Slovakia	119	Gabon
20	Greece	70	Mongolia	120	Guatemala
21	Iran	71	Czech Republic	121	El Salvador
22	Vietnam	72	Croatia	122	Côte D'Ivoire
23	Saudi Arabia	73	Norway	123	Ghana
24	Belarus	74	Oman	124	Burundi
25	Brazil	75	Bahrain	125	Madagascar
26	Thailand	76	Ecuador	126	Nepal
27	Bulgaria	77	Denmark	127	Senegal
28	Spain	78	Belgium	128	Burkina Faso
29	Poland	79	Iraq	129	Dominican Republic
30	Algeria	80	Cyprus	130	Latvia
31	Kazakhstan	81	Philippines	131	Equatorial Guinea
32	Romania	82	Hungary	132	Central African Republic
33	Cuba	83	Cambodia	133	Guyana
34	Jordan	84	Tunisia	134	Malawi
35	United Arab Emirates	85	Armenia	135	Albania
36	Sweden	86	Uganda	136	Gambia
37	Turkmenistan	87	Sri Lanka	137	Jamaica
38	Indonesia	88	Uruguay	138	Papua New Guinea
39	Morocco	89	Zimbabwe	139	Sierra Leone
40	Singapore	90	Bolivia	140	Bhutan
41	Yemen	91	Tanzania	140	Costa Rica
42	Netherlands	92	Qatar	140	Haiti
43	Argentina	93	Macedonia	140	Iceland
44	Canada	94	Kenya	140	Liberia
45	Australia	95	Democratic Republic of Congo	140	Luxembourg
46	Malaysia	96	Nicaragua	140	Panama
47	Switzerland	97	Georgia	140	Somalia
48	Uzbekistan	98	New Zealand	140	Swaziland
49	Peru	99	Zambia	140	Trinidad & Tobago
50	Angola	100	Botswana		

Table 42: Countries with no heavy weapons are ranked at the bottom, in alphabetical order.

GPI 2010 countries ranked by their heavy weapons per 100,000 people					
COUNTRY		COUNTRY		COUNTRY	
1	Israel	51	Slovenia	101	Guyana
2	Libya	52	Algeria	102	Honduras
3	Cyprus	53	Poland	103	Paraguay
4	Bahrain	54	Germany	104	Zambia
5	Greece	55	Chile	105	El Salvador
6	Syria	56	Yemen	106	Uganda
7	North Korea	57	Estonia	107	Chad
8	Russia	58	Angola	108	Mali
9	Bulgaria	59	Australia	109	Ethiopia
10	Turkmenistan	60	Czech Republic	110	Latvia
11	Jordan	61	Iran	111	India
12	United Arab Emirates	62	Spain	112	Rwanda
13	Belarus	63	Morocco	113	Mexico
14	Singapore	64	Gabon	114	Indonesia
15	Mongolia	65	Vietnam	115	Nigeria
16	Taiwan	66	Belgium	116	Mozambique
17	Kuwait	67	Malaysia	117	Cameroon
18	Cuba	68	Uzbekistan	118	Burundi
19	Bosnia & Herzegovina	69	Thailand	119	Kenya
20	Finland	70	Georgia	120	Tanzania
21	Sweden	71	Peru	121	Guatemala
22	Oman	72	Canada	122	Afghanistan
23	Saudi Arabia	73	Hungary	123	Bangladesh
24	Switzerland	74	Ecuador	124	Central African Republic
25	South Korea	75	Japan	125	Philippines
26	Lebanon	76	New Zealand	126	Democratic Republic of Congo
27	Kazakhstan	77	Venezuela	127	Côte D'Ivoire
28	United States of America	78	Argentina	128	Albania
29	Ukraine	79	Tunisia	129	Senegal
30	Croatia	80	Namibia	130	Ghana
31	Qatar	81	Nicaragua	131	Dominican Republic
32	Norway	82	Lithuania	132	Gambia
33	Montenegro	83	Pakistan	133	Madagascar
34	Turkey	84	Equatorial Guinea	134	Burkina Faso
35	Slovakia	85	Moldova	135	Nepal
36	Romania	86	Cambodia	136	Malawi
37	Armenia	87	Sudan	137	Jamaica
38	Macedonia	88	Bolivia	138	Papua New Guinea
39	Egypt	89	Laos	139	Sierra Leone
40	Denmark	90	Mauritania	140	Bhutan
41	France	91	Congo (Brazzaville)	140	Costa Rica
42	Serbia	92	Ireland	140	Haiti
43	Netherlands	93	Zimbabwe	140	Iceland
44	United Kingdom	94	Myanmar	140	Liberia
45	Portugal	95	China	140	Luxembourg
46	Azerbaijan	96	Colombia	140	Panama
47	Uruguay	97	South Africa	140	Somalia
48	Italy	98	Brazil	140	Swaziland
49	Austria	99	Sri Lanka	140	Trinidad & Tobago
50	Botswana	100	Iraq		

ANNEX III – COUNTRIES RANKED ACCORDING TO THEIR COMBINED NUMBER OF REFUGEES AND IDPS

In 2010, the international panel of peace experts decided to refine the indicator measuring numbers of refugees by including internally displaced persons (IDPs) population by country or territory of origin, as a percentage of the country's total population for the first time in 2010. Data were sourced from the Internal Displacement Monitoring Centre and the UNHCR Statistical Yearbook 2009 and are collated by the Institute for Economics and Peace and the EIU.

Table 43 ranks countries according to their combined number of refugees and IDPs using the updated data.

Table 44 ranks these same countries according to their combined number of refugees and IDPs per 100,000 people.

Table 42: Countries with higher numbers of refugees and IDPs are ranked at the top

GPI 2010 countries ranked according to their combined number of refugees and IDPs					
COUNTRY		COUNTRY		COUNTRY	
1	Sudan	51	Nigeria	101	Taiwan
2	Colombia	52	Cameroon	102	Lithuania
3	Iraq	53	Ghana	103	Bolivia
4	Democratic Republic of Congo	54	Mexico	104	South Africa
5	Afghanistan	55	Uzbekistan	105	Equatorial Guinea
6	Somalia	56	Algeria	106	Costa Rica
7	Turkey	57	Laos	107	Slovakia
8	Pakistan	58	Macedonia	108	Dominican Republic
9	Zimbabwe	59	Cuba	109	Madagascar
10	Myanmar	60	Egypt	110	United Arab Emirates
11	Azerbaijan	61	Guatemala	111	Estonia
12	Sri Lanka	62	Venezuela	112	Trinidad and Tobago
13	India	63	Moldova	113	Mozambique
14	Bangladesh	64	Belarus	114	Uruguay
15	Ethiopia	65	El Salvador	115	Zambia
16	Syria	66	Kazakhstan	116	Japan
17	Uganda	67	Romania	117	United Kingdom
18	Serbia	68	Morocco	118	Germany
19	Lebanon	69	Bulgaria	119	Gabon
20	Burundi	70	Poland	120	Panama
21	Kenya	71	Tunisia	121	Singapore
22	Vietnam	72	United States of America	122	Malawi
23	Central African Republic	73	Libya	123	Canada
24	Yemen	74	Jordan	124	Paraguay
25	Georgia	75	Thailand	125	France
26	Chad	76	Mali	126	Bahrain
27	Cyprus	77	Hungary	127	Qatar
28	Bosnia and Hercegovina	78	Nicaragua	128	Greece
29	Angola	79	Israel	129	Italy
30	Philippines	80	Brazil	130	Belgium
31	Russia	81	Czech Republic	131	Oman
32	China	82	The Gambia	132	Slovenia
33	Peru	83	Mongolia	133	Netherlands
34	Indonesia	84	Montenegro	134	Papua New Guinea
35	Bhutan	85	Tanzania	135	Australia
36	Croatia	86	Honduras	136	Portugal
37	Senegal	87	South Korea	137	Switzerland
38	Liberia	88	Ecuador	138	Swaziland
39	Nepal	89	Argentina	139	Spain
40	Rwanda	90	Chile	140	Botswana
41	Iran	91	Namibia	141	Sweden
42	Cote d' Ivoire	92	North Korea	142	Austria
43	Mauritania	93	Kuwait	143	Denmark
44	Sierra Leone	94	Jamaica	144	New Zealand
45	Ukraine	95	Latvia	146	Iceland
46	Congo (Brazzaville)	96	Turkmenistan	146	Ireland
47	Armenia	97	Burkina Faso	148	Finland
48	Haiti	98	Saudi Arabia	148	Norway
49	Cambodia	99	Guyana	149	Luxembourg
50	Albania	100	Malaysia		

ANNEX III – COUNTRIES RANKED ACCORDING TO THEIR COMBINED NUMBER OF REFUGEES AND IDPS

Table 44: Countries with higher numbers of refugees and IDPs are ranked at the top

GPI 2010 countries ranked according to their combined number of refugees and IDPs per 100,000 people					
COUNTRY		COUNTRY		COUNTRY	
1	India	51	Cambodia	101	Burkina Faso
2	Somalia	52	El Salvador	102	Thailand
3	Pakistan	53	Kazakhstan	103	Malaysia
4	Sudan	54	Cameroon	104	Germany
5	Cyprus	55	Ukraine	105	Dominican Republic
6	Lebanon	56	Cuba	106	Argentina
7	Bhutan	57	Equatorial Guinea	107	Poland
8	Georgia	58	Belarus	108	Taiwan
9	Colombia	59	Guatemala	109	South Korea
10	Zimbabwe	60	Libya	110	Kuwait
11	Afghanistan	61	Rwanda	111	The Gambia
12	Azerbaijan	62	Montenegro	112	Namibia
13	Central African Republic	63	Bulgaria	113	Singapore
14	Iraq	64	Mongolia	114	Zambia
15	Syria	65	Nicaragua	115	Paraguay
16	Bosnia and Hercegovina	66	Israel	116	Jordan
17	Burundi	67	Uzbekistan	117	Jamaica
18	Democratic Republic of Congo	68	Iran	118	Papua New Guinea
19	Nepal	69	Algeria	119	Botswana
20	Serbia	70	Tunisia	120	Sweden
21	Haiti	71	Hungary	121	Oman
22	Myanmar	72	Venezuela	122	Slovenia
23	Peru	73	Estonia	123	Italy
24	Kenya	74	Trinidad and Tobago	124	Brazil
25	Croatia	75	Ghana	125	United States of America
26	Chad	76	Turkmenistan	126	Qatar
27	Turkey	77	Madagascar	127	Mozambique
28	Liberia	78	Czech Republic	128	North Korea
29	Macedonia	79	China	129	Belgium
30	Uganda	80	Latvia	130	Malawi
31	Sri Lanka	81	Indonesia	131	Switzerland
32	Yemen	82	Honduras	132	Canada
33	Angola	83	Gabon	133	United Kingdom
34	Russia	84	Egypt	134	Greece
35	Armenia	85	Costa Rica	135	Australia
36	Congo (Brazzaville)	86	Lithuania	136	Denmark
37	Philippines	87	Ecuador	137	Austria
38	Ethiopia	88	Saudi Arabia	138	France
39	Morocco	89	Bahrain	139	Netherlands
40	Albania	90	Japan	140	Portugal
41	Sierra Leone	91	Slovakia	141	Swaziland
42	Vietnam	92	Mali	142	Finland
43	Mexico	93	Uruguay	143	Iceland
44	Mauritania	94	Chile	144	Panama
45	Senegal	95	Tanzania	146	New Zealand
46	Bangladesh	96	Guyana	146	Spain
47	Cote d' Ivoire	97	Moldova	148	Ireland
48	Romania	98	South Africa	148	Norway
49	Laos	99	United Arab Emirates	149	Luxembourg
50	Angola	100	Botswana		



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