

POSITIVE PEACE REPORT 2019

**ANALYSING THE FACTORS
THAT SUSTAIN PEACE**



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Quantifying Peace and its Benefits

The Institute for Economics & Peace (IEP) is an independent, non-partisan, non-profit think tank dedicated to shifting the world's focus to peace as a positive, achievable, and tangible measure of human wellbeing and progress.

IEP achieves its goals by developing new conceptual frameworks to define peacefulness, providing metrics for measuring peace and uncovering the relationships between business, peace and prosperity, as well as promoting a better understanding of the cultural, economic and political factors that create peace.

IEP is headquartered in Sydney, with offices in New York, The Hague, Mexico City, Brussels and Harare. It works with a wide range of partners internationally and collaborates with intergovernmental organisations on measuring and communicating the economic value of peace.

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Please cite this report as:

Institute for Economics & Peace. Positive Peace Report 2019: Analysing the Factors that Sustain Peace, Sydney, October 2019. Available from: <http://visionofhumanity.org/reports> (accessed Date Month Year).

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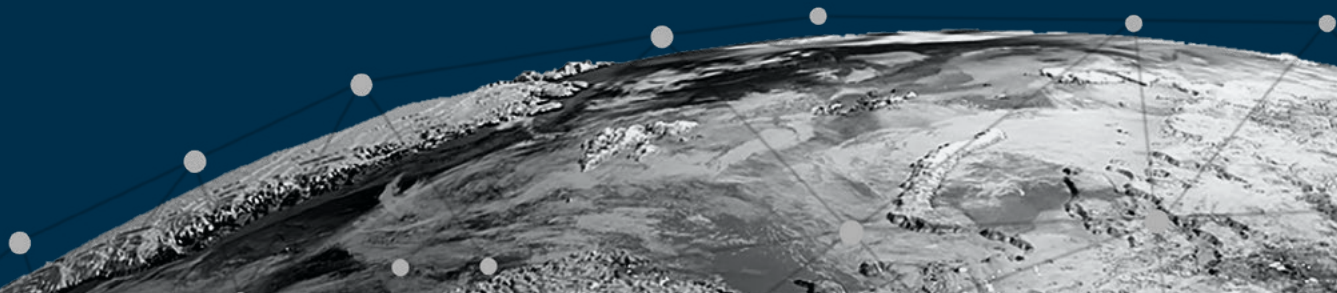
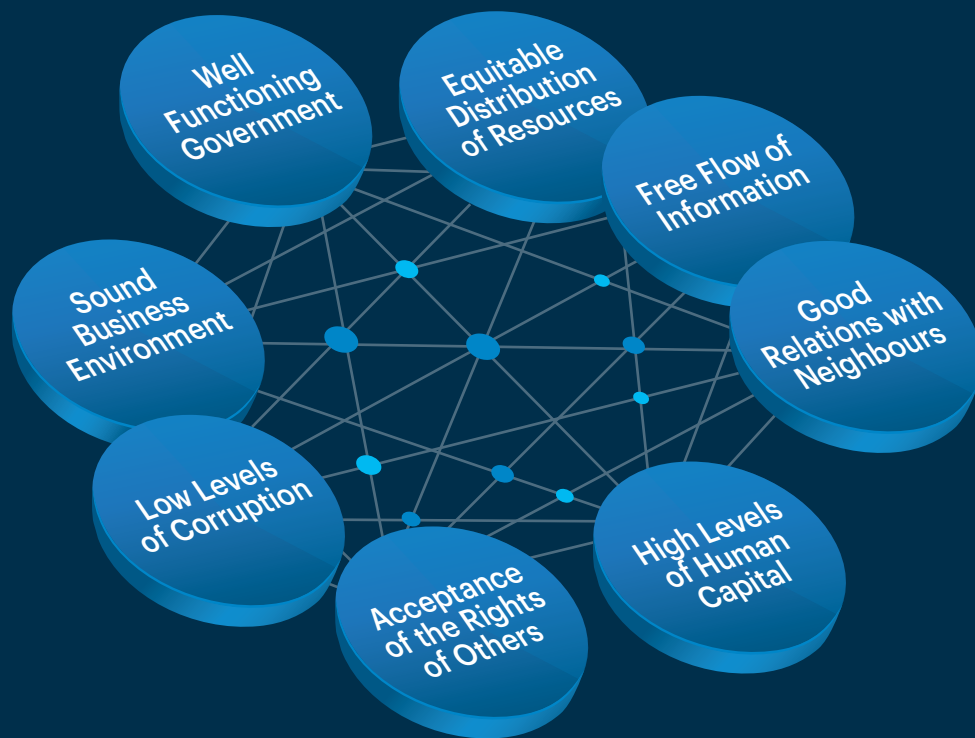
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Positive Peace

Positive Peace creates the optimal environment for human potential to flourish



High levels of Positive Peace lead to:

1 Stronger resilience

4 Better performance on development goals

2 Better environmental outcomes

5 Higher per capita income

3 Higher measures of wellbeing

Positive Peace & Financial Metrics

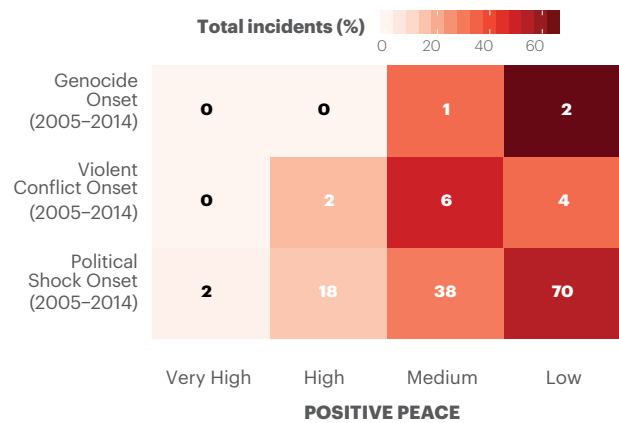
- Every one index point of improvement in the Positive Peace Index is associated with a two percentage point rise in GDP per capita.
- Household consumption in countries improving in Positive Peace grows at twice the rate relative to countries where Positive Peace deteriorates.
- Growth in business activity in countries where Positive Peace improved was six times higher than in countries where the PPI deteriorated in the past decade.
- Domestic currency in countries where Positive Peace improved appreciated by 1.3 percentage points per year more than countries where it deteriorated.
- Inflation rates in countries where Positive Peace deteriorated were four times more volatile when compared to countries where Positive Peace improved.
- Among PPI improvers, foreign direct investment grew by seven per cent per year in the past decade. This compares with a decline in investment where Positive Peace deteriorated.

1. Stronger resilience

- Countries in which the PPI improves are less prone to political shocks and social tensions, an obvious benefit for investors seeking to protect their capital from non-economic disruptions.
- Nations with high levels of Positive Peace record far less fatalities per natural disaster than nations with low levels of Positive Peace.

Distribution of Endogenous Shocks, 2009–2018

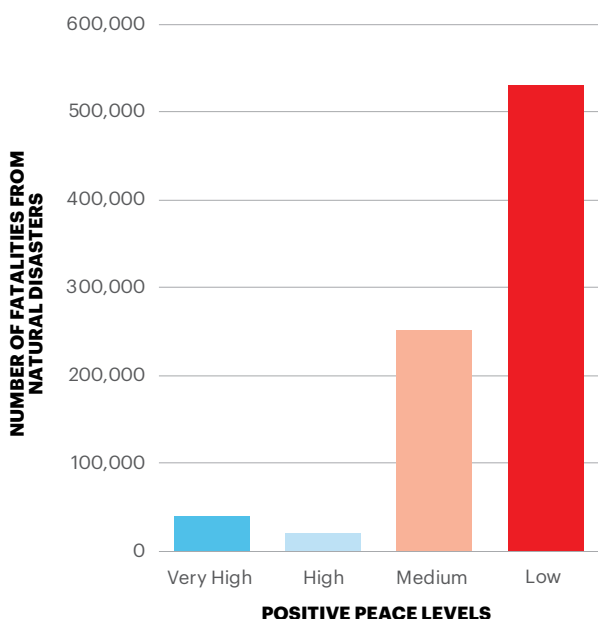
Lower Positive Peace countries experience more shocks.



Source: INSCR, UCDP, IEP

Total number of deaths from natural disasters, 2009–2018

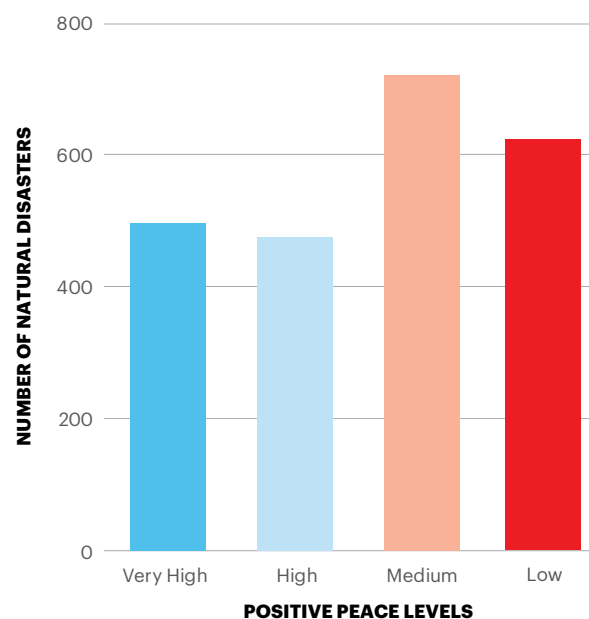
Natural disasters are only slightly more frequent in low Positive Peace countries, yet they have 13 times more fatalities when compared to high Positive Peace environments.



Source: EMDAT, IEP

Frequency of natural disasters, 2009–2018

Natural disasters occur almost as often in low Positive Peace countries as in high Positive Peace ones.



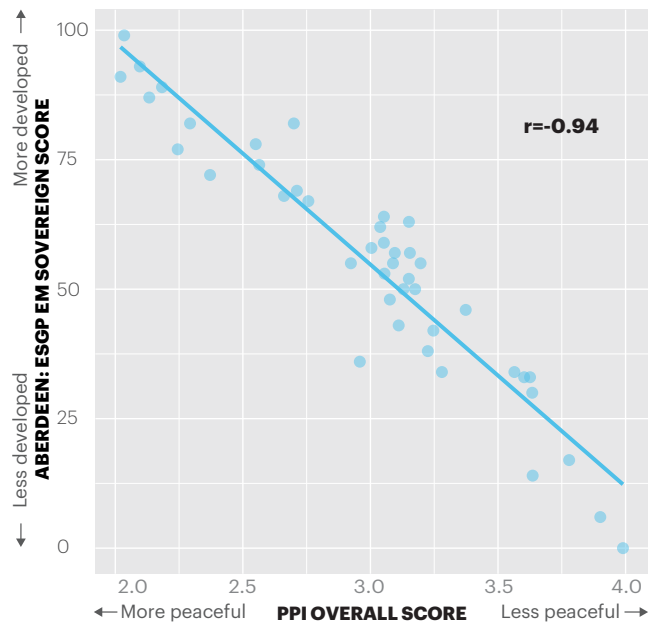
Source: EMDAT, IEP

2. Better environmental outcomes

- Positive Peace has a high correlation with indicators of environmental, social and governance (ESG) investment. Designers of financial products and benchmarks can use this comparison when catering for the growing demand for ethical investment.
- High Positive Peace nations record better outcomes in measures of environmental health.

ESG scores and Positive Peace, 2017

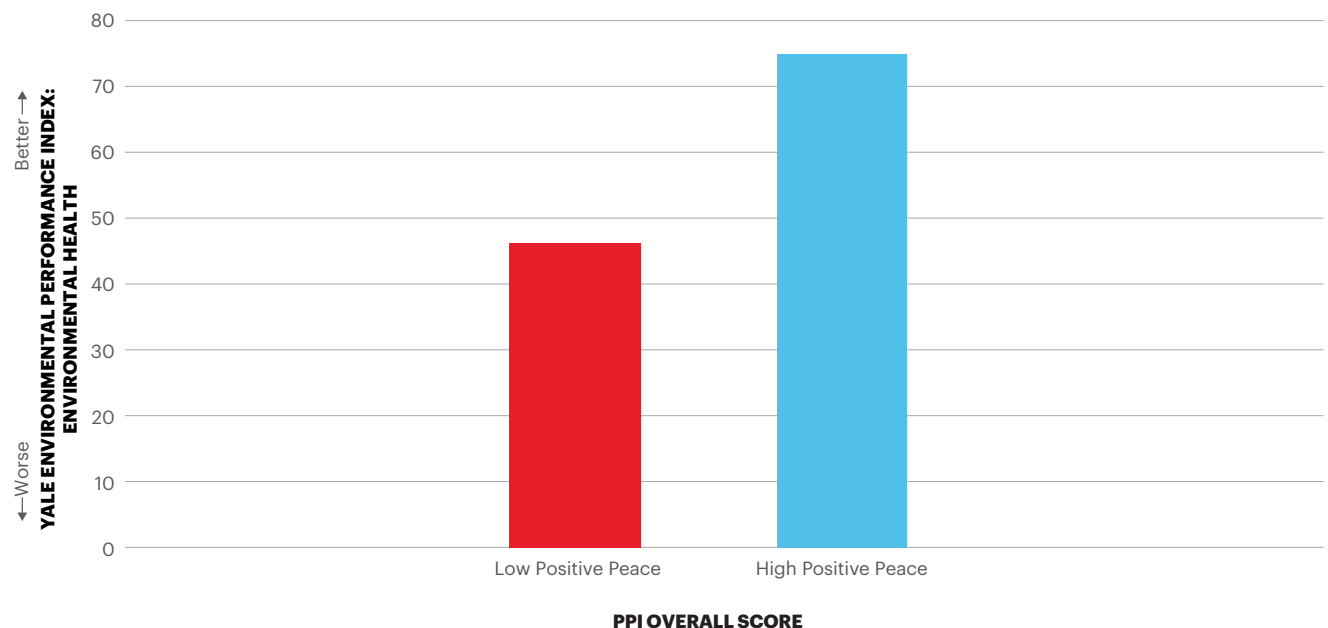
Countries that score well in ESG criteria tend to record stronger Positive Peace outcomes.



Source: Aberdeen Standard, IEP

Environmental performance scores and Positive Peace, 2018

Countries with high Positive Peace—whose PPI is above the median for 2018—record stronger environmental performance.



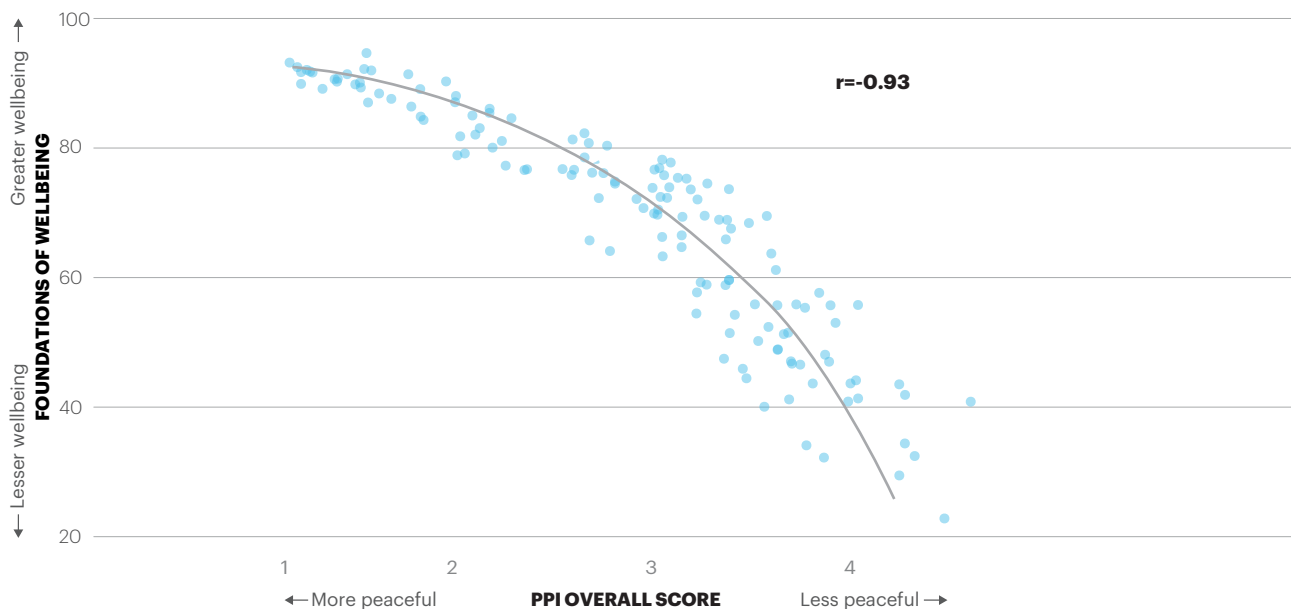
Source: Yale Environmental Performance Index, IEP

3. Higher measures of wellbeing

- ▶ In addition to economic prosperity, Positive Peace is also associated with greater social wellbeing, as evidenced by the close relationship between the PPI and the Social Progress Imperative's Foundations of Wellbeing scores.

Social wellbeing and Positive Peace, 2018

There is a close correlation between the SPI Foundations of Wellbeing scores and PPI scores.



Source: Social Progress Imperative, IEP

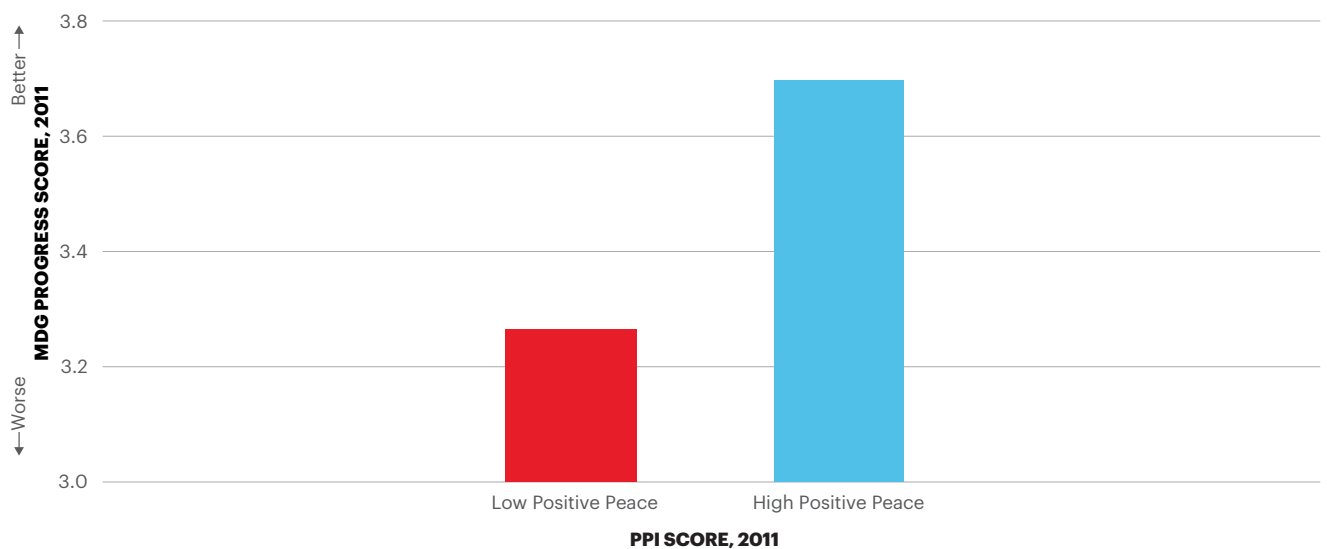


4. Better performance on development goals

- ▶ Between 2000 to 2015, countries with high Positive Peace performance tended to be more advanced in the United Nations Millennium Development Goals.

Millennium development goals and Positive Peace

Countries with high Positive Peace performance—PPI score above median—tend to be more advanced in the UN Millennium Development Goals.



Source: United Nations, IEP

Note: The MDGs are used as SDG16 data compilation is ongoing.

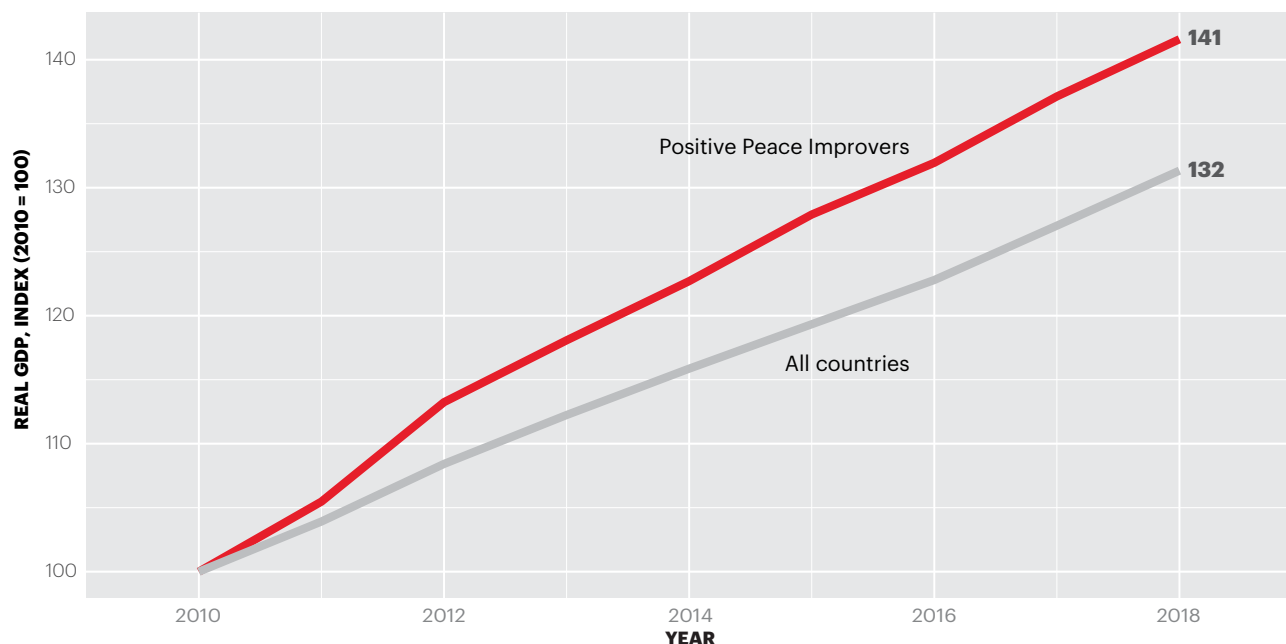


5. Higher per capita income

- Positive Peace is a reliable gauge of economic resilience and can be used to select portfolios of countries that consistently outperform global GDP growth.
- This outperformance is also verified for other indicators of macroeconomic activity and national governance.
- Every one index point of improvement in the PPI is associated with a two percentage point rise in GDP per capita.
- Countries that improved in Positive Peace from 2009 to 2018 experienced substantially lower volatility of inflation over this time.

Countries that improve in Positive Peace outperform the global average

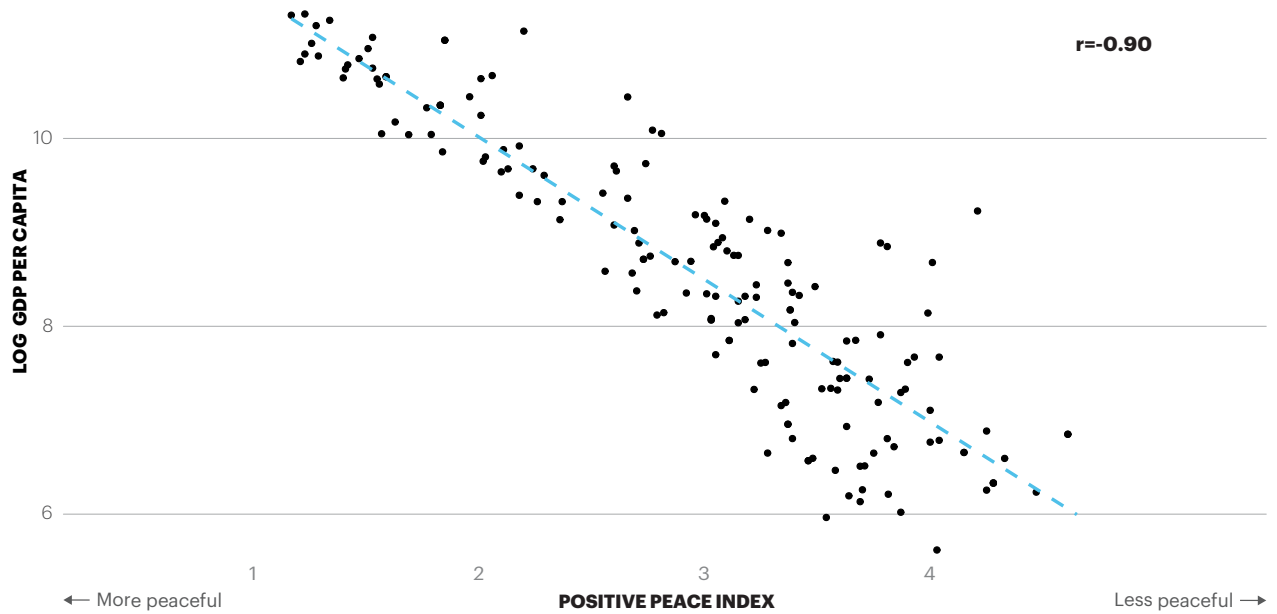
Growth in real GDP of a portfolio of countries that improve in Positive Peace exceeds an equally weighted global average by one percentage point per year.



Source: World Bank, IEP

Positive Peace and GDP per capita, 2018

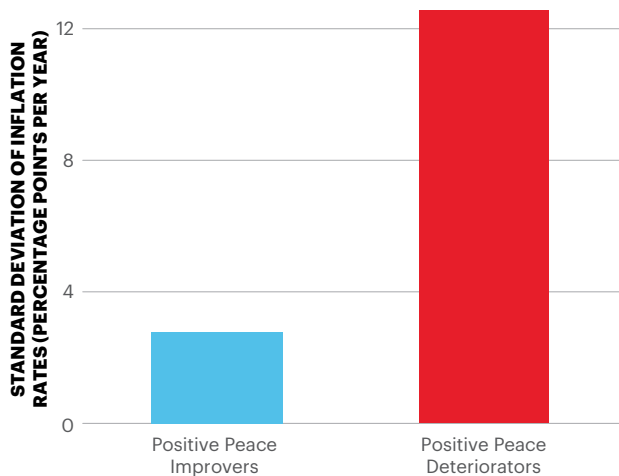
On average, across all levels of country income, every one index point improvement in the Positive Peace Index is associated with a two percentage point rise in GDP per capita.



Source: World Bank, IEP

Volatility of inflation rates by Positive Peace outcome, 2009–2018

Countries in which Positive Peace deteriorated recorded a standard deviation of inflation rates much greater than those countries where the PPI improved.



Source: World Bank, IEP



WHY POSITIVE PEACE IS TRANSFORMATIONAL

Positive Peace is a transformational concept. Empirically based, it shifts the focus away from the negative to the positive aspects that create the conditions for a society to flourish. Due to its systemic nature, improvements in Positive Peace are associated with many desirable outcomes for society, such as higher GDP growth, better measures of wellbeing, higher levels of resilience and more peaceful societies. More importantly, it provides a theory of social change, and explains how societies change and evolve.

Humanity is nearing a tipping point and facing challenges unparalleled in its short history. Many of these problems are global in nature, such as climate change, ever-decreasing biodiversity, depletion of the earth's freshwater, and overpopulation. Such global challenges call for global solutions and require cooperation on a scale unprecedented in human history. In a hyper-connected world, the sources of many of these challenges are multidimensional, increasingly complex and span national borders. For this reason, finding solutions requires fundamentally new ways of thinking.

Peace is the prerequisite for the survival of humanity in the 21st century. Without peace, it will not be possible to achieve the levels of trust, cooperation and inclusiveness necessary to solve these challenges, let alone empower the international institutions and organisations necessary to address them. In the past, peace may have been the domain of the altruistic, but in the current century it is everyone's self-interest.

Without an understanding of the factors that create and sustain peaceful societies, it will not be possible to develop the programmes, create the policies or understand the resources required to build peaceful and resilient societies.

Positive Peace provides a framework to understand and to address the many complex challenges the world faces. Positive Peace is transformational in that it is a cross-cutting facilitator of progress, making it easier for businesses to sell, entrepreneurs and scientists to innovate, individuals to produce and governments to effectively regulate.

In addition to the absence of violence, Positive Peace is also associated with many other social characteristics that are considered desirable, including stronger economic outcomes, higher resilience, better measures of wellbeing, higher levels of inclusiveness and more sustainable environmental performance.

Therefore, strong Positive Peace can be seen as creating an optimal environment in which human potential can flourish.

Understanding what creates sustainable peace cannot be found in the study of violence alone.

A parallel can be drawn with medical science. The study of pathology has led to numerous breakthroughs in our understanding of how to treat and cure disease. However, it was only when medical science turned its focus to the study of healthy human beings that we understood what we needed to do to stay healthy: physical exercise, a good mental disposition, and a balanced diet are some examples. This could only be learned by studying what was working. In the same way, the study of conflict is different from the study of peace, and produces very different outcomes.

Positive Peace is systemic and requires new thinking. Systems thinking originated in the study of organisms, and is now used by

sociologists. It can also assist in understanding the way countries and nations function and evolve. When combined with Positive Peace, systems thinking provides new ways of conceptualising and explaining societal change. As one example – a system is more than the sum of its parts, and cannot be understood merely by breaking it down and analysing its constituent parts. Positive Peace consists of eight Pillars, but each of these Pillars does not correlate with peace as strongly as the sum of all components, highlighting that the whole is more than its parts.

This distinctly contrasts the notion of linear causality, which dominates decision making today and involves identifying a problem, detecting its cause, and tackling the root. Without a fuller understanding of underlying system dynamics, the linear approach creates unintended consequences. The failure to solve some of society's fundamental challenges is a testimony to this. Systems thinking opens new ways of understanding nations and how they evolve. In systems, relationships and flows are more important than events. Events or problems represent the outcomes of the relationships and flows. This is why it is important to look at the multidimensional concept of Positive Peace as a holistic, systemic framework.

Positive Peace defines the goals towards which a system needs to evolve. Interventions should nudge the system towards higher levels of Positive Peace, rather than creating radical change, which runs the risk of ripping the fabric of society.

Importantly, viewing nations as systems provides a framework for understanding the relationships between humanity and the broader systems, such as the atmosphere and biosphere, which we intersect and depend upon. Systems are self-regulating and self-modifying and operate on two levels: first, as a collection of interconnected subsystems; and second, as part of the larger systems surrounding it. Understanding these interdependencies is essential to meeting the global challenges of our age.

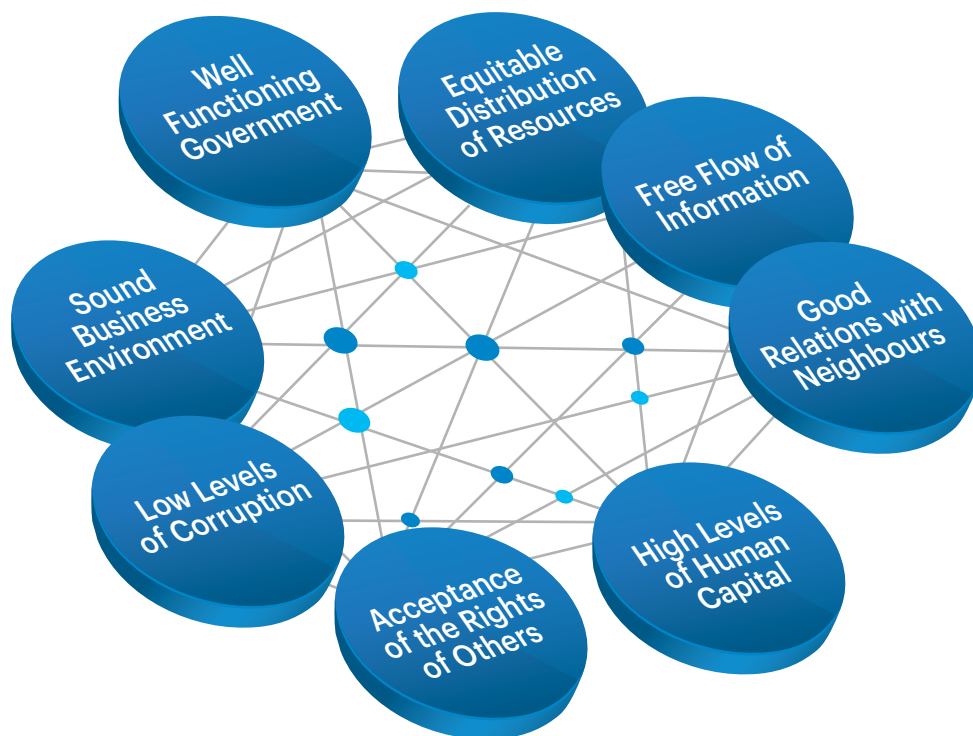
Different countries have different aims, or intent. Societies also have both formal and informal rules, referred to as encoded norms, which govern societies, and aim to maintain the system in a stable state. They regulate inputs, creating what is known as mutual feedback loops. This can be observed in many societal processes, such as when a government stimulates the economy in response to a drop in GDP or deploys more policing resources when there is a rise in crime. Each country's system will be

unique with different social norms and governance, although following the same general principles.

With differences in intent and encoded norms, any two nations may react differently to the same stimulus. Tipping points also occur within systems due to lagged and non-linear relationships. IEP's research shows evidence of tipping points in relation to peace and corruption, and peace and per capita income, to name some examples. In the past, societies have been understood through the lens of causality. In the future, embracing these holistic, systemic approaches will forge our ability to manage an age of unprecedented challenges.

Seen in this light, Positive Peace and systems thinking comprise an overarching framework for understanding and achieving progress not only in the level of global peacefulness, but in many other interrelated areas, including better economic progress and social advancement.

Positive Peace provides the optimal environment for human potential to flourish.



Executive Summary

This report is a continuation of the prior work from the Institute for Economics and Peace (IEP), and includes updated results for the annual Positive Peace Index (PPI). It also provides analysis of countries that are improving or deteriorating in Positive Peace, as well as the developmental factors that improve or deteriorate with changes in Positive Peace. The research incorporates systems thinking to understand how nations operate and societies develop over time. The introductory section of the report describes the fundamental concepts associated with systems thinking. In doing so, IEP provides a new interdependent framework and holistic approach to understanding peace and development.

The 2019 Positive Peace report outlines a new approach to societal development through the application of Positive Peace and systems thinking. Positive Peace is defined as the *attitudes, institutions and structures that create and sustain peaceful societies*. The same factors that create peace also lead to many other positive outcomes that societies aspire to, such as thriving economies, better inclusion, high levels of resilience and societies that are more capable of adapting to change. Other factors positively associated with Positive Peace are better performance on handling ecological challenges, wellbeing and happiness. Therefore, Positive Peace creates the optimal environment in which human potential can flourish.

When combined with systems thinking, analysis of Positive Peace also yields a theory of social change. Developments in Positive Peace precede societal changes in peacefulness, for better or worse. Through building Positive Peace, a nation can improve its overall trajectory in social development and peacefulness. Stimuli and shocks have cascading effects, due to the feedback loops contained within national systems pushing societies into virtuous or vicious cycles. However, these cycles can be understood, planned and moulded to produce the best social outcomes. Positive Peace provides a roadmap of the things societies need to change, to either consolidate virtuous cycles or break vicious ones.

Positive Peace is also strongly linked to social resilience. Countries with high Positive Peace are more likely to maintain stability, adapt and recover from both internal and external shocks. Eighty-four per cent of major political shocks occurred in countries with low Positive Peace. Similarly, there are 13 times more lives lost from natural disasters in nations with low Positive Peace, as opposed to those with high Positive Peace.

Countries with stronger Positive Peace have restorative capacities and as such are more resilient in times of civil unrest. Civil resistance movements tend to be smaller, linger for shorter periods, have moderate aims, are more likely to achieve their goals, and be far less violent. The differences between countries can be striking: 91 per cent of all violent civil resistance campaigns have been waged in countries with weaker Positive Peace.

In 2018, the economic impact of containing or dealing with the consequences of violence was 11.2 per cent of the world gross domestic product (GDP) or approximately \$14 trillion,

highlighting that improvements in resilience and peace have substantial economic advantages to the global economy.¹

Analysis finds that Positive Peace is strongly correlated to positive economic outcomes. Countries that develop high levels of Positive Peace display greater degrees of economic strength and resilience. As such, Positive Peace can be used in financial markets helping investors identify reliable and sustainable growth opportunities. Improvements in Positive Peace are statistically associated with better performance in a range of macro-economic indicators, including stronger GDP growth, stronger flows of foreign direct investment, appreciating currencies and lower and more stable interest and inflation rates.

The concept is also closely linked empirically to the notion of ethical investing (ESG). Positive Peace is statistically linked to improvements in ESG measures and as such can be seen as creating the background environments where countries will perform well in ESG measures. Positive Peace can be used as a predictor of superior ESG performance and can be applied in the design of impact-type investment strategies or as a risk assessment and management tool.

Positive Peace has been improving since at least 2009, with 128 of the 163 countries improving on the PPI, or 79 per cent, over this period. However, much of this improvement has been due to improvements within the *Structures* domain of Positive Peace and includes measures related to factors, such as poverty and health, or those that are the result of aggregate activity, such as GDP. They tend to grow almost without interruptions, reflecting the continuous increase in national incomes, the constant development of new technologies and the permanent stream of new discoveries in science and health.

In contrast, factors relating to social attitudes, as measured by the *Attitudes* domain, have recorded considerable deterioration over the past decade. These factors measure social views, tensions and perceptions and have been negatively affected by the increasing dissemination of false information, a rise in corruption, the greater polarisation of political views and the intensification of tensions between different social groups. Some countries have experienced steep declines in this domain, including well-developed countries, such as Denmark, Sweden, Austria and the UK.

Seven of the eight Pillars of Positive Peace have improved over the last decade. The one Pillar that continues to record a deterioration is *Low Levels of Corruption*.

The Pillars with the greatest improvements over the past decade have been *Free Flow of Information* and *Sound Business Environment*. These developments mostly reflect the dissemination of information technologies and the growth in goods and services consumption.

Each Pillar of Positive Peace represents a complex set of social dynamics. IEP research finds that different Pillars become more important at different stages of development. As countries progress toward higher levels of peacefulness, the eight Pillars build on one another to consolidate mutually reinforcing successes. Breakdowns in peace are preceded by deteriorations in fewer indicators than what is needed to improve peace, highlighting that to improve peace and development a broader set of initiatives are needed.

Additionally, improvements in a single Pillar, without improvements in other Pillars can lead to a higher likelihood of deteriorations in peace. Focusing exclusively on building stronger business environments or higher levels of education, for example, may prove to be problematic. Countries evolve like systems. For interventions to be successful, the unique factors that constitute the make-up of a country need to be understood. Radical change also creates risk. The best approach is many small nudges to improve Positive Peace.

Taken together, the findings in this report have important implications for building and sustaining peace:

- There is no silver bullet. Building and sustaining peace requires a large number of society-wide improvements progressing in concert with one another over a long period of time.
- Simply addressing the factors that led to violence in the past will not be enough to sustain peace. Different aspects of the social system push societies toward or away from peace, which means that improvements in peace require broader, systemic strategies than once thought.
- Prevention should be the priority. Recovery after violence has already occurred is difficult, expensive, and requires widespread effort to rebuild Positive Peace. Through focusing on the factors that are most vulnerable, it is possible to build resilience in the most cost-effective way.
- Stopping or preventing conflict is not an end in itself. As Positive Peace progresses, it enables an environment where human potential has more avenues to flourish.

Positive Peace can also be applied practically through workshops and development projects, which have been implemented in all major regions of the world, through IEP's extensive partnership network. The workshops are effective at the national, state or community level. This report includes examples of a series of workshops that IEP has conducted for Libya, Zimbabwe, Uganda and Mexico aimed at building Positive Peace in these countries and communities.

Without a better understanding of how societies operate, it will not be possible to solve humanity's major global challenges. Positive Peace provides a unique framework to better manage human affairs and relate to the broader ecosystems upon which we depend. Positive Peace in many ways is a facilitator, making it easier for workers to produce, businesses to sell, entrepreneurs and scientists to innovate, and governments to serve the interests of their people.



“Simply addressing the factors that led to violence in the past will not be enough to sustain peace. Improvements in peace require broader and more systemic strategies than once thought.”

Key Findings

Positive Peace fundamentals

- Positive Peace is defined as the *attitudes, institutions and structures* that create and sustain peaceful societies.
- These same factors also lead to many other positive outcomes that society feels are important, such as economic strength, resilience and wellbeing.
- Therefore, Positive Peace creates the optimal environment for human potential to flourish.
- The most peaceful countries in the world perform strongly on all eight Pillars of Positive Peace.
- High Positive Peace countries are more likely to maintain stability, adapt, and recover from shocks as they overcome their challenges.
- Countries that progress in Positive Peace are more likely to maintain high levels of peace.
- The level of Positive Peace is a country's best long-term indicator of how peaceful a country is likely to be.

Global and regional trends

- Many more countries improved in Positive Peace than deteriorated, with 128 countries showing improvement and 35 countries showing deteriorations, since 2009.
- Positive Peace improved 2.6 per cent globally in the past decade, driven by improvements in seven of the eight Pillars of Positive Peace since 2009.
- These improvements were mainly driven by *Free-Flow of Information, Sound Business Environment* and *High Levels of Human Capital*.
- Improvements in the PPI are mainly due to improvements in the *Structures* domain of Positive Peace, while the *Institutions* domain was steady and the *Attitudes* domain deteriorated.
- The *Attitudes* domain deteriorated by four per cent reflecting deteriorations in the *quality of information, factionalised elites and hostility to foreigners/private property*.
- Eight out of the nine world regions improved in Positive Peace from 2009 to 2018, with North America being the only exception.
- Russia and Eurasia, Asia-Pacific, and South Asia had the largest regional improvements, with all countries improving in Russia and Eurasia and South Asia.
- The largest improvements in Positive Peace occurred in Georgia, Belarus, Côte d'Ivoire, Armenia and Saudi Arabia and Belarus. However, these countries began from low levels of Positive Peace in 2009.
- The largest deteriorations in Positive Peace occurred in Syria, Libya, Yemen, Venezuela and Brazil.

Positive Peace, ethical investment and resilience

- Positive Peace has a high correlation with indicators of environmental, social and governance (ESG) investment. Designers of financial products and benchmarks can use this comparison when catering for the growing demand for ethical investment.
- Positive Peace is a reliable gauge of economic resilience and can be used to select portfolios of

countries that consistently outperform global GDP growth.

- This outperformance is also verified for other indicators of macroeconomic activity and national governance.
- Every one index point of improvement in the PPI is associated with a two percentage point rise in GDP per capita.
- Inflation rates in countries where Positive Peace deteriorated were four times more volatile when compared to countries where Positive Peace improved.
- Domestic currency in countries where Positive Peace improved appreciated by 1.3 percentage points per annum more than countries where it deteriorated.
- Countries that improved in Positive Peace also have a more positive credit rating outlook as assessed by Standard & Poor's, Moody's and Fitch.
- Among countries where Positive Peace improved, household consumption rose in the past decade at a rate twice as high as for countries where the PPI deteriorated.
- Growth in business activity in countries where Positive Peace improved is six times higher than in countries where the PPI deteriorated.
- Countries seeing Positive Peace improvements are more attractive to foreign investors, with foreign direct investment (FDI) and trade growing strongly over the last decade. This contrasts with stagnant FDI in countries where Positive Peace deteriorates.

Positive Peace and changes on the Global Peace Index

- 75 per cent of countries identified as high risk in IEP's Positive Peace Deficit model had significant deteriorations in peace between 2009 and 2018. On average, these countries had a deterioration in peace of 11 per cent, as measured by the GPI.
- Countries IEP identified as having strengths in Positive Peace on average improved in the GPI by 2 per cent over the past decade.
- *Well-Functioning Government, Low Levels of Corruption, Acceptance of the Rights of Others and Good Relations with Neighbours* are the most important Pillars needing improvement in countries suffering from high levels of violence.
- *Free Flow of Information* and *Sound Business Environment* become more important as countries move away from very low levels of peace. These countries also had lower access to small arms, better economic environments and higher levels of Positive Peace.
- *Low Levels of Corruption* is the only Pillar that is statistically significant across all levels of peacefulness.
- Uneven improvements in the Pillars of Positive Peace can lead to increased violence, highlighting the importance of a holistic approach to building Positive Peace.
- Countries that deteriorated on the GPI tended to have higher levels of access to small arms, higher numbers of police and higher group grievances than countries of similar levels of peace.

WHAT IS POSITIVE PEACE?

FIGURE A.1

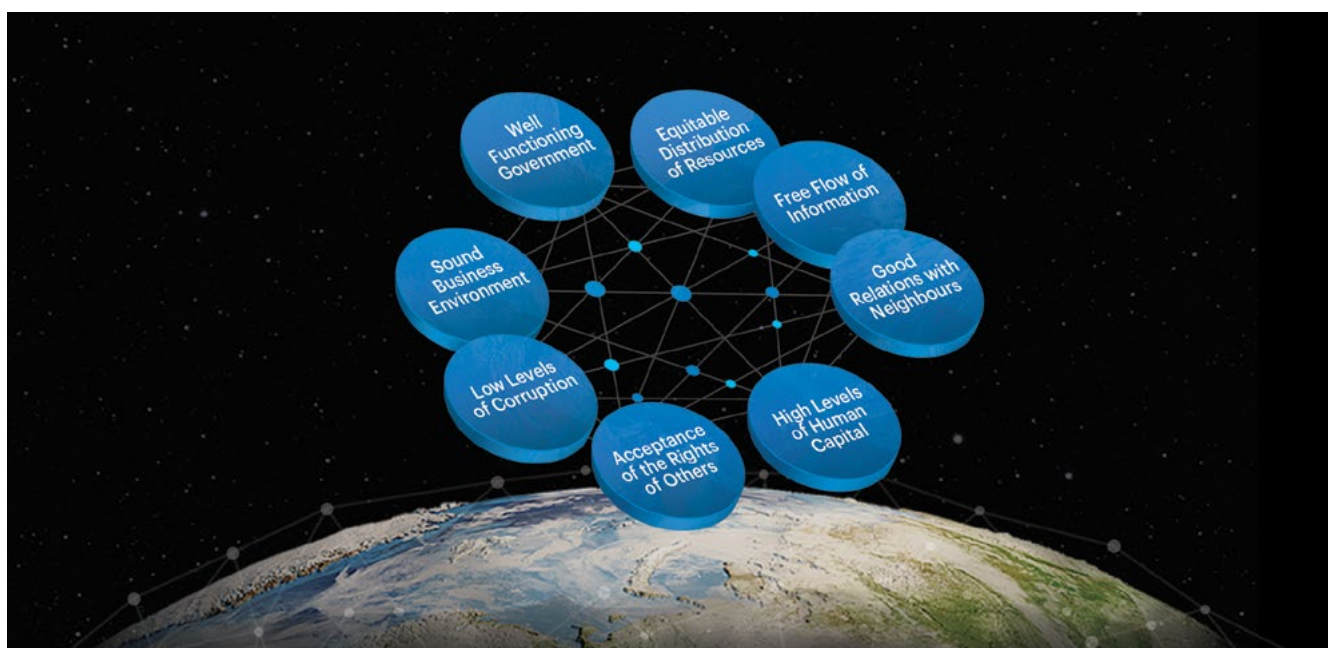


- Positive Peace is defined as the *attitudes, institutions and structures that create and sustain peaceful societies*. These same factors also lead to many other positive outcomes that society feels are important. Higher levels of Positive Peace are statistically linked to higher GDP growth, better environmental outcomes, higher measures of wellbeing, better developmental outcomes and stronger resilience.
- Positive Peace has been empirically derived by IEP through analysing thousands of cross-country measures of economic and social progress to determine which have statistically significant relationships with actual peace as measured by the Global Peace Index (GPI).
- Positive Peace is measured by the Positive Peace Index (PPI), which consists of eight Pillars, each containing three indicators. This provides a baseline measure of the effectiveness of a country's capabilities to build and maintain peace. It also provides a measure for policymakers, researchers and corporations to use for effective monitoring and evaluation.
- Positive Peace can be used as the basis for empirically measuring a country's resilience - its ability to absorb, adapt and recover from shocks, such as climate change or economic transformation. It can also be used to measure fragility and help predict the likelihood of conflict, violence and instability.

FIGURE A.2

The Pillars of Positive Peace

A visual representation of the factors comprising Positive Peace. All eight factors are highly interconnected and interact in varied and complex ways.



POSITIVE PEACE & SYSTEMS THINKING

This section describes how Positive Peace can reinforce and build the *attitudes, institutions and structures* that allow societies to flourish. These same factors create resilient and adaptive societies that pre-empt conflict and help societies channel disagreements productively.

Positive Peace as a term was first introduced in the 1960s and has historically been understood qualitatively based on idealistic or moral concepts of a peaceful society. The distinguishing feature of IEP's work on Positive Peace is that it is empirically derived. Using statistical analysis to identify the common characteristics of the world's most peaceful countries forms an important evidence base and avoids subjective value judgements of the drivers of peace.

To construct the Positive Peace Index, IEP statistically compares nearly 25,000 national data series, indices and attitudinal surveys to the internal measures of the Global Peace Index to determine which factors had the highest statistical correlations. Indicators were then qualitatively assessed, and where multiple variables measured similar phenomena, the least significant were dropped. The remaining factors were clustered using statistical techniques into the eight Pillars of Positive Peace. Three indicators were selected for each Pillar, which represent distinct but complementary conceptual aspects. The index was constructed with the weights for the indicators being assigned according to the strength of the correlation coefficient to the GPI Internal Peace score. This empirical approach to the construction of the index means it is free from pre-established biases or value judgements.

BOX A.1

Measuring peace: the Positive Peace Index and the Global Peace Index

IEP produces the GPI annually, and ranks 163 independent states and territories according to their level of peacefulness. The GPI stands as the world's leading measure of global peacefulness and is composed of 23 qualitative and quantitative indicators from highly respected sources, covering 99.6 per cent of the world's population. The index measures global peace using three broad themes: the level of safety and security in society; the extent of domestic or international conflict; and the degree of militarisation. For the full 2019 report and to explore the interactive map of global peace, visit www.visionofhumanity.org.

The PPI measures the level of Positive Peace in 163 countries. The PPI is composed of 24 indicators that capture the eight Pillars of Positive Peace. Each indicator was selected based on the strength of its statistically significant relationship with the GPI. For more information and the latest results of the PPI, refer to Section 3 of this report.

Human beings encounter conflict regularly – whether at home, at work, among friends or on a more systemic level between ethnic, religious or political groups. However, the majority of these conflicts do not result in violence. Conflict provides the opportunity to negotiate or renegotiate to improve mutual outcomes. Conflict, provided it is nonviolent, can be a constructive process. There are aspects of society that enable this, such as attitudes that discourage violence or legal structures designed to reconcile grievances.

The Pillars of Positive Peace

IEP has identified eight key factors, or Pillars, that comprise Positive Peace:

- **Well-functioning Government** – A well-functioning government delivers high-quality public and civil services, engenders trust and participation, demonstrates political stability and upholds the rule of law.
- **Sound Business Environment** – The strength of economic conditions as well as the formal institutions that support the operation of the private sector. Business competitiveness and economic productivity are both associated with the most peaceful countries.
- **Equitable Distribution of Resources** – Peaceful countries tend to ensure equity in access to resources such as education, health, and to a lesser extent, equity in income distribution.
- **Acceptance of the Rights of Others** – Peaceful countries often have formal laws that guarantee basic human rights and freedoms, and the informal social and cultural norms that relate to behaviours of citizens.
- **Good Relations with Neighbours** – Peaceful relations with other countries are as important as good relations between groups within a country. Countries with positive external relations are more peaceful and tend to be more politically stable, have better functioning governments, are regionally integrated and have lower levels of organised internal conflict.
- **Free Flow of Information** – Free and independent media disseminates information in a way that leads to greater knowledge and helps individuals, businesses and civil society make better decisions. This leads to better outcomes and more rational responses in times of crisis.
- **High Levels of Human Capital** – A skilled human capital base reflects the extent to which societies educate citizens and promote the development of knowledge, thereby improving economic productivity, care for the young, political participation and social capital.
- **Low Levels of Corruption** – In societies with high levels of corruption, resources are inefficiently allocated, often leading to a lack of funding for essential services and civil unrest. Low corruption can enhance confidence and trust in institutions.

Positive Peace can be described as the *attitudes, institutions and structures* that create and sustain peaceful societies. IEP does not specifically set out what interventions should be done for each of the Pillars, as these will very much be dependent on cultural norms and development path of a specific country. What is appropriate in one country may not be appropriate in another.

What sets Positive Peace apart from other studies of peace is that its framework is empirically derived. The indicators chosen to measure each Pillar are based on the factors that have the strongest statistically significant link with peacefulness, and as such form both a holistic and empirical framework.²

Characteristics of Positive Peace

Positive Peace has the following characteristics:

- **Systemic and complex:** progress occurs in non-linear ways and can be better understood through relationships and communication flows rather than through a linear sequence of events.
- **Virtuous or vicious:** it works as a process where negative feedback loops or vicious cycles can be created and perpetuated. Alternatively, positive feedback loops and virtuous cycles can likewise be created and perpetuated.
- **Preventative:** though overall Positive Peace levels tend to change slowly over time, building strength in relevant Pillars can prevent violence and violent conflict.
- **Underpins resilience and nonviolence:** Positive Peace builds capacity for resilience and incentives for nonviolent conflict resolution. It provides an empirical framework to measure an otherwise amorphous concept: resilience.
- **Informal and formal:** it includes both formal and informal societal factors. This implies that societal and attitudinal factors are as important as state institutions.
- **Supports development goals:** Positive Peace provides an environment in which development goals are more likely to be achieved.

Systems Thinking

Systems theory first originated while attempting to better understand the workings of biological systems and organisms, such as cells or the human body. Through such studies, it became clear that understanding the individual parts of a system was inadequate to describe a system as a whole, as systems are much more than the sum of their parts. Applying systems thinking to the nation state allows us to better understand how societies work, how to better manage the challenges they face and how to improve overall wellbeing. This approach offers alternatives to traditional understanding of change.

All systems are considered open, interacting with the sub-systems within them, other similar systems and the super-system within which they are contained. The nation is made up of many actors, units and organisations spanning the family, local communities and public and private sectors. As all of these both operate individually and interact with other institutions and organisations, each can be thought of as their own open system within the nation. Sub-systems may, for instance, include companies, families, civil society organisations, or public institutions such as the criminal justice system, education or health. All have differing intents and

BOX A.2

The properties of systems thinking

There are four major properties associated with systems thinking:

- **The system is a whole.** It cannot be reduced to its parts as individually the parts will have a different pattern of behaviour.
- **The system is self-regulating.** It aims to maintain a steady state by stabilising itself through feedback loops. The system adjusts to create balance between inputs, outputs and internally coded requirements so as to maintain what is termed homeostasis.
- **The system is self-modifying.** When there is a persistent mismatch between inputs and its codes, the system searches for a new pattern by which it can function. This creates differentiation from the original system and increases complexity.
- **The system does not stand on its own.** It is part of a larger system but also contains its own sub-systems. It also interacts with other similar systems. This 'system of systems' adapts together.

encoded norms. Similarly, nation states interact with other nations through trading relations, regional body membership and diplomatic exchanges, such as peace treaties or declarations of war.

Figure A.3 illustrates the different levels that are relevant to the nation or country. It shows that the nation state itself is made up of these many sub-systems, including the individual, civil society and business community. Scaling up, the nation can be seen as a sub-system of the international community, in which it builds and maintains relationships with other nations and international organisations. Finally, the international community forms a sub-system of a number of natural systems, such as the atmosphere and biosphere.

It should be noted that any sub-system within the following diagram can interact with a super system at any level. For example, an individual can interact with the nation they belong to, other nations, the international community or the natural environment. Therefore, the systems are not hierarchical in structure, rather they co-evolve and change together.

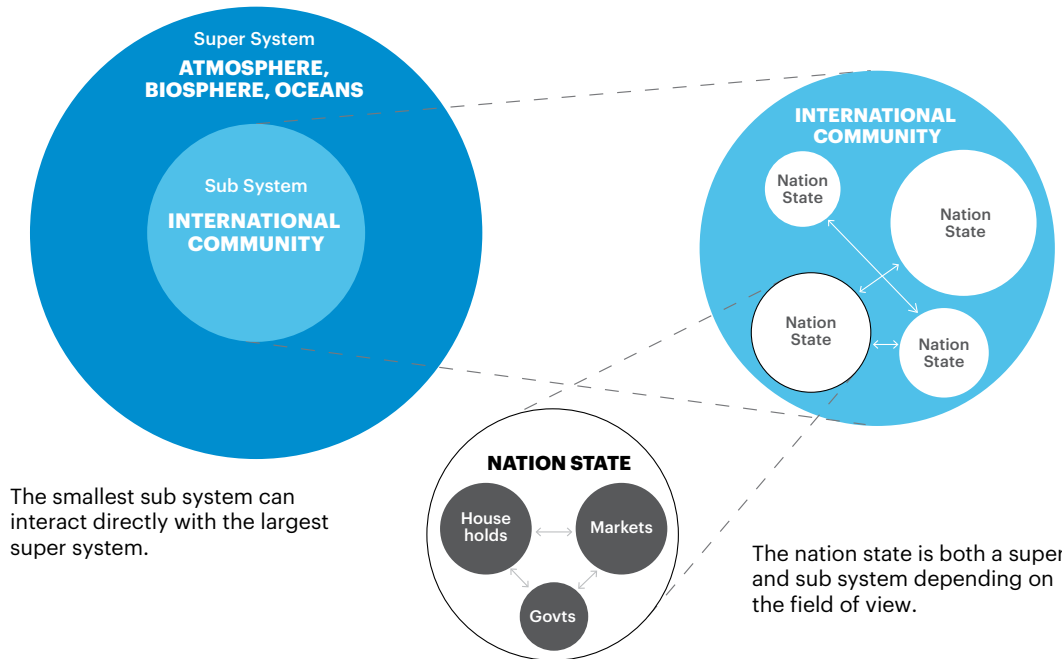
Systems thinking offers a more complex view of causality. Causal thinking is generally used in problem solving – find the cause of the problem and fix it. Such an approach is useful for explaining discrete and well-isolated physical phenomena. However, when multiple variables are involved, it becomes increasingly difficult to identify a cause. Further, such thinking has the implicit implication that all outcomes can be tracked back to a set of initial conditions. This discounts the potential for genuine novelty or innovation and is in contrast to our experience of reality.

Through the mechanics of mutual feedback loops, systems thinking blurs the separation between cause and effect. A

FIGURE A.3

Systems and Nations

The nation is both a super and sub-system depending on the field of view. The smallest sub-system can interact directly with the largest super system.



Source: IEP

mutual feedback loop is where two interacting entities modify each other through feedback. Conversations and negotiations are good examples of mutual feedback loops. A further example can be observed in the relation between the *Free Flow of Information* and a *Well-Functioning Government*. Governments can regulate what information is available, yet information can also change governments. Both will respond to the action of the other. In systems thinking, a cause is seen not as an independent force, but as an input into a system, which then reacts, thereby producing an effect. The difference in reaction is due to different encoded norms, or values by which society self-organises. The same input can have very distinct results in different societies.

The concept of mutual feedback loops gives rise to the notion of causeless correlations and forms the basis of Positive Peace. Statistically significant correlations describe macro relationships, but the interactions within the dynamics of the system and the causal relationships will vary depending on the particular circumstances.

Furthermore, from a systems perspective, each causal factor does not need to be understood. Rather, multiple interactions that stimulate the system in a particular way negate the need to understand all the causes. Processes can also be mutually causal. For example, as corruption increases, regulations are created, which in turn changes the way corruption is undertaken. Similarly, improved health services provide for a more productive workforce, which in turn provides the government with revenue and more money to invest in health. As conflict increases, the mechanisms to address grievances are gradually depleted increasing the likelihood of further violence.

Systems are also susceptible to tipping points in which a small

action can change the structure of the whole system. The Arab Spring began when a Tunisian street vendor who set himself alight because he couldn't earn enough money to support himself. The relationship between corruption and peace follows a similar pattern. IEP research has found that increases in corruption have little effect until a certain point, after which even small increases in corruption can result in large deteriorations in peace.

Homeostasis & Self-Modification

Homeostasis is the process by which systems aim to maintain a certain state or equilibrium. An example of this is the self-regulation of the body temperature of a mammal. If the body starts to overheat, then it begins to sweat; if the body becomes cold, then the metabolism will become faster. The system attempts to make small adjustments based on the way inputs are interpreted by its encoded norms so that future inputs are within acceptable bounds. The same model of understanding can be applied to nations. Nations maintain homeostasis through their encoded norms, such as accepted levels of social behaviour. Even the social norms around queuing can be seen as maintaining an equilibrium. Another example would be governments raising taxes to fund services to a particular level. Tax rates are more or less kept the same, with the budgets for government departments only changing gradually. We expect the health and education systems to behave in certain way.

One of the key differences between natural systems, such as the weather or the oceans, and biological systems is that biological systems have intent. Similarly, countries or nations also have intent. For example, when Costa Rica abolished its military in 1948, the government at the time arguably had the intent not to go to war.

Encoded norms can also create mutual feedback loops. When the input comes from another system, the response may attempt to alter future inputs from that system. Think of two groups who are continuously modifying their responses based on the actions of the other, such as two football teams who are continuously modifying their tactics based on the interactions in the game. In a democratic nation, this continual change based on the actions of the other can be observed in the interactions and adjustments between two political parties, or the shaping of news based on public sentiment. The sentiment shapes the news, but the news also shapes sentiment.

Systems have the ability to modify their behaviour based on the input that they receive from their environment. For example, the desire to seek food when hungry or the release of T-cells in response to infection are encoded reactions to inputs. For the nation state, as inflation increases, interest rates are raised to dampen demand. When an infectious disease outbreak occurs, medical resources are deployed to fix it.

Feedback loops provide the system with knowledge of its performance or non-performance in relation to its intentions. Given this, it is possible to analyse political systems through their feedback loops to better understand how successfully they may be performing. An example would be measuring how political organisations within a society respond to inputs that align or misalign with their intentions. Similarly, social values can be better recognised using the mutual feedback model. For example, the mutual feedback model can help us understand what behaviours are shunned and what behaviours are encouraged within a society and why.

When unchecked or operating in isolation, feedback loops can lead to runaway growth or collapse. In cultures, their role can be constructive or destructive. However, feedback loops are fundamental in promoting self-modification, which allows the nation state to evolve to a higher level of complexity. The effect of mutual feedback loops can be the accumulation of capital, the intensification of poverty, the spread of disease or the proliferation of new ideas.

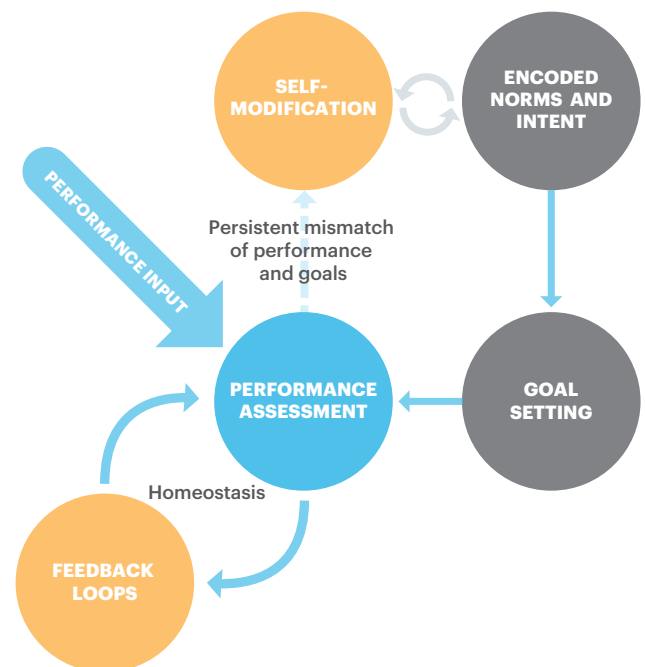
If the external or internal factors of the nation pressure the system into persistent imbalance, then a new level of complexity needs to be developed to maintain stability. Within the biosphere, it could be the mutation of a species so its offspring are better adapted to their environment. For a nation, this may take the form of major shifts within the system, such as policies to reduce carbon emissions when CO₂ emissions become too high or the implementation of an anti-corruption commission when foreign investment falters.

Successful adaptation to systemic imbalances is more likely when the nation has higher levels of Positive Peace. This is empirically demonstrated through the relationship between high Positive Peace and the reduced impact of shocks. For example, increases in the population of a country place stress on agricultural resources. The nation can respond by implementing measures that improve the yield of the available land while building an export industry to produce capital for the importation of food. Without an adequate response, the system would slowly degrade and potentially lead to collapse.

Figure A.4 shows the process for homeostasis and self-modification. Encoded norms and intent set the goals for the nation state. The performance of the nation in relation to its intent and encoded norms is then assessed by receiving either internal or external input. When the nation state is fulfilling its intentions, the feedback loops make minor adjustments to maintain homeostasis. However, when the nation state's performance is persistently mismatched to its intent, it can begin a process of self-modification. This allows the system to adjust its encoded norms or intent so that it adapts to the new conditions. Though Figure A.4 depicts this process using a simple process diagram, in reality, these mechanisms are complex and dynamic.

FIGURE A.4
Homeostasis and self-modification

Homeostasis occurs when there is balance between a system's internal goals and its performance. If performance persistently mismatches a nation state's goals, the system will self-modify and adapt. Once this change has occurred, the nation state will redefine its goals and attempt to maintain the new homeostasis.



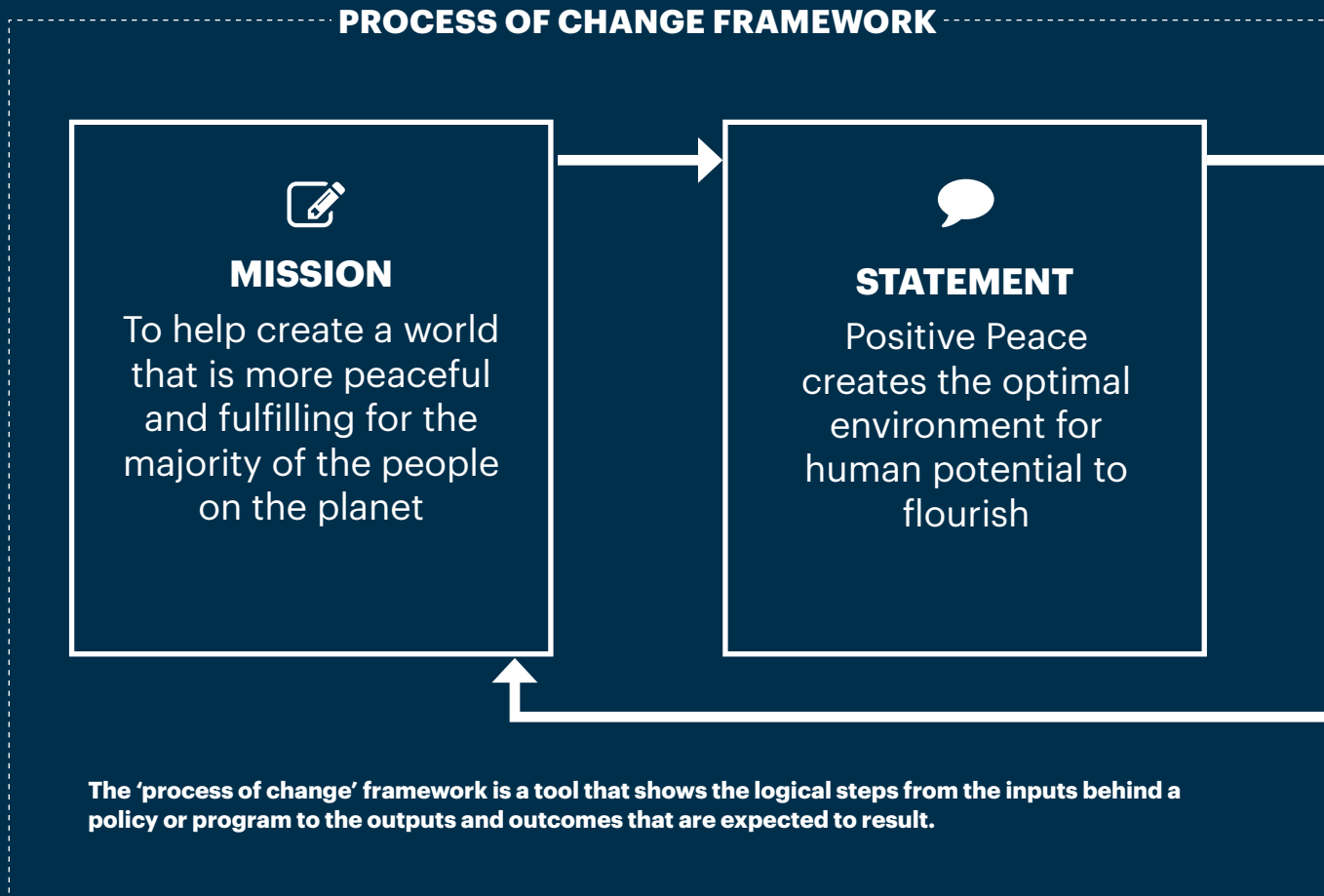
Source: IEP

The relationship between the nation state and other systems, such as the biosphere and atmosphere, is key to the survival of humanity. If these systems become incapacitated, then nations are also weakened. Similarly, acknowledging the interdependence between nation states and other systems should fundamentally alter the way in which we handle these complex relationships.

When applying systems thinking to nation states, it is important not to overcomplicate the analysis. What is essential is to view the system as a set of relationships rather than a set of events and to understand the most important feedback loops. Positive Peace provides a framework through which we can understand and approach systemic change, moving from simple causality to holistic action.

POSITIVE PEACE AS A

Positive Peace provides a process of change that explains the functioning

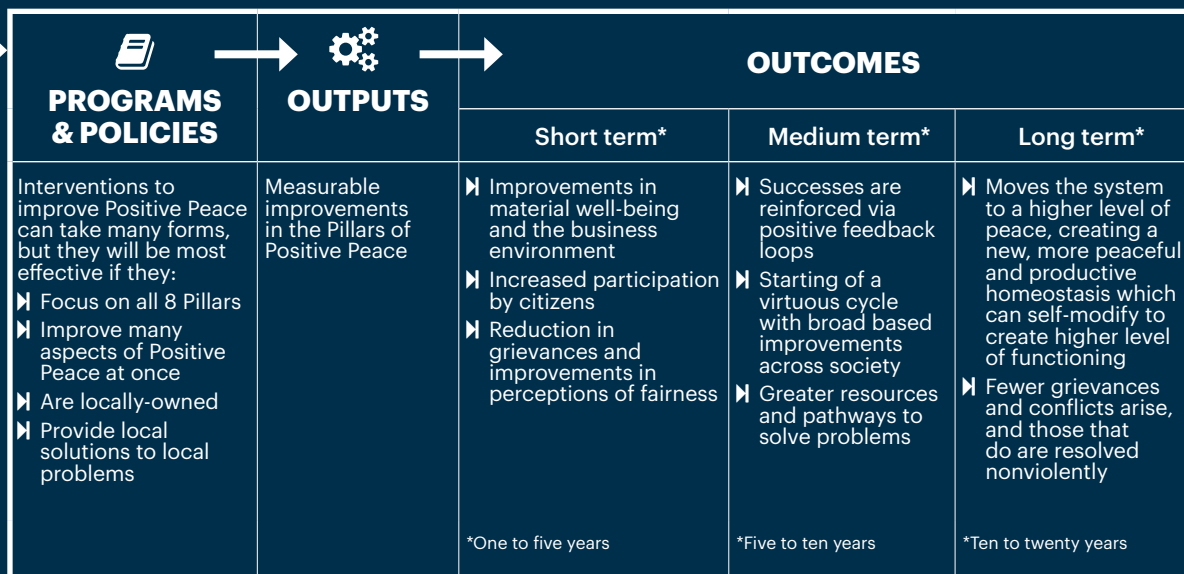


Positive Peace consists of eight Pillars that have been empirically derived. It describes the major factors that govern change within a society. These factors operate inter-dependently, mutually affecting each other, therefore making it difficult to understand the true cause of any event. Systems thinking provides a model to explain the interactions and changes within the system. This means that more emphasis is placed on the relationships and flows within the system than a single event, such as a terrorist attack or the election of a controversial leader. Positive Peace describes social systems – either a country, nation or society. These types of systems are characterized by the same change processes, with increasing levels of complexity from the community to the country.

When programs or policies achieve measurable improvements in the Pillars of Positive Peace, these achievements catalyze a number of dynamics. Immediate program outputs can help to raise people's standard of living, improve information flows and can build trust and confidence. Other programs can help to resolve immediate grievances, thereby reducing the amount of conflict in society. If momentum is maintained, these successes can reinforce one another and set the stage for further progress. In other words, because of the systems dynamics, changes feed on each other, creating a virtuous cycle of cascading improvements. The opposite is also true. If Positive Peace starts to decay, then a new reinforcing set of dynamics is created, leading to a

PROCESS OF CHANGE

of a nation or society and why highly peaceful societies thrive.



Although it is usually applied to specific activities and interventions, the learnings from IEP's Positive Peace research can be represented in the same way.

vicious cycle of lower well-being, a weaker economy, less transparency and higher corruption.

As successes build upon one another, the system moves to a more peaceful equilibrium. Feedback loops help the system 'reset,' so its homeostasis is at a higher level of peace and well-being. The system will persistently return to homeostasis through feedback loops, which is why building Positive Peace requires a number of sustained interventions. Positive Peace works slowly over time. Radical changes to systems are likely to break the system, therefore change is more like continually nudging the system in the right direction. The most effective systemic change is widespread and incremental.

The diagram above presents IEP's most up-to-date understanding of how increasing levels of Positive Peace creates the optimal environment for human potential to flourish and leads to societies free from violence. Interventions to improve Positive Peace can be implemented by governments, businesses, civil society organizations, or groups of young people or volunteers, as has been the case in IEP's Positive Peace workshops. Outputs are the measurable things that the programs produce, such as a 30 per cent increase in school attendance and the outcomes are the social changes that result, e.g., improved High Levels of Human Capital in the community.

1

Positive Peace Index, Results & Trends

Key Findings

- More countries improved in Positive Peace, than deteriorated, with 128 countries showing improvement and 35 countries showing deteriorations, since 2009.
- These improvements were mainly driven by *Free-Flow of Information, Sound Business Environment* and *High Levels of Human Capital*
- Positive Peace improved 2.6 per cent globally in the past decade. This is driven by improvements in seven of the eight Pillars of Peace since 2009.
- Eight out of the nine world regions improved in Positive Peace from 2009 to 2018, with North America being the only exception.
- Russia and Eurasia, Asia-Pacific, and South Asia had the largest regional improvements, with all countries improving in Russia and Eurasia and South Asia.
- Improvements in the PPI are mainly due to improvements in the *Structures* domain of the PPI, while the *Infrastructure* domain was steady and the *Attitudes* domain deteriorated.
- The *Attitudes* domain deteriorated by four per cent reflecting increased polarisation of views on political and economic administration matters as well as a deterioration in the quality of information disseminated to the public.
- The largest improvements in Positive Peace occurred in Georgia, Belarus, Côte d'Ivoire, Armenia and Saudi Arabia. However, these countries began from low levels of Positive Peace in 2009.
- The largest deteriorations in Positive Peace occurred in Syria, Libya, Yemen, Venezuela and Brazil.

The PPI measures Positive Peace in 163 countries, covering 99.6 per cent of the world's population. The PPI is the only known global, quantitative approach to defining and measuring Positive Peace. This body of work provides an actionable platform for development and improvements in peace. It can also help to improve social factors, governance and economic development. This body of work provides the foundation for researchers to deepen their understanding of the empirical relationships between peace and development. It stands as one of the few holistic and empirical studies to identify the positive factors that create and sustain peaceful societies.

Positive Peace provides a theory of change towards an optimal environment for human potential to flourish. This is important because it provides a framework to guide policy towards higher levels of peace and happiness, robust economies, and societies that are resilient and more adaptable to change.

IEP takes a systems approach to peace, drawing on recent body of research. In order to construct the PPI, IEP analysed over 24,700 different datasets, indices and attitudinal surveys in conjunction with current thinking about the drivers of violent conflict, resilience and peacefulness. The result is an eight-part taxonomy of the factors associated with peaceful societies. These eight domains, or Pillars of Positive Peace, were derived from the datasets that had the strongest correlation with internal peacefulness as measured by the Global Peace Index, an index that defines peace as “absence of violence or the fear of violence”. The PPI measures the eight Pillars using three indicators for each. The indicators represent the best available globally comparable data with the strongest statistically significant relationship to levels of peace within a country. The 24 indicators that make up the PPI are listed in Table 1.1.

TABLE 1.1

Indicators in the Positive Peace Index

The following 24 indicators have been selected in the Positive Peace Index to show the strongest relationships with the absence of violence and the absence of fear of violence.

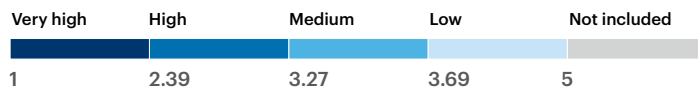
Pillar	Domain	Indicator	Description	Source	Correlation coefficient (to the GPI)
Acceptance of the Rights of Others	Structures	Gender Inequality Index (GII)	The Gender Inequality Index (GII) reflects women's disadvantage in three ways: reproductive health, empowerment and the labour market.	United Nations Development Programme	0.65
	Attitudes	Group Grievance	The Group Grievance Indicator focuses on divisions and schisms between different groups in society, particularly divisions based on social or political characteristics, and their role in access to services or resources, and inclusion in the political process.	Fragile States Index	0.65
	Attitudes	Exclusion by Socio-Economic Group	Exclusion involves denying individuals access to services or participation in governed spaces based on their identity or belonging to a particular group.	Varieties of Democracy (V-Dem)	0.73
Equitable Distribution of Resources	Structures	Inequality-adjusted life expectancy index	Life expectancy for the whole population correcting for changes in income levels. Lower income brackets tend to have shorter life expectancy. A change in inequality may lead to a change in the overall life expectancy even if the life expectancy for each individual income bracket has not changed.	United Nations Development Programme	0.59
	Structures	Poverty headcount ratio at \$5.50 a day (2011 PPP) (% of population)	Poverty headcount ratio at \$5.50 a day is the percentage of the population living on less than \$5.50 a day at 2011 international prices.	World Bank	0.52
	Structures	Equal distribution of resources index	This component measures the equity to which tangible and intangible resources are distributed in society.	Varieties of Democracy (V-Dem)	0.73
Free Flow of Information	Attitudes	Freedom of the Press	A composite measure of the degree of print, broadcast and internet freedom.	Freedom House	0.58
	Attitudes	Quality of Information	A measurement of how often governments disseminate false or misleading information.	Varieties of Democracy (V-Dem)	0.59
	Structures	Individuals using the Internet (% of population)	Internet users are individuals who have used the Internet from any location in the last three months. The Internet can be used via a computer, mobile phone, personal digital assistant, games machine, digital TV etc.	International Telecommunication Union	0.59
Good Relations with Neighbours	Attitudes	Hostility to foreigners/private property	Intensity of antagonistic attitudes towards foreigners or property held by foreigners.	The Economist Intelligence Unit	0.68
	Structures	International tourism, number of arrivals (per 100,000)	Number of tourists who travel to a country, staying for at least one night, other than that in which they have their usual residence.	World Tourism Organization	0.39
	Structures	The extent of regional integration	A qualitative measure reflecting the level of regional integration as measured by a country's membership of regional trade alliances.	The Economist Intelligence Unit	0.6
High Levels of Human Capital	Structures	Share of youth not in employment, education or training (NEET) (%)	Proportion of people between 15 and 24 years of age that are not employed, and are not in education or training.	International Labour Organization	0.54
	Structures	Researchers in R&D (per million people)	The number of researchers engaged in Research & Development (R&D), expressed as per one million population.	UNESCO	0.64
	Structures	Healthy life expectancy (HALE) at birth (years)	Average number of years that a newborn can expect to live in full health.	World Health Organisation	0.61

Low Levels of Corruption	Institutions	Control of Corruption	Control of Corruption captures perceptions of the extent to which public power is exercised for private gain.	World Bank	0.77
	Attitudes	Factionalized Elites	Measures the fragmentation of ruling elites and state institutions along ethnic, class, clan, racial or religious lines.	Fragile States Index	0.72
	Institutions	Irregular payments and bribes	Measuring the prevalence undocumented extra payments or bribes by firms.	World Economic Forum	0.70
Sound Business Environment	Structures	Business Environment	Measures a country's entrepreneurial environment, its business infrastructure, barriers to innovation, and labour market flexibility.	Legatum Institute	0.70
	Structures	GDP per capita (current US\$)	GDP per capita is gross domestic product divided by midyear population.	World Bank	0.61
	Structures	Prosperity Index Score	Assesses countries in regards to economic development, business environment, governance, education, health, safety and security, personal freedoms, social capital and natural environment.	Heritage Foundation	0.81
Well-Functioning Government	Institutions	Political Democracy Index	Measures whether the electoral process, civil liberties, functioning of government, political participation and culture support secular democracy.	The Economist Intelligence Unit	0.64
	Institutions	Government Effectiveness: Estimate	Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.	World Bank	0.78
	Institutions	Rule of Law: Estimate	Rule of Law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.	World Bank	0.81

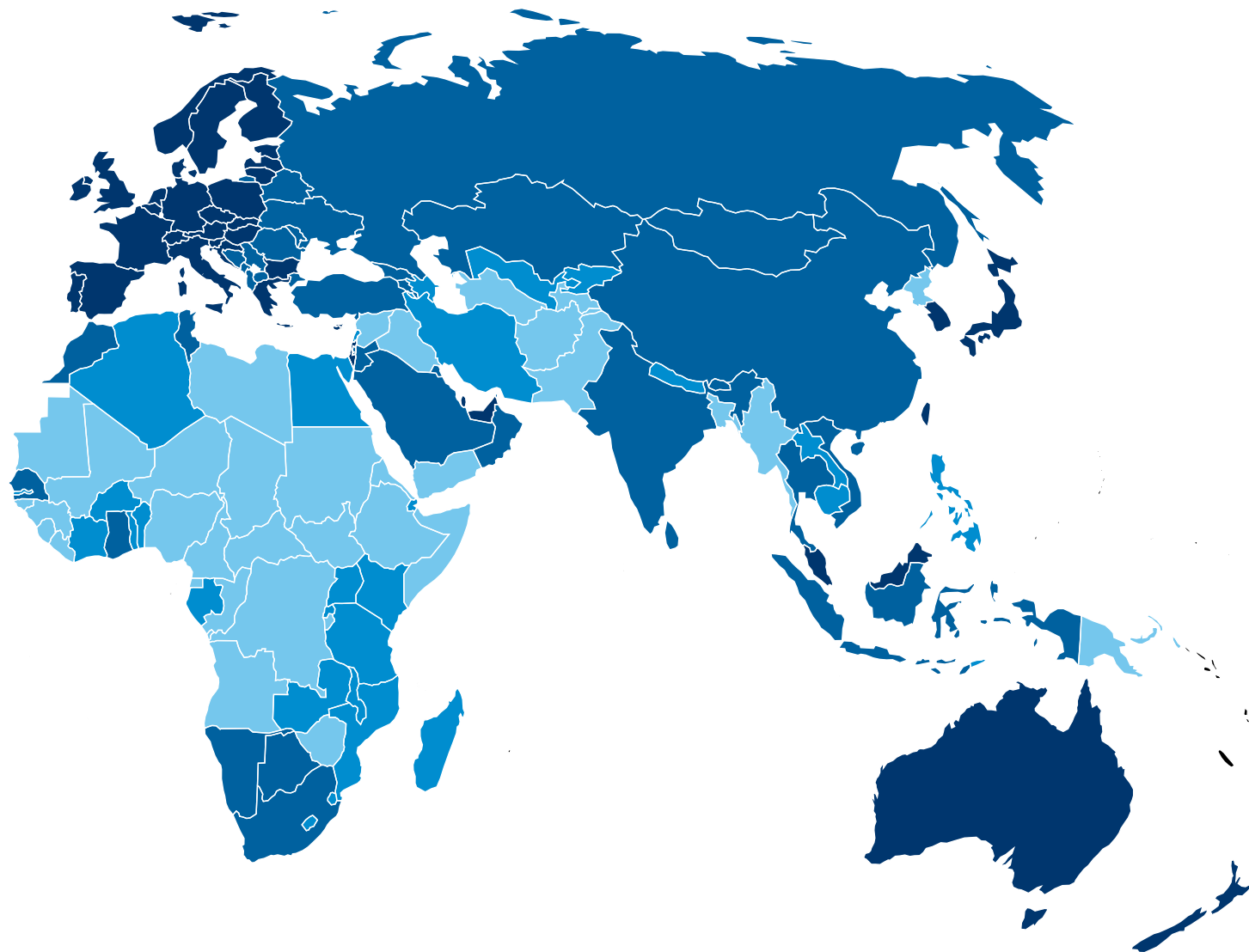
2019 POSITIVE PEACE INDEX

A SNAPSHOT OF THE GLOBAL
LEVELS OF POSITIVE PEACE

THE STATE OF POSITIVE PEACE



RANK	COUNTRY	SCORE	RANK	COUNTRY	SCORE	RANK	COUNTRY	SCORE
1	Norway	1.17	28	Israel	2.01	57	Trinidad & Tobago	2.74
2	Finland	1.21	30	Uruguay	2.02	58	Belarus	2.76
3	Switzerland	1.23	31	Latvia	2.03	59	Bahrain	2.77
3	Sweden	1.23	32	United Arab Emirates	2.06	60	Bhutan	2.79
5	Denmark	1.26	33	Taiwan	2.09	61	Saudi Arabia	2.81
6	Iceland	1.28	34	Poland	2.1	62	Tunisia	2.82
7	Netherlands	1.29	35	Slovakia	2.11	63	Namibia	2.87
8	Ireland	1.34	36	Chile	2.13	64	Jordan	2.92
9	New Zealand	1.4	37	Costa Rica	2.18	65	Bosnia & Herzegovina	2.94
10	Canada	1.41	37	Greece	2.18	66	China	2.96
11	Germany	1.42	39	Qatar	2.2	67	Mexico	3
12	Austria	1.47	40	Hungary	2.24	68	Armenia	3.01
13	Australia	1.51	41	Mauritius	2.26	68	Kazakhstan	3.01
14	Belgium	1.53	42	Croatia	2.29	70	Morocco	3.03
14	Singapore	1.53	43	Bulgaria	2.36	70	Moldova	3.03
16	France	1.55	44	Malaysia	2.37	72	Cuba	3.04
17	Japan	1.56	45	Romania	2.55	72	Peru	3.04
18	Portugal	1.57	46	Jamaica	2.56	74	Brazil	3.05
19	United Kingdom	1.59	47	Montenegro	2.6	74	Ghana	3.05
20	Slovenia	1.63	47	Oman	2.6	74	Mongolia	3.05
21	Estonia	1.69	49	Panama	2.61	77	Thailand	3.06
22	Spain	1.77	50	Argentina	2.66	78	Dominican Republic	3.08
23	Czechia	1.79	50	Kuwait	2.66	79	Russia	3.09
24	South Korea	1.83	52	Albania	2.68	80	Colombia	3.1
25	Lithuania	1.84	53	Botswana	2.69	81	Vietnam	3.11
26	United States	1.85	54	Georgia	2.7	82	Ecuador	3.13
27	Italy	1.96	55	Serbia	2.71	83	Indonesia	3.15
28	Cyprus	2.01	56	Macedonia	2.73	83	Ukraine	3.15



RANK	COUNTRY	SCORE
83	● South Africa	3.15
86	● Sri Lanka	3.18
86	● Palestinian Territories	3.18
88	● Turkey	3.2
89	● Senegal	3.22
90	● Guyana	3.23
90	● El Salvador	3.23
92	● India	3.25
93	● Nicaragua	3.27
94	● Lebanon	3.28
94	● Rwanda	3.28
96	● Gabon	3.34
96	● Kyrgyzstan	3.34
98	● Lesotho	3.36
99	● Azerbaijan	3.37
99	● Paraguay	3.37
99	● Tanzania	3.37
102	● Bolivia	3.38
103	● Benin	3.39
103	● Algeria	3.39
103	● Honduras	3.39
106	● Philippines	3.4
107	● Swaziland	3.42
108	● Gambia	3.46
109	● Burkina Faso	3.48
110	● Guatemala	3.49
111	● Uzbekistan	3.52
112	● Malawi	3.54

RANK	COUNTRY	SCORE
113	● Zambia	3.56
114	● Djibouti	3.57
115	● Iran	3.58
115	● Uganda	3.58
117	● Cambodia	3.59
117	● Timor-Leste	3.59
119	● Kenya	3.6
120	● Côte d'Ivoire	3.63
120	● Egypt	3.63
120	● Nepal	3.63
123	● Mozambique	3.64
124	● Laos	3.67
125	● Madagascar	3.69
125	● Togo	3.69
127	● Sierra Leone	3.7
128	● Liberia	3.71
129	● Bangladesh	3.73
130	● Ethiopia	3.75
131	● Myanmar (Burma)	3.77
132	● Libya	3.78
132	● Papua New Guinea	3.78
132	● Venezuela	3.78
135	● Mali	3.81
135	● Turkmenistan	3.81
137	● Tajikistan	3.84
138	● Kosovo	3.87
138	● Niger	3.87
138	● Pakistan	3.87

RANK	COUNTRY	SCORE
141	● Cameroon	3.89
141	● North Korea	3.89
143	● Nigeria	3.9
144	● Congo - Brazzaville	3.93
145	● Angola	3.99
146	● Haiti	4
146	● Mauritania	4
148	● Iraq	4.01
149	● Burundi	4.03
150	● Guinea	4.04
150	● Zimbabwe	4.04
152	● Guinea-Bissau	4.15
153	● Equatorial Guinea	4.21
154	● Afghanistan	4.25
154	● Sudan	4.25
154	● Syria	4.25
157	● Congo - Kinshasa	4.28
157	● Eritrea	4.28
159	● Chad	4.33
160	● Central African Republic	4.47
161	● South Sudan	4.53
162	● Yemen	4.61
163	● Somalia	4.65

GLOBAL TRENDS IN POSITIVE PEACE

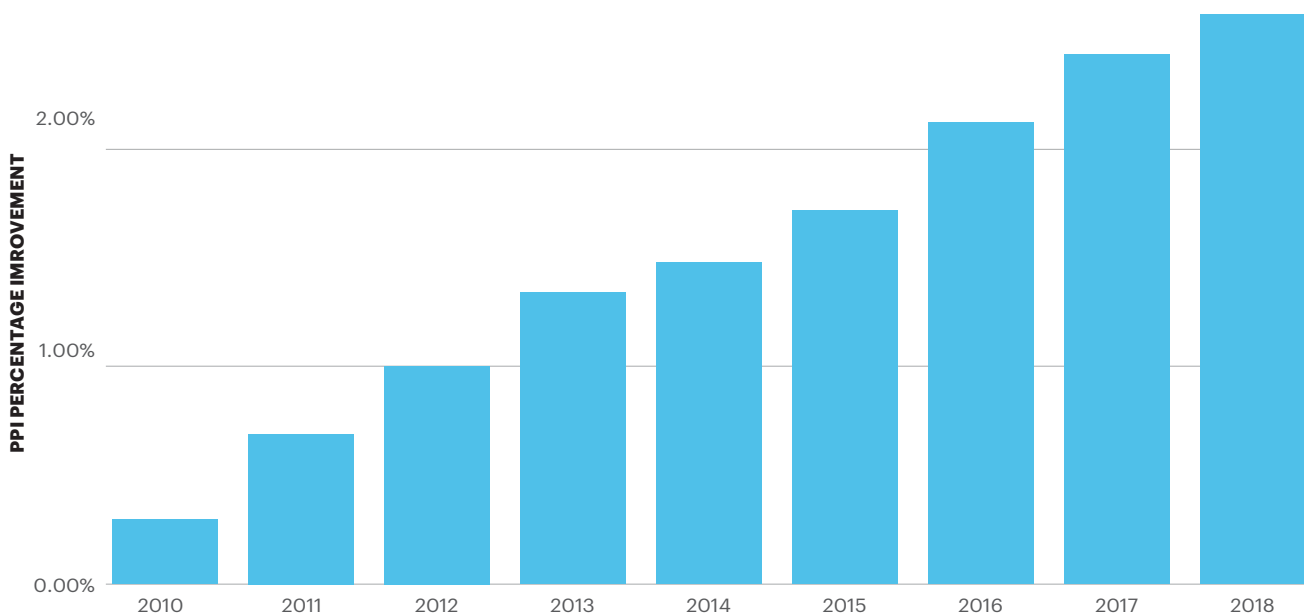
The global score for the PPI improved by 2.6 per cent since 2009, with 128 countries improving and 35 countries deteriorating. The score is calculated by taking the average score for the 163 countries included in the index.

Figure 1.1 highlights the global trend in Positive Peace. Changes in Positive Peace generally occur slowly and may take many years for the benefits to show because institution building and changes in social norms are long-term processes. As such, global changes in the PPI Pillars happen relatively slowly, and even slight changes in global Positive Peace can be considered important.

FIGURE 1.1

Cumulative improvement in Positive Peace from 2009

By 2018, the global average Positive Peace score had improved by 2.6 per cent since 2009.



Source: IEP

Changes in attitudes, institutions and structures

Although the progression of Positive Peace seems to be uniform from year to year, the changes for each of the three categories vary considerably. While structures have been improving each year and have improved by seven per cent since 2009, attitudes have deteriorated each year to be 3.9 per cent worse over the decade.

Table 1.1 broadly classifies the 24 indicators in the PPI into one of these three domains using the following typology:

- *Attitudes* if they measure social views, tensions or perceptions.
- *Institutions* if they are directly measuring institutional operations.
- *Structures* if they are embedded in the framework of society, such as poverty and equality, or are the result of aggregate activity, such as GDP.

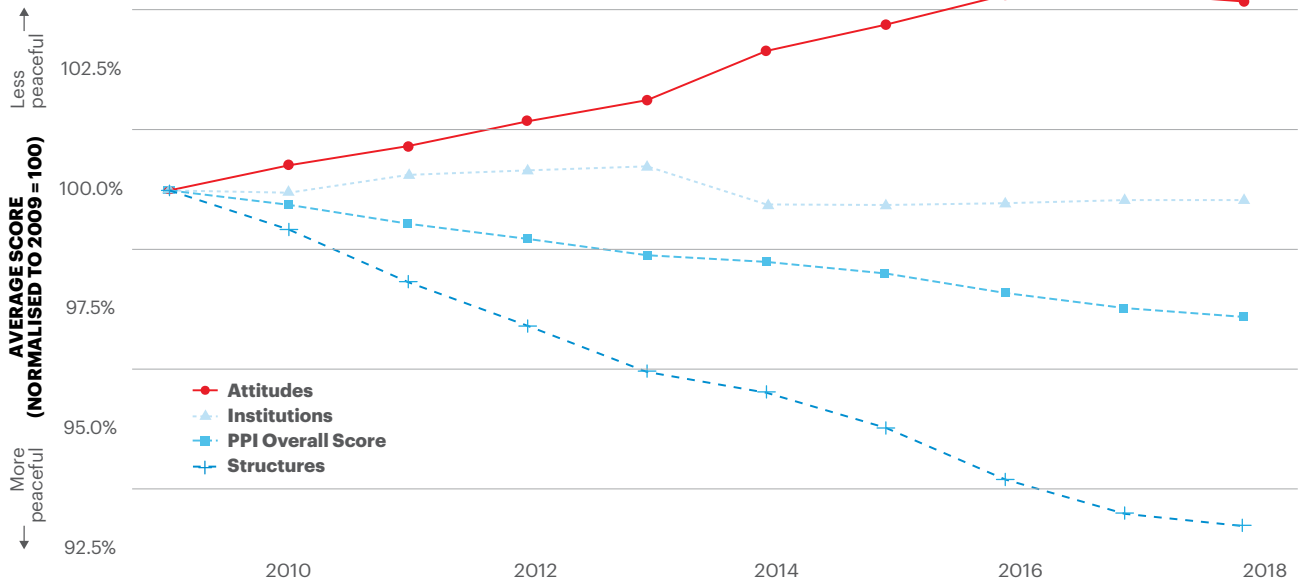
Using this classification process, Figure 1.2 shows that the improvement in the PPI since 2009 is largely driven by structural improvements. GDP per capita, gender equality and poverty have generally improved over time. Globally, institutional functioning has remained largely constant over the same period, except for some fluctuations during international financial crises. However, the attitudinal indicators have been deteriorating over the same period. The indicators to show the biggest deteriorations are *quality of information*, *factionalised elites* and *hostility to foreigners/private property*.

128 countries showed improvement and 35 countries showed deteriorations, since 2009

FIGURE 1.2

Changes in the attitudes, institutions and structures of Positive Peace, 2009–2018

The improvement in the PPI since 2009 was largely driven by structural improvements. Institutional functioning has remained broadly the same over the period while attitudes have deteriorated.



Source: IEP

Changes in the Positive Peace Pillars

Figure 1.3 shows the percentage change from 2009 to 2018 for all eight Pillars of Positive Peace. These scores reflect gradual changes within complex social systems and typically do not fluctuate drastically year to year. As such, since 2009, the average Pillar score has changed by just 2.6 per cent, and no Pillar score has changed by more than eight per cent. The slow-moving nature of Positive Peace calls for long-term planning and sustained investment in improving the Pillars.

The individual indicators change more quickly, as highlighted in Figure 1.3.

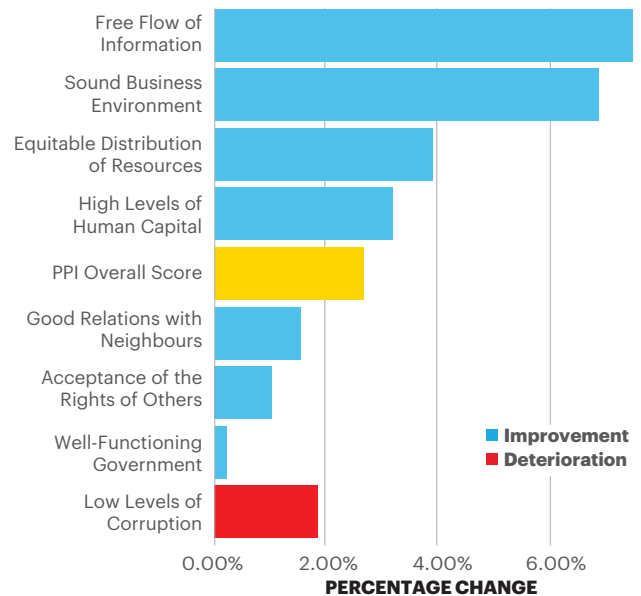
Because Positive Peace works as a system where each factor affects the others, it is important to be aware of which indicators tend to change quickly or slowly. For example, the average score for the *access to internet* indicator has improved by 27 per cent since 2009, indicating a rapid increase in access to information. At the other end of the spectrum, the use of disinformation by governments – the *quality of information* indicator – has deteriorated with the access to technology, and as such, the PPI score for this indicator has shown a deterioration of 10.4 per cent over the period (Figure 1.4).

The *factionalised elites* indicator, a component of the *Low Levels of Corruption* Pillar, measures “the fragmentation of state institutions along ethnic, class, clan, racial or religious lines,”²³ deteriorating by 7.8 per cent.

FIGURE 1.3

Changes in the Pillars of Positive Peace, 2009–2018

Seven of the eight Pillars have improved since 2009, with Low Levels of Corruption showing a 1.9 per cent deterioration over the period.

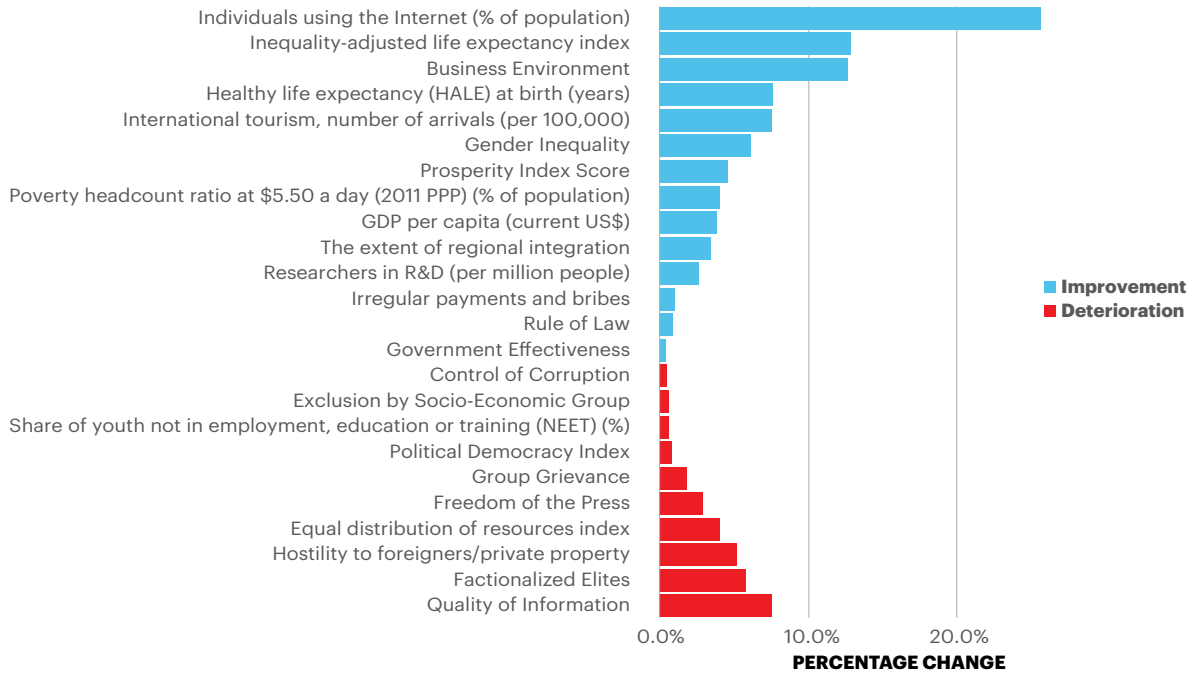


Source: IEP

FIGURE 1.4

Percentage change in PPI indicators, 2009–2018

The *Individuals using the Internet* indicator recorded the largest improvement, while the *Freedom of the Press Index* and *Factionalised Elites* indicators recorded the largest deteriorations.



Source: IEP

The only region in the world to deteriorate in the ten years to 2018 was North America, which fell by 4.9 per cent (Figure 1.5). This region consists of only two countries Canada and the US. All the other eight regions improved. The deterioration in North America was mainly driven by the US, although Canada did also deteriorate.

The largest improvements occurred in Russia and Eurasia, Asia-Pacific, and South Asia, at 6.7 per cent, 4.3 per cent and 3.8 per cent respectively.

Russia and Eurasia showed the largest regional gains, improving by 6.9 per cent. All 12 countries from this region covered in the analysis improved in Positive Peace. In addition, all eight Pillars improved. The largest improvements were:

- *Free Flow of Information* experienced the largest improvement, improving by more than 13 per cent, largely driven by increases to internet access.
- *Good Relations with Neighbours* improved by 17 per cent due to significant increases in tourism to the region over the past decade.
- *Sound Business Environment* also improved by 9.9 per cent, as all three indicators - *Business Environment*, *GDP per capita* and *the Prosperity Index* - recorded gains over the period.

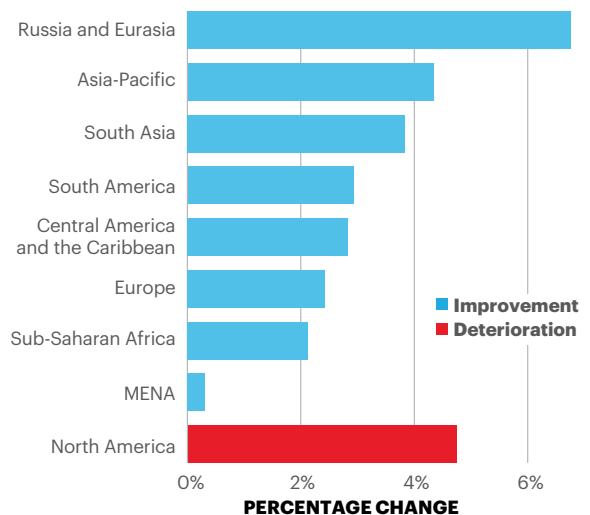
The most notable negative result was a deterioration in the region's *group grievance rating*, which is one of the indicators in *Acceptance of the Rights of Others* Pillar. It deteriorated in four countries over the past decade.

South Asia recorded improvements in seven of the eight Pillars,

with the regions score improving by 3.8 per cent. *Good Relations with Neighbours*, the one Pillar that did not improve, experienced a minor deterioration of less than two per cent. *Sound Business Environment* was the best performing Pillar, improving by 7.4 per cent, which was mainly due to a 14.8 per cent improvement in the region's *business environment* score.

FIGURE 1.5
Percentage change in average regional scores, 2009–2018

North America is the only region that did not improve in Positive Peace between 2009 and 2018, driven by a deterioration in Positive Peace in the United States.



Source: IEP

The region also improved by 5.9 per cent in its equitable distribution of resources score, based on significant reductions in poverty and inequality adjusted life expectancy.⁴ This is a significant accomplishment given the fact that South Asia has historically grappled with socioeconomic stratification.

North America's overall Positive Peace score has deteriorated by four per cent since 2009. Although Canada still demonstrates stronger levels of Positive Peace than the United States, both countries experienced a deterioration. The *Low Levels of Corruption*, *Free Flow of Information*, and *Acceptance of the Rights of Others* Pillars showed the region's largest deteriorations – each by more than 11 per cent since 2009. North America's scores for the *factionalised elites* and *quality of information* indicators deteriorated by more than 54 per cent each, reflecting increased political polarisation, especially in the US. As discussed in Section 3 of this report, simultaneous deteriorations in *Low Levels of Corruption* and *Acceptance of the Rights of Others* can be precursors to further systemic issues. While the US is more at risk than Canada, both countries deteriorated in these domains.

The **Middle East and North Africa** (MENA) has seen a slight one per cent improvement in Positive Peace since 2009. Similar to North America, MENA experienced a smaller, but still notable 6.8 per cent deterioration in *Low Levels of Corruption*. The region's *Well-Functioning Government* score has deteriorated by three per cent as well, pulled down by weaker administrative effectiveness as government resources are diverted to address ongoing armed conflicts in the region. The deterioration in these two Pillars have been partly offset by improvements in *Free Flow of Information*, which improved by more than ten per cent.

Improvement in the MENA region's *Free Flow of Information* stems from a 36.8 per cent improvement in the region's score for the access to internet indicator. The region's score for the *gender inequality* indicator has improved by 10.6 per cent, although off a low base. The combination of improvements and deteriorations resulted in only a slight improvement overall.

The PPI for the **Asia-Pacific** region improved by 4.3 per cent. All Pillars improved with the exception of *Good Relation with Neighbours*, which posted a small deterioration. The Pillars with the largest improvements were *Sound Business Environment* and *Free Flow of Information*, reflecting the benign economic performance of the area.

Positive Peace improved in **South America** over the past decade, with the region's PPI improving by three per cent. The region posted an 11 per cent improvement in the *Free Flow of Information* Pillar of Positive Peace since 2009, because of greater access to information technology. South America also recorded a ten per cent improvement in the *Sound Business Environment* Pillar over the past decade. This follows improved economic prosperity enjoyed by many countries in the region since the period of economic turmoil of the late 1990s and early 2000s. *High Levels of Human Capital* and *Acceptance of the Rights of Others* also improved considerably in the region. In contrast, corruption worsened in the region, with the *Low Levels of Corruption* Pillar deteriorating by over two per cent since 2009.

Sub-Saharan Africa recorded higher levels of Positive Peace

over the past decade. The region's PPI improved by two per cent since 2009. Key contributors were greater *Free Flow of Information* and *Equitable Distribution of Resources*. *Sound Business Environment* also posted substantial gains. *Low Levels of Corruption* and *Well-Functioning Government* were the only Pillars to record deteriorations in the region.

The PPI for **Central America and the Caribbean** improved by 2.8 per cent since 2009. This result reflected substantial improvement in the *Sound Business Environment* and *High Levels of Human Capital* Pillars. The *Low Levels of Corruption* was the only Pillar to record a deterioration over the past decade.

Europe's PPI improved by 2.4 per cent over the past decade. There were substantial improvements in the *Sound Business Environment*, *High Levels of Human Capital* and *Good Relations with Neighbours* Pillars. A more detailed discussion on Europe can be found at the end of this section.

Results by income and government type

A country's wealth can both affect and be affected by progress in Positive Peace. Figure 1.6 shows that high-income countries have the highest level of Positive Peace on average. Positive Peace is statistically linked to higher per capita income because it underpins an environment that creates broader social and economic development.

This section uses the World Bank classification of income type, which groups countries into four tiers of per capita gross national income (GNI): high income; upper-middle income; lower-middle income; and low income. High-income countries tend to be the most peaceful and low-income countries tend to be the least peaceful.

The 30 countries at the top of the PPI are all high-income, illustrating a recognisable correlation between Positive Peace and economic prosperity. Positive Peace can often act as a driver of economic prosperity while economic prosperity also acts as a driver of peace, highlighting how societies develop systemically through continuous feedback loops.

Consider the relationship between three Pillars *High Levels of Human Capital*, *Well-Functioning Government* and a *Sound Business Environment*. *High Levels of Human Capital* and a *Sound Business Environment* bolster a country's economy, while *Well-Functioning Government* will ensure law and order, provide stability and respond to the needs of its citizens – factors that further contribute to economic success. Prosperity leads to more funding for endeavours that reinforce the Positive Peace Pillars, such as educational services, unemployment programs and health services. Under the right circumstances, Positive Peace and economics can interact in a virtuous cycle, with improvements in one driving improvements in the other.

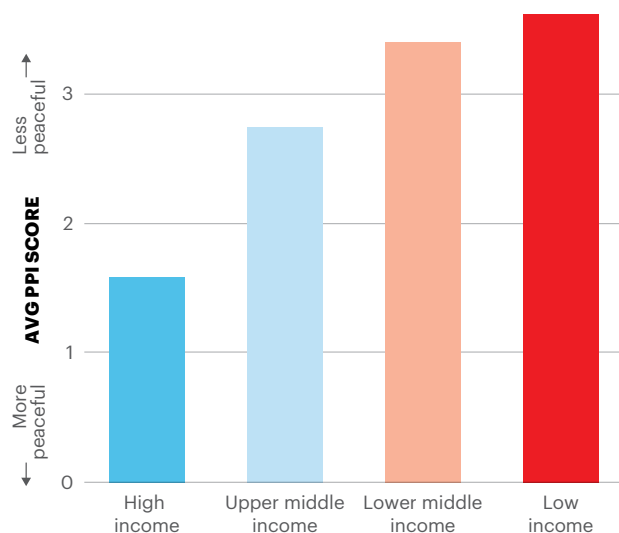
Conversely, it can be difficult to promote Positive Peace without sufficient resources or aid. Countries with some of the lowest levels of Positive Peace often lack the funds necessary to improve their situations. Furthermore, once a country enters a period of conflict, it becomes more challenging and costly to

rebuild the Pillars. Yet peacebuilding and peacekeeping spending account for a mere two per cent of the total global cost of conflict. More data on the relationship between peace and economics can be found in IEP's latest report on the Economic Value of Peace.

Government type has a relationship with Positive Peace as well, as shown in Figure 1.7. Globally, there are 24 full democracies, 51 flawed democracies, 33 hybrid regimes and 51 authoritarian regimes. Indicators of democracy do not measure the transparency and representativeness of elections directly, but rather nations' democratic structures such as separation of power, effectiveness of courts, and others. Full democracies tend to score better on the PPI, while authoritarian regimes record relatively poorer scores. These results reflect the important role that social and governmental structures play in social development.

FIGURE 1.6
Positive Peace by income group, 2018

High income countries have the highest levels of Positive Peace.



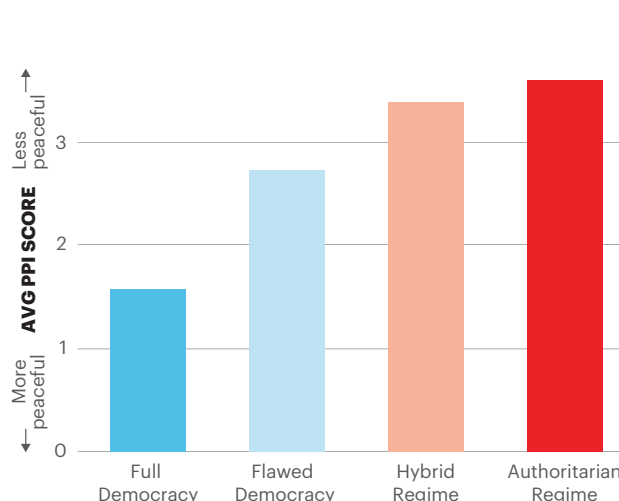
Source: IEP

It is important to note that there are exceptions to this trend. A number of authoritarian regimes, flawed and hybrid regimes score well in Positive Peace. Only two authoritarian regimes are in the top 50 countries on Positive Peace, while the top ten countries are all full democracies, evidencing the strong link between Positive Peace and democracy.

High levels of democracy positively affect a variety of other Positive Peace factors. When a government is responsive to the needs and wishes of its citizens, it is more capable of supporting a *Sound Business Environment*, more open to the *Free Flow of Information*, more likely to promote *High Levels of Human Capital* and so forth. Statistically, the correlation between *Well-Functioning Government* and the PPI overall score is very high.

FIGURE 1.7
Positive Peace by government type, 2018

Full democracies have the highest levels of Positive Peace, as measured by the PPI.



Source: IEP

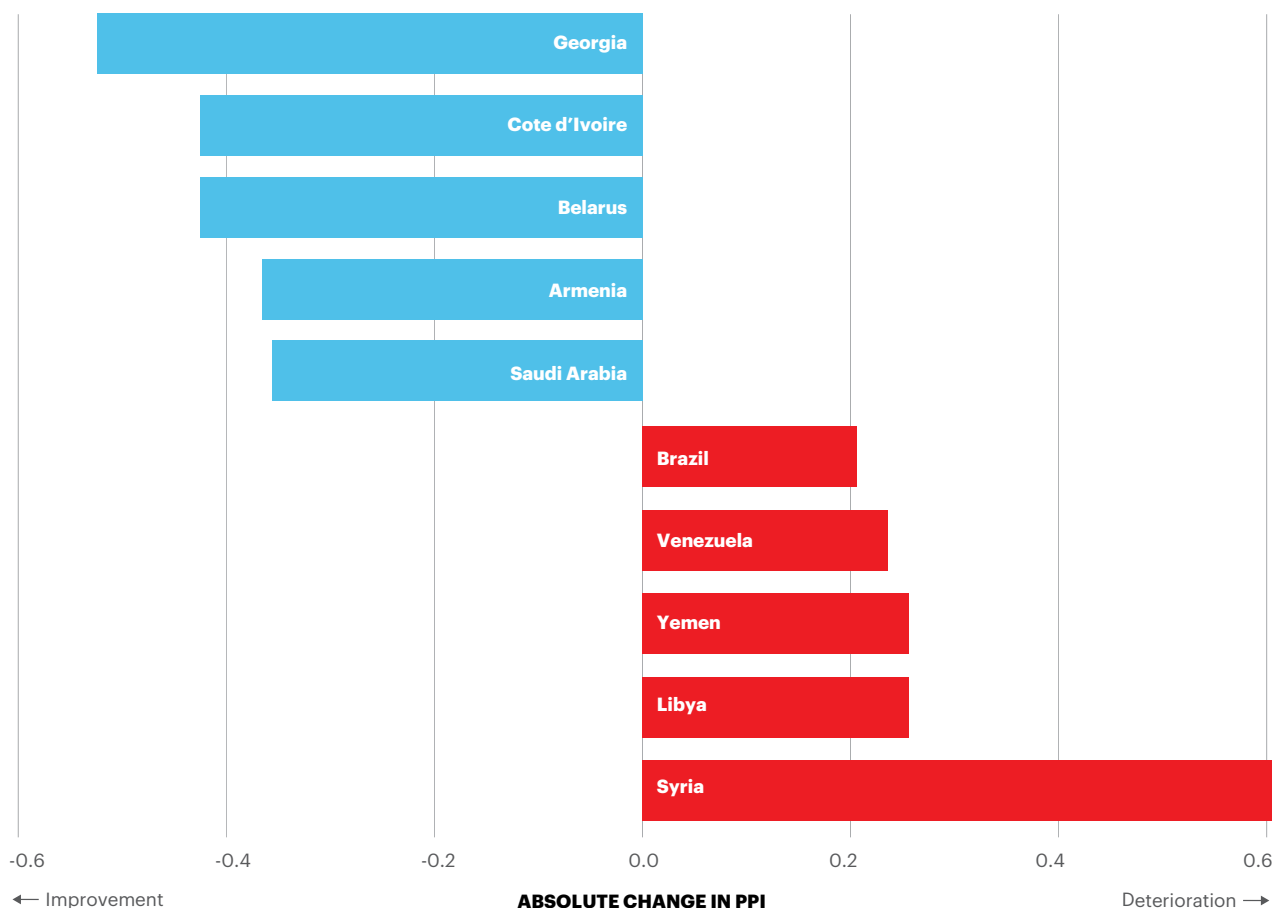
The Attitudes domain deteriorated by four per cent reflecting deteriorations in the quality of information, factionalised elites and hostility to foreigners/private property.

RISERS & FALLERS IN POSITIVE PEACE

FIGURE 1.8

Largest changes in Positive Peace, 2009–2018

Georgia and Côte d'Ivoire recorded the largest improvements in Positive Peace, while Syria recorded the largest decline.



Source: IEP

The majority of countries in the PPI – 128 out of 163 countries, or almost 79 per cent – demonstrated an improvement in Positive Peace from 2009 to 2018. However, this was mainly brought about by improvements in the *Structures* domain. When looking at *Attitudes* domain, only one-third of the countries improved. The countries that experienced the greatest shifts in PPI scores, either positively or negatively, were spread across many regions, income groups and initial levels of Positive Peace.

Progress in Positive Peace materialises slowly, in large part because it supports resilience, or the ability to maintain stability in the face of changes and shocks. Countries may show little change in a single year, therefore looking at progress over several years can be more indicative of trends and momentum. This is important as momentum tends to be self-perpetuating. This section presents the countries that have demonstrated the largest changes, positively or negatively, since 2005. Note that a reduction in score indicates an improvement in Positive Peace.

The countries that experienced the largest improvements in PPI scores between 2005 and 2018 were Georgia, Belarus, Côte

d'Ivoire, Armenia and Saudi Arabia and Belarus, each improving by at least 11 per cent (Figure 1.8). Three of the most improved countries are from Russia and Eurasia, one is from sub-Saharan Africa and one from MENA.

Syria, Libya, Yemen, Venezuela and Brazil are the countries with the largest deteriorations. Three of the largest deteriorating countries are from MENA, the remaining two are from South America and three of the changes were driven by conflict.

FIVE LARGEST IMPROVEMENTS IN POSITIVE PEACE

Georgia

CHANGE IN OVERALL SCORE, 2009-2018:

-0.53
to 2.70 from 3.23

CHANGE IN RANK, 2009-2018:

+24
to 54 from 78

Largest changes in Positive Peace in Georgia

Pillar	Indicator	Value in 2009	Value in 2018	Change
Good Relations with Neighbours	International tourism, number of arrivals (per 100,000)	3.61	1	-2.61
Good Relations with Neighbours	The extent of regional integration	4	2	-2
Free Flow of Information	Individuals using the Internet (% of population)	4.14	2.41	-1.73
Acceptance of the Rights of Others	Exclusion by Socio-Economic Group	1.67	1.68	0.01
Low Levels of Corruption	Factionalised Elites	4.51	4.6	0.09
Free Flow of Information	Quality of Information	2.28	3.09	0.81

Georgia achieved a 16.4 per cent improvement in Positive Peace from 2009 to 2018, propelling it into the top third of the PPI rankings. Improvements were largely driven by *Good Relations with Neighbours* and *Free Flow of Information* Pillars. However, *Acceptance of the Rights of Others* has deteriorated 8.5 per cent mainly because of persistent jihadism activity and a resurgence of far-right extremism.⁶

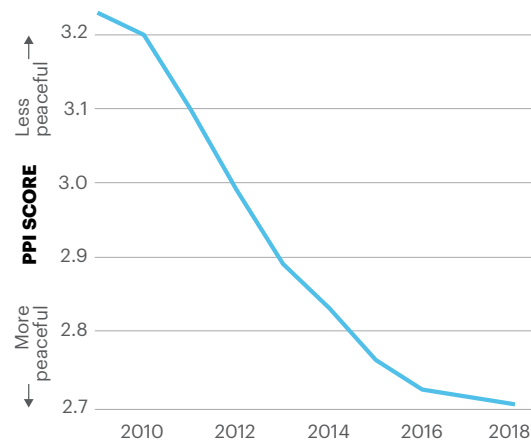
Indicators in the *Attitudes* domain changed little for Georgia over the past decade, contrasting to a 26 per cent improvement for indicators in the *Structures* domain and a 17 per cent improvement for indicators in the *Institutions* domain.

At the intersection of Europe and Eurasia, Georgia has recently been a site of geopolitical conflict. Georgia fought a five-day war with Russia in 2008 over the disputed territories of Abkhazia and South Ossetia. Despite a history of regional tensions, Georgia has boosted its Positive Peace rankings by substantially improving in *Good Relations with Neighbours*. The number of visitors arriving in Georgia has risen dramatically. In 2017, the Georgian National Tourism Administration reported a record number of 7.9 million international traveller trips, representing an annual growth of 17.6 per cent. Of all the country's visitors, 78.5 per cent were from the neighbouring countries of Azerbaijan, Armenia, Russia and Turkey.⁷

These rising figures complement Georgia's improved score in regional integration. Over the past decade, the former Soviet nation has cultivated a strong trade relationship with China, established the EU-Georgia Association Agreement, joined the EU's Deep and Comprehensive Free Trade Area and committed itself to the NATO Response Force.⁸ However, Georgia's relations

Trend in the PPI score, Georgia 2009-2018

Positive Peace improved by 16.4 per cent since 2009.



Source: IEP

with neighbouring Russia remain complicated in the aftermath of the armed conflict in 2008, partly due to Russia's continued occupation of Abkhazia and South Ossetia.⁹

Georgia's internet use has also improved its Positive Peace score. Internet freedom and access in the country has steadily improved.¹⁰ The country's third largest indicator improvement was in *individuals using the Internet (% of population)*.

Improved internet access can yield improvements across Pillars. E-Procurement became widespread in Georgia in 2015 as part of a partnership with the World Bank. It is considered one of the most important technological improvements the country has made in decades, resulting in increased transparency within government and a boost in efficiency for the Georgian business sector.¹¹

Deteriorations in some Positive Peace Pillars within Georgia, though lesser in magnitude than improvements, have had a negative impact on its score. The *quality of information* indicator deteriorated 35 per cent from 2009 to 2018, indicating that government use of disinformation has increased.

FIVE LARGEST IMPROVEMENTS IN POSITIVE PEACE

Belarus

CHANGE IN OVERALL SCORE, 2009-2018:

-0.43
to 2.76 from 3.19

CHANGE IN RANK, 2009-2018:

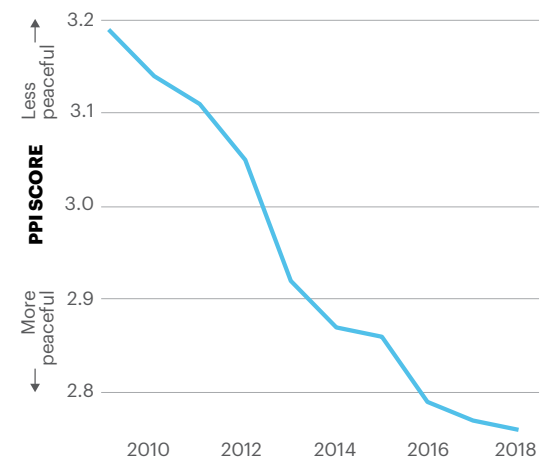
+18
to 58 from 76

Largest changes in Positive Peace in Belarus

Pillar	Indicator	Value in 2009	Value in 2018	Change
Free Flow of Information	Individuals using the Internet (% of population)	3.83	1.81	-2.02
Good Relations with Neighbours	International tourism, number of arrivals (per 100,000)	4.97	1	-3.97
Good Relations with Neighbours	The extent of regional integration	4	2	-2
Low Levels of Corruption	Factionalised Elites	4.16	4.24	0.08
Free Flow of	Quality of Information	2.46	2.79	0.33

Trend in the PPI score, Belarus, 2009–2018

Positive Peace improved substantially since 2009.



Source: IEP

Belarus improved its Positive Peace score by 13.5 per cent from 2009 to 2018. This improvement occurred across all eight Pillars. The largest improvement was in *Good Relations with Neighbours*, followed by *Sound Business Environment*.

The *Attitudes* domain was broadly unchanged for Belarus over the past decade, with its PPI improvement driven by a 27 per cent improvement in the *Structures* domain. Institutions also improved, albeit by a smaller proportion – seven per cent.

Belarus has developed its foreign relations over the past decade, driving improvements in its regional integration. The country borders the European Union, but is not a member of either the EU or the Council of Europe. The EU and Belarus have a history of political and economic tensions.¹² However, given the violent conflict in neighbouring Ukraine, growing regional tensions and a struggling domestic economy, Belarus has sought closer relations with its European neighbours in recent years. In 2009, Belarus was admitted into the European Neighbourhood Policy, which seeks to build closer ties between the EU and its eastern and southern neighbours.¹³ In 2016, the EU and the United States lifted all economic sanctions against Belarus on the condition of continuing human rights improvements.¹⁴ Belarus has also enjoyed amiable relations with Russia, the country's largest economic partner. The two countries are culturally connected, with 70 per cent of Belarusians speaking Russian.¹⁵

According to the Legatum Institute, Belarus is ranked 90th in the world in terms of its *business environment*, a 30 per cent improvement over the last decade. When the EU lifted economic restrictions against Belarus in 2016, it also initiated the

Strengthening Private Initiative Growth in Belarus (SPRING) program, which aims to develop the Belarussian private sector through economic stimulus and business consultancy.¹⁶ Belarus became a founding signatory of the Eurasian Economic Union, which allows free movement of goods, capital, services and people between member states.¹⁷ Low economic inequality and poverty have also strengthened the country's *business environment*. However, state control of most of the economy and a developing legal system help explain why Belarus's *business environment* score is still relatively low.¹⁸

Between 2005 and 2016, mobile phone subscriptions in Belarus doubled from 4.1 million to more than 11.4 million, benefiting the country's *Free Flow of Information*.¹⁹ Since 2015, Belarussian telecommunications companies have prioritised data infrastructure, increasing mobile high-speed internet coverage and accessibility.²⁰ These improvements in *Free Flow of Information* have been partially offset by deteriorations in the *quality of information* indicator, which measures government use of disinformation.

Although there have been large improvements in Belarus' Positive Peace scores, there have also been some areas of deterioration, including in the *group grievances* indicator. In 2017, Belarussian authorities arrested over 700 activists including roughly 100 journalists, and both pro-Russian and anti-Russian bloggers.²¹

FIVE LARGEST IMPROVEMENTS IN POSITIVE PEACE

Côte d'Ivoire

CHANGE IN OVERALL SCORE, 2009-2018:

-0.43
to 3.63 from 4.06

CHANGE IN RANK, 2009-2018:

+27
to 120 from 147

Largest changes in Positive Peace in Côte d'Ivoire

Pillar	Indicator	Value in 2009	Value in 2018	Change
Good Relations with Neighbours	Hostility to foreigners/private property	5	1.92	-3.08
Free Flow of Information	Individuals using the Internet (% of population)	4.91	3.12	-1.79
Low Levels of Corruption	Irregular payments and bribes	4.75	3.4	-1.35
Acceptance of the Rights of Others	Exclusion by Socio-Economic Group	2.96	3.24	0.28
Low Levels of Corruption	Factionalised Elites	4.33	4.6	0.27
High Levels of Human Capital	Share of youth not in employment, education or training (NEET) (%)	2.1	4.17	2.07

Côte d'Ivoire has improved its Positive Peace score by 10.6 per cent since 2009, based on improvements in seven out of eight Pillars. Although off a low base, improvement was continuous until 2015, when the *Low Levels of Corruption* and *Sound Business Environment* Pillars began to deteriorate.

The country recorded substantial improvements in the *Attitudes* and *Institutions* domains over the decade, improving by 16 per cent and 15 per cent respectively. The *Structures* domain also improved, albeit at a milder pace of five per cent.

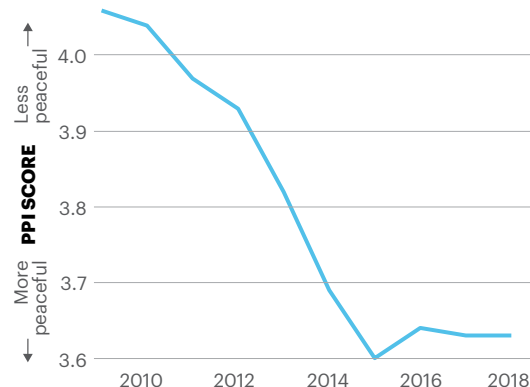
The country has recently endured two ethnic and racially charged civil wars spanning from 2002 to 2007, and 2011 to 2012. Key to both conflicts were tensions between native-born nationals of Côte d'Ivoire and the country's large immigrant population, mainly from Burkina Faso, Mali, Guinea and Senegal. Before the escalation of violence, the immigrant population was estimated to be up to 50 per cent of the total population.²²

The first civil war resulted in over 4,000 people killed. At the end of 2003, the number of internally displaced persons was estimated to be between 700,000 and 1,000,000, or four to six per cent of the population.²³ The second civil war broke out in 2011 following a disputed election between long-standing Ivorian President Gbagbo and newly elected President Alassane Ouattara.²⁴ Though the post-electoral crisis lasted less than a year, the resulting violence caused over 3,000 deaths.²⁵ Since 2011, the political situation in Côte d'Ivoire has become more stable, though violent protests and strikes still arise occasionally.²⁶

The Economist Intelligence Unit estimates that hostility towards foreigners has lessened substantially since the cessation of violence. *Access to internet* has increased, illustrating a trend towards modernisation and efficient communication.²⁷ The Ivorian government has also proactively promoted internet "democratisation" through programs such

Trend in the PPI score, Cote d'Ivoire, 2009-2018

Positive Peace improved substantially since 2009, but stabilised from 2015.



Source: IEP

as "One Citizen, One Computer, One Internet Connection."²⁸

In addition, more than a quarter of adults in Côte d'Ivoire now use mobile money – the highest penetration rate in West Africa and the fifth highest in the world.²⁹

Côte d'Ivoire is also significantly investing in its Positive Peace. In December 2015, the country adopted a National Development Plan (NDP 2016-2020), a US\$50 billion endeavor with the following goals:

- Enhance governance and institutions
- Develop human capital and social welfare
- Diversify the economy
- Improve the standard of living
- Strengthen regional and international cooperation.³⁰

The objectives of NDP 2016-2020 will be accomplished through steps such as the modernisation and improvement of public administration, better education and social services, a healthier business climate, access to credit for small and medium-sized businesses and major road and energy infrastructure projects.³¹

However, Ivorian society still faces challenges to Positive Peace. Côte d'Ivoire's two civil wars led to an increase in poverty and setbacks for education.^{32,33} Côte d'Ivoire also has one of the world's highest levels of gender inequality, ranked 171st on the United Nations Gender Equality Index in 2018.³⁴ These issues have hindered some Pillars, partly offsetting other developments in Positive Peace.

Although conditions for the press have improved since the end of the first civil war, there have still been incidents of police detaining both journalists and opposition supporters.³⁵ Another factor faced by Côte d'Ivoire is the provision of basic services and security for refugee returnees.³⁶ Between 2011 and 2016, over 260,000 Ivorian refugees have been repatriated to Côte d'Ivoire from across Africa, Europe and Asia.³⁷

FIVE LARGEST IMPROVEMENTS IN POSITIVE PEACE

Armenia

CHANGE IN OVERALL SCORE, 2009-2018:
-0.37
to 3.01 from 3.38

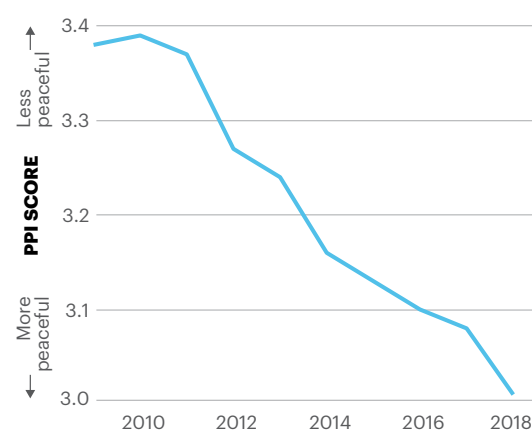
CHANGE IN RANK, 2009-2018:
+26
to 68 from 94

Largest changes in Positive Peace in Armenia

Pillar	Indicator	Value in 2009	Value in 2018	Change
Good Relations with Neighbours	Hostility to foreigners/private property	3.15	1.92	-1.23
Free Flow of Information	Individuals using the Internet (% of population)	4.34	2.01	-2.33
Low Levels of Corruption	Irregular payments and bribes	3.85	2.65	-1.2
Equitable Distribution of Resources	Equal distribution of resources index	1.49	1.65	0.16
Low Levels of Corruption	Factionalised Elites	3.62	3.84	0.22
Well-Functioning Government	Political Democracy Index	3.57	3.66	0.09

Trend in the PPI score, Armenia, 2009–2018

Positive Peace improved substantially since 2009.



Source: IEP

Positive Peace in Armenia has improved significantly since 2009, by 10.95 per cent, based on improvements in 20 out of 24 indicators. The *Structures* domain improved by 13 per cent and *Attitudes* domain, by 10.8 per cent, while the *Institutions* domain improved by eight per cent over the decade.

The largest domain improvements occurred in *Free Flow of Information*, followed by *Good Relations with Neighbours* and *Low Levels of Corruption*. However, results for the *Low Levels of Corruption* Pillar were mixed. While the indicator score for *irregular payments and bribes* improved significantly, factionalisation amongst the countries elites has risen relative to 2009 levels.

The largest indicator improvement was in internet access, with the score for the number of people using the internet improving 53.7 per cent since 2009. This, coupled with a 17.5 per cent improvement in the *quality of information* resulted in the subsequent overall improvement in the *Free Flow of Information*. Freedom House reports that “there were no major restrictions on press freedom during the 2018 parliamentary election campaign,” and that independent media outlets provide a diversity of perspectives.³⁸

The 2018 elections came amidst major political changes over the course of recent years, including the adoption of a new constitution in 2015 that established the country as a parliamentary republic and reduced the powers of the presidency. Some of the reforms were controversial; supporters touted them as a step toward democracy, critics saw the new rules as a means for the incumbent two-term president to maintain power by transitioning to the prime ministership.³⁹

Former President Serzh Sargsyan was appointed Prime Minister after his term ended in April of 2018, but stepped down quickly in the face of protests.⁴⁰

Tourism in the country has been increasing, at the same time that Armenia has strengthened its ties with the EU. Tourist arrivals in the first quarter of 2018 were up 14 per cent over the same period of the prior year,⁴¹ contributing to the 39 per cent improvement seen in the *international tourism indicator* from 2009 to 2018. Armenia's score for the *hostility to foreigners* indicator has also improved substantially since 2009, 25.6 per cent. These two indicators lead the improvement in *Good Relations with Neighbours* over the last decade. The third indicator in this Pillar – *regional integration* – remains weak, but may be poised for an upgrade in the near future. The Comprehensive and Enhanced Partnership Agreement (CEPA) signed between Armenia and the EU, which provides financial assistance and trade opportunities for the country, is expected to have a positive effect on both domestic and international politics and policy.⁴²

FIVE LARGEST IMPROVEMENTS IN POSITIVE PEACE

Saudi Arabia

CHANGE IN OVERALL SCORE, 2009-2018:

-0.41
to 2.81 from 3.17

CHANGE IN RANK, 2009-2018:

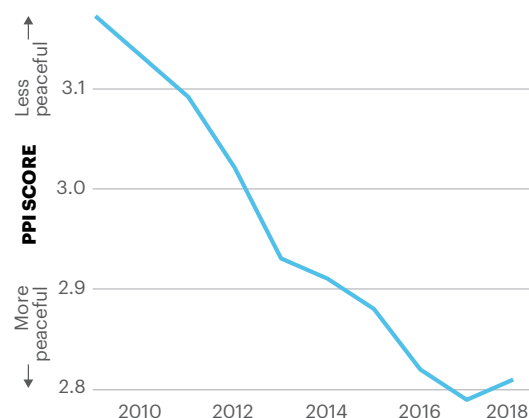
+9
to 61 from 70

Largest changes in Positive Peace in Saudi Arabia

Pillar	Indicator	Value in 2009	Value in 2018	Change
Acceptance of the Rights of Others	Gender Inequality	4.02	1.96	-2.06
Free Flow of Information	Individuals using the Internet (% of population)	3.37	1.48	-1.89
Good Relations with Neighbours	The extent of regional integration	3	2	-1
Acceptance of the Rights of Others	Exclusion by Socio-Economic Group	3.44	3.64	0.2
Low Levels of Corruption	Factionalised Elites	4.02	4.33	0.31
Low Levels of Corruption	Irregular payments and bribes	1.69	1.82	0.13

Trend in the PPI score, Saudi Arabia, 2009-2018

Positive Peace improved substantially since 2009.



Source: IEP

Saudi Arabia has improved 11.4 per cent in Positive Peace since 2009, largely as a result of significant gains in gender equality, although coming off a low base.

The *Structures* domain improved by almost 21 per cent over the period, while the *Institutions* and *Attitudes* domains improved by four per cent and 2.2 per cent, respectively.

In 2009, the country was ranked 145th out of 163 countries in terms of *gender inequality*. However, over the course of the last decade, Saudi Arabia has seen many positive reforms in this area and is now ranked 61st.

In 2018, the Saudi PPI score deteriorated slightly on the back of poorer scores for *Equitable Distribution of Resources* and *Acceptance of the Rights of Others*. There were a number of arbitrary or unlawful detentions and executions.⁴³

Many recent milestones comprise this improvement in gender equality. A 2011 ruling allowed women to vote and run in municipal elections and a 2012 decision by King Abdullah permitted female athletes to participate in the Olympics.⁴⁴ In 2013, 30 women were named to the previously all-male Shura Consultative Council, and in 2015, 20 women were elected to municipal positions in local elections. The ban on women driving unaccompanied was lifted in 2018.⁴⁵ In August 2019, new laws allowed any citizen to apply for a passport and travel freely, including women. Other changes allow women to register marriage, divorce or a child's birth and to be issued official family documents, and men or women can be the legal guardian of children.⁴⁶

The rate of *individuals using the internet* has also improved, following the introduction of various market competitors. This has lowered the cost of cell phone services and made the internet more widely accessible. Eighty-eight per cent of Saudi Arabians own smartphones - the highest rate of smartphone users in the Gulf region.⁴⁷

Additional progress in Positive Peace comes from improvements in *Good Relations with Neighbours*. All three indicators in this Pillar have improved since 2009. From 2006 to 2010, Saudi Arabia issued over 25,000 tourist visas, and in 2016, the Saudi Commission for Tourism and National Heritage expanded its efforts to invite visitors, encourage foreign investment and develop a profitable tourism industry.⁴⁸ Despite this, Saudi Arabia's level of *hostility to foreigners* remains high by global standards. Saudi Arabia has come under pressure internationally for its policies towards refugees from Yemen. In the first half of 2018, the Saudi government expelled over 17,000 Yemenis.

Despite its progress, Saudi Arabia has recorded some deteriorations including in the *Freedom of the Press Index*. The country ranks 172 out of 180 in the 2019 *World Press Freedom Index* and the number of journalist and citizen-journalists detained reportedly tripled since 2017.⁴⁹ The assassination of Jamal Khashoggi in October of 2018 demonstrates that violence against journalists remains an issue.

FIVE LARGEST DETERIORATIONS IN POSITIVE PEACE

Syria

CHANGE IN OVERALL SCORE, 2009-2018:

+0.62
to 4.25 from 3.63

CHANGE IN RANK, 2009-2018:

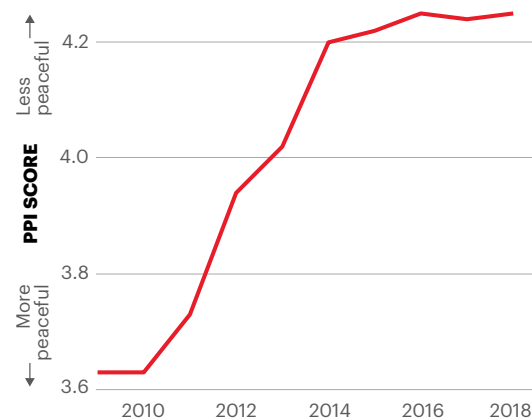
-38
to 154 from 116

Largest changes in Positive Peace in Syria

Pillar	Indicator	Value in 2009	Value in 2018	Change
Good Relations with Neighbours	Hostility to foreigners/private property	1.92	5	3.08
Free Flow of Information	Quality of Information	2.46	4.89	2.43
Equitable Distribution of Resources	Equal distribution of resources index	3.15	4.6	1.45
Low Levels of Corruption	Irregular payments and bribes	4.19	4.05	-0.14
Free Flow of Information	Individuals using the Internet (% of population)	4.26	3.53	-0.73

Trend in the PPI score, Syria, 2009–2018

Positive Peace deteriorate substantially since 2009, having stabilised from 2016



Source: IEP

Syria has shown the largest deterioration in Positive Peace of any country in the index. Twenty-two out of 24 indicators have deteriorated since 2009. War has devastated much of the previous development and diminished social and economic capital, all of which affect its Positive Peace and post-war recovery.

The Syrian PPI deteriorated by 17 per cent since 2009. This was on the back of a 41 per cent deterioration in the *Attitudes* domain, a 15.6 per cent deterioration in *Institutions* and a six per cent deterioration in the *Structures* domain.

In 2011, Syrian security forces under President Bashar al-Assad clashed with protestors demanding the release of political prisoners.⁵⁰ This was the catalyst for a group of dynamics that plunged the state into civil war. Although the war was set off by political demonstrations, the domestic tensions underlying the conflict stem from decades of weak Positive Peace. The involvement of regional and international powers has added to the conflict's duration and severity.

The country's *Good Relations with Neighbours* Pillar has deteriorated the most significantly of any Pillar of Positive Peace. This is partly a result of Syria's neighbours' involvement in the Syrian civil war. The Syrian government has also come under pressure for the illegal use of cluster munitions, incendiary weapons and chemical weapons, which are prohibited under international law.⁵¹ Furthermore, thousands of foreign fighters have flocked to Syria to take up arms against the Assad regime. In 2013, the number of foreign fighters in Syria exceeded that of any previous conflict in the modern history of the Muslim world.⁵²

The widespread conflict has forced millions of Syrians to flee

into neighbouring countries. The United Nations High Commissioner for Refugees (UNHCR) reports that 5.6 million Syrians have sought safety as refugees, mostly in Turkey, Lebanon and Jordan, while 6.6 million have been internally displaced. In total, an estimated 13.1 million Syrians have been displaced since the conflict began.⁵³

Well-Functioning Government in Syria has been destroyed by the armed conflict. Prior to the civil war, the country's *rule of law* score was already poor due to arbitrary arrests, police discrimination against Kurds, and unfair trials under special courts.⁵⁴ Between 2011 and 2013, as many as 1,000 armed opposition groups, cumulatively composed of 100,000 fighters, fought against the Assad regime.⁵⁵ By 2019, the Assad government had regained control of much of the country, including the military defeat of ISIL forces. However, all three indicators of *Well-Functioning Government* remain considerably worse off than 2009 levels.

Syria did improve on some indicators. *Individuals using the internet* and *irregular payments and bribes* are the two indicators that experienced progress. At least two thirds of the population had mobile internet access as of 2017.⁵⁶ According to UNHCR, refugees say mobile phones and internet access are as important to their security as food, shelter and water.⁵⁷ Mobile internet access among Syrian refugees also helps them connect with aid organisations.⁵⁸

While some of Syria's Positive Peace scores have nominally improved, a major caveat to many of these indicators is that they may depend on pre-civil war calculations. It will only be possible to properly measure Positive Peace developments in Syria if the civil war ends and stability is achieved.

FIVE LARGEST DETERIORATIONS IN POSITIVE PEACE

Libya

CHANGE IN OVERALL SCORE, 2009-2018:

+0.26
to 3.78 from 3.52

CHANGE IN RANK, 2009-2018:

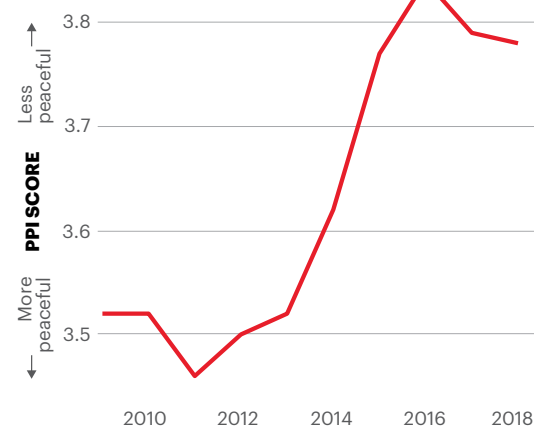
-28
to 132 from 104

Largest changes in Positive Peace in Greece

Pillar	Indicator	Value in 2009	Value in 2018	Change
Good Relations with Neighbours	Hostility to foreigners/private property	1.92	4.38	2.46
Acceptance of the Rights of Others	Group Grievance	3.13	4.02	0.89
Acceptance of the Rights of Others	Exclusion by Socio-Economic Group	2.21	3.04	0.83
Free Flow of Information	Quality of Information	4.02	3.28	-0.74
Free Flow of Information	Freedom of the Press	4.86	4.08	-0.78
Good Relations with Neighbours	The extent of regional integration	5	4	-1

Trend in the PPI score, Libya, 2009–2018

Positive Peace deteriorated substantially since 2009.



Source: IEP

Libya deteriorated in seven out of the eight Pillars from 2009 to 2018, amounting to a 7.48 per cent deterioration overall. There was an 18.5 per cent deterioration in the *Attitudes* domain and a 7.5 per cent deterioration in the *Institutions* domain. *Structures* indicators changed little.

Only seven out of 24 indicators improved over that period, while 13 deteriorated and four remained stagnant. However, over the two most recent years, Positive Peace improved moderately. This was influenced by a recovery in the *Sound Business Environment* Pillar due to increased oil production and higher government expenditure on infrastructure.⁵⁹

Libya has faced two armed conflicts in the past decade, with the first in 2011, during which insurgent forces overthrew the government of former Prime Minister Muammar Gaddafi, and the second ongoing since May of 2014. After the ousting of Gaddafi, there were high hopes that Libya would transition into a peaceful society. However, the country broke down along tribal and clan lines, resulting in clashes for power. This then supported the proliferation of various armed groups and allowed ISIL to gain a foothold in Libya. The nation is currently divided, with the western half of the country being led by a struggling UN-backed government based out of Tripoli, and the eastern half by an alternative government backed by General Khalifa Haftar, a former Gaddafi ally who returned from exile to join the revolution against him. Further complicating domestic politics, Haftar has gained a certain degree of international support based on his opposition to Islamic extremism and the success of his Libyan National Army fight against ISIL.⁶⁰

Good Relations with Neighbours, *Acceptance of the Rights of Others*, *Well-functioning Government*, and *Low Levels of Corruption* have all shown significant deteriorations since 2009. Libya's largest deterioration was in *hostility to foreigners* – an indicator of *Good Relations with Neighbours*. Another major deterioration occurred in *Acceptance of the Rights of Others*, with two of its three indicators deteriorating substantially – *group grievance* and *exclusion by socio-economic group*. These deteriorations underscore the deep divisions in the country.

One area that did improve was *Free Flow of Information* when compared to before civil war. The most recent scores for all three indicators in this Pillar show improvements over the 2009 levels. However, the performance on some of these indicators has not been consistent. *Quality of information* improved steadily and significantly from 2009 to 2012, but then deteriorated again in 2015 and has been stagnant since. A similar pattern can be seen in the scores for *freedom of the press*, suggesting that scores have stagnated because up-to-date information is hard to access during active armed conflict.

FIVE LARGEST DETERIORATIONS IN POSITIVE PEACE

Yemen

CHANGE IN OVERALL SCORE, 2009-2018:

+0.26
to 4.61 from 4.35

CHANGE IN RANK, 2009-2018:

-4
to 162 from 158

Largest changes in Positive Peace in Yemen

Pillar	Indicator	Value in 2009	Value in 2018	Change
Free Flow of Information	Quality of Information	3.09	4.6	1.51
Acceptance of the Rights of Others	Group Grievance	3.98	4.78	0.8
Well-Functioning Government	Government Effectiveness	3.97	4.74	0.77
Low Levels of Corruption	Irregular payments and bribes	4.89	4.69	-0.2
Equitable Distribution of Resources	Inequality-adjusted life expectancy index	3.61	3.28	-0.33
Free Flow of Information	Individuals using the Internet (% of population)	4.57	3.86	-0.71

The Yemeni PPI deteriorated by six per cent since 2009, largely reflecting a 15 per cent deterioration in *Attitudes* domain and a ten per cent deterioration in the *Institutions* domain. The *Structures* domain changed marginally.

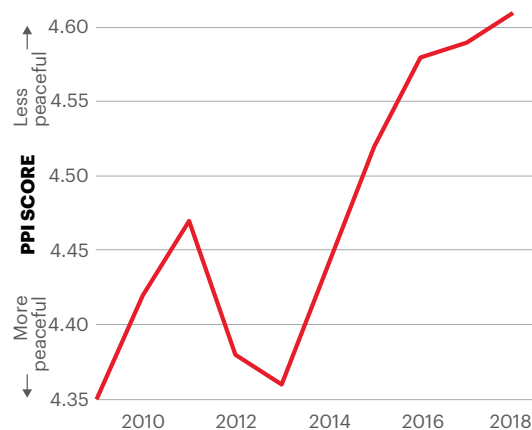
Yemen's deterioration in Positive Peace was largely caused by the prolonged civil war. The country has been separated by an intense north-south divide that led to a civil war in 1994, and then subsequently to another armed conflict between the government and Houthi rebels in 2009, which culminated in the outbreak of all-out civil war in 2014. These conflicts are the result of decades of broken agreements and dispute between the southern government and the competing government of the Houthi northern tribes.⁶¹

The country remains in an extremely unstable political state. Yemeni President Abdrabbuh Mansour Hadi is in exile; the Houthis have overtaken Sana'a, the country's capital, and established a transitional revolutionary council.⁶² In 2015, President Hadi established a temporary capital in Aden, but his coalition splintered in early 2019 and violence broke out between Hadi's forces and the anti-Houthi separatists who had previously supported him.⁶³ According to Chatham House, the political vacuum in the country has given rise to a "chaos state" wherein many groups fight for and control territory.⁶⁴ The impact on the country's central government is reflected in a deteriorating *government effectiveness* score. It would appear that no group is capable controlling the country and without a political accord, the conflict will be long and protracted.

The United Nations, the United States and the Gulf Cooperation Council view the Houthi leadership as illegitimate, and a Saudi-led military coalition has continuously launched air strikes on Houthi-controlled territory.⁶⁵ According to the Yemen

Trend in the PPI score, Yemen, 2009–2018

Positive Peace deteriorated substantially since 2013.



Source: IEP

Data Project, more than a third of airstrikes executed by this coalition have targeted non-military targets.⁶⁶ Houthi rebels have also responded to Saudi Arabia with counterattacks, firing missiles at Riyadh and Saudi oil tankers in the Red Sea.^{67,68} Hundreds of foreign nationals living in the country have been forced to flee due to the civil war.⁶⁹ Internal and external conflict have increased Yemen's level of *hostility to foreigners*.

UNHCR estimates that 24.1 million Yemenis, or 75 per cent of the population, are in need of humanitarian assistance.⁷⁰ Around 15 million people, or more than half of Yemen's population, are food insecure, and 400,000 children are suffering from severe malnutrition.⁷¹ Over 3.65 million Yemenis have been internally displaced, 12 per cent of the overall population, and more than 80 per cent of those people have been displaced for over a year.⁷²

Around 1.1 million Yemenis have been infected by cholera in one of the world's worst epidemics.⁷³ Such developments are reflective of a number of breakdowns in Positive Peace, including an 11.7 per cent deterioration in both *Well-functioning Government* and *Equitable Distribution of Resources*.

Free Flow of Information is the only Pillar to register an improvement over its 2009 levels, based on a continuous improvement in internet access. However, the *freedom of the press* and *quality of information* indicators have both deteriorated by five per cent. Reporters without Borders indicates that at least 16 journalists are being held captive by the Houthis, and media in general is endangered by the militancy of the conflict. Journalists are subject to threats, abductions and the dangers of airstrikes. Media outlets are controlled by parties to the conflict, and citizen journalists in all parts of Yemen are subject to arrest for posting on social media.⁷⁴

FIVE LARGEST DETERIORATIONS IN POSITIVE PEACE

Venezuela

CHANGE IN OVERALL SCORE, 2009-2018:

+0.24
to 3.78 from 3.54

CHANGE IN RANK, 2009-2018:

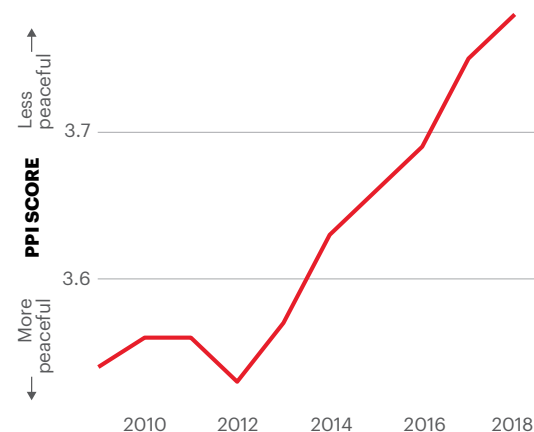
-26
to 132 from 106

Largest changes in Positive Peace in Venezuela

Pillar	Indicator	Value in 2009	Value in 2018	Change
Equitable Distribution of Resources	Equal distribution of resources index	3.09	4.59	1.5
Good Relations with Neighbours	The extent of regional integration	3	4	1
Acceptance of the Rights of Others	Exclusion by Socio-Economic Group	2.21	2.76	0.55
Equitable Distribution of Resources	Inequality-adjusted life expectancy index	2.2	1.98	-0.22
Free Flow of Information	Individuals using the Internet (% of population)	3.6	2.25	-1.35

Trend in the PPI score, Venezuela, 2009–2018

Positive Peace deteriorated substantially since 2012.



Source: IEP

The Venezuelan PPI deteriorated by almost seven per cent since 2009. The *Attitudes* domain deteriorated by ten per cent, the *Institutions* domain deteriorated by 7.4 per cent, while the *Structures* domain deteriorated by three per cent.

Amidst both political and economic crisis, Positive Peace in Venezuela has deteriorated seven per cent since 2009, based on deteriorations in 16 out of 24 indicators. The only domain to have improved is *Free Flow of Information*, based on expanded internet access. *Equitable Distribution of Resources* showed the largest deterioration, followed by *Well-Functioning Government* and *Good Relations with Neighbours*.

After years of shortages and hyperinflation, President Nicolás Maduro's legitimacy was directly challenged in January of 2019 when the head of the National Assembly Juan Guaidó declared himself president. Despite international support for Guaidó, Maduro has retained power, with the backing of the military.

The country's *government effectiveness* and *rule of law* indicators deteriorated by 9.23 and 13.6 per cent respectively. In the wake of both economic and political turmoil and US sanctions against the Maduro government, services have been affected and security has deteriorated. The country experienced at least four major blackouts in the first seven months of 2019.⁷⁵ During blackouts, it is difficult to obtain freshwater and hospitals, already strained from a lack of equipment and proper medication, cannot adequately treat patients.⁷⁶ Prior to March 2019, Caracas had generally been shielded from blackouts, as power was diverted from rural towns to fuel the city. In late March 2019, Maduro ordered power rationing in Caracas.⁷⁷

Venezuela ranks poorly for *international tourism* and has seen a 33 per cent decline in *regional integration*, two indicators of the *Good Relations with Neighbours* Pillar. Venezuelan migrants have been fleeing economic collapse, putting pressure on their neighbours, especially post-conflict Colombia. Around four million people have fled, with 1.3 million seeking refuge in Colombia.⁷⁸

Hyperinflation is expected to reach ten million per cent in 2019,⁷⁹ underscoring the seven per cent deterioration in the *business environment* indicator and a 14 per cent decline in the *Prosperity Index*. Accurate data for GDP per capita – the third metric of *Sound Business Environment* Pillar – hasn't been available since 2014.

FIVE LARGEST DETERIORATIONS IN POSITIVE PEACE

Brazil

CHANGE IN OVERALL SCORE, 2009-2018:

+0.21
to 3.05 from 2.84

CHANGE IN RANK, 2009-2018:

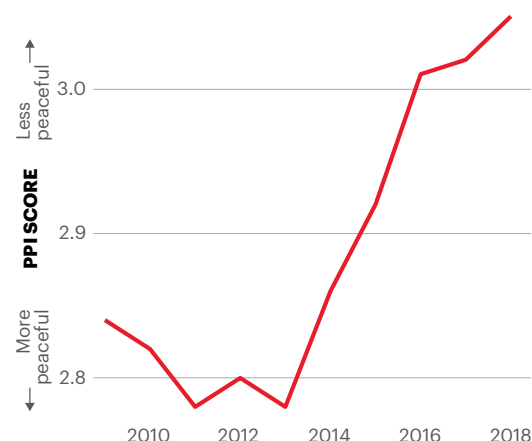
-20
to 74 from 54

Largest changes in Positive Peace in Brazil

Pillar	Indicator	Value in 2009	Value in 2018	Change
Free Flow of Information	Quality of Information	1.56	3.18	1.62
Good Relations with Neighbours	Hostility to foreigners/private property	1.92	3.15	1.23
Acceptance of the Rights of Others	Exclusion by Socio-Economic Group	1.78	2.4	0.62
Equitable Distribution of Resources	Poverty headcount ratio at \$5.50 a day (2011 PPP) (% of population)	2.12	1.86	-0.26
Equitable Distribution of Resources	Inequality-adjusted life expectancy index	2.34	1.92	-0.42
Free Flow of Information	Individuals using the Internet (% of population)	3.32	2.11	-1.21

Trend in the PPI score, Brazil, 2009–2018

Positive Peace deteriorated substantially since 2013.



Source: IEP

Positive Peace in Brazil deteriorated 7.4 per cent since 2009, based on a mix of improvements and deteriorations. There was a 16.7 per cent deterioration in the *Attitudes* domain over the period, while the *Institutions* domain deteriorated by almost 14 per cent. In contrast, indicators of the *Structures* domain improved by almost three per cent.

High Levels of Human Capital and *Sound Business Environment* showed modest improvements from 2009 to 2018. The former was driven by a rise in life expectancy and the number of researchers per capita, while the latter was based on a modest increase in *GDP per capita* and a two per cent improvement in the *business environment* indicator.

Low Levels of Corruption and *Good Relations with Neighbours* were the Pillars with the largest deteriorations. Corruption and graft are widespread in Brazil, and the Pillar score for *Low Levels of Corruption* has deteriorated by 17 per cent over the last decade. The three most recent former presidents, Luiz Inácio “Lula” da Silva, Dilma Rousseff and Michel Temer, have all faced corruption allegations. Hostility to foreigners, an indicator of *Good Relations with Neighbours*, worsened 64 per cent from 2009 to 2018. Amidst a marked increase in violence in the last year, there are reports of attacks on Venezuelan migrants seeking refuge in Brazil.⁸⁰

Free Flow of Information also deteriorated, despite a 36.4 per cent improvement in the score for internet access. This was because the quality of information indicator deteriorated by 104 per cent over the past decade. Freedom of the press has deteriorated seven per cent since 2009. Fake news featured prominently in the 2018 elections and the Brazilian Association

of Investigative Journalism reports that over 140 journalists were harassed, threatened or attacked during the campaigns.⁸¹ Domestic courts have offered conflicting rulings on a number of freedom of expression issues and the Supreme Court recently struck down a lower court ruling prohibiting certain campaign activities, it upheld a two-year prison sentence for the crime of *desacato*, or disrespecting public officials.⁸²

The country’s score for *gender equality* improved seven per cent from 2009 to 2018, helping to offset other deteriorations in *Acceptance of the Rights of Others*. However, *exclusion by socio-economic group* deteriorated by 35 per cent from a previously strong score. *Well-Functioning government* only recorded a slight deterioration overall, but worsened in all three indicators, most prominently the *Political Democracy Index*.

US, CHINA, EU AND UK

United States

The US experienced a slow and steady decline in its PPI score since 2009, however this trend has accelerated since 2015 as seen in Figure 1.9.

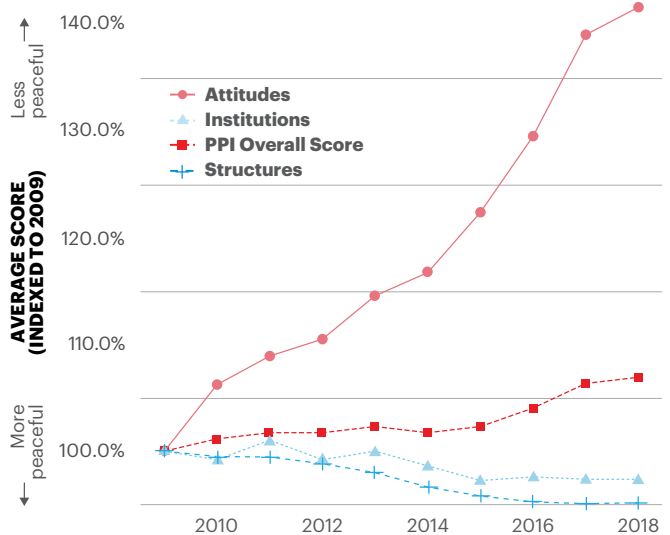
This was driven by deteriorations in the *Attitudes* domain of Positive Peace. The other two domains, *Structures* and *Institutions* both recorded small improvements. The biggest deterioration was in the *quality of information* indicator – the perceived quality of information disseminated by members of society, the media and authorities. This contributed to the *Free Flow of Information* PPI Pillar deteriorating by almost 29 per cent over the past decade, a large change for a developed nation.

Figure 1.10 also shows that two other indicators – *factionalised elites* and *group grievances* – also deteriorated markedly. These findings reflect the widening gap between dissenting political groups and the radicalisation of views on economic management, personal freedoms, immigration and foreign relations. Deteriorations in these three indicators have been disproportionately large relative to movements recorded for all other indicators of Positive Peace for the country.

FIGURE 1.9

Changes in attitudes, institutions and structures in the PPI, United States, 2009–2018

Positive Peace deteriorated in the US from 2015 on the back of poorer scores for institutional and attitude indicators.

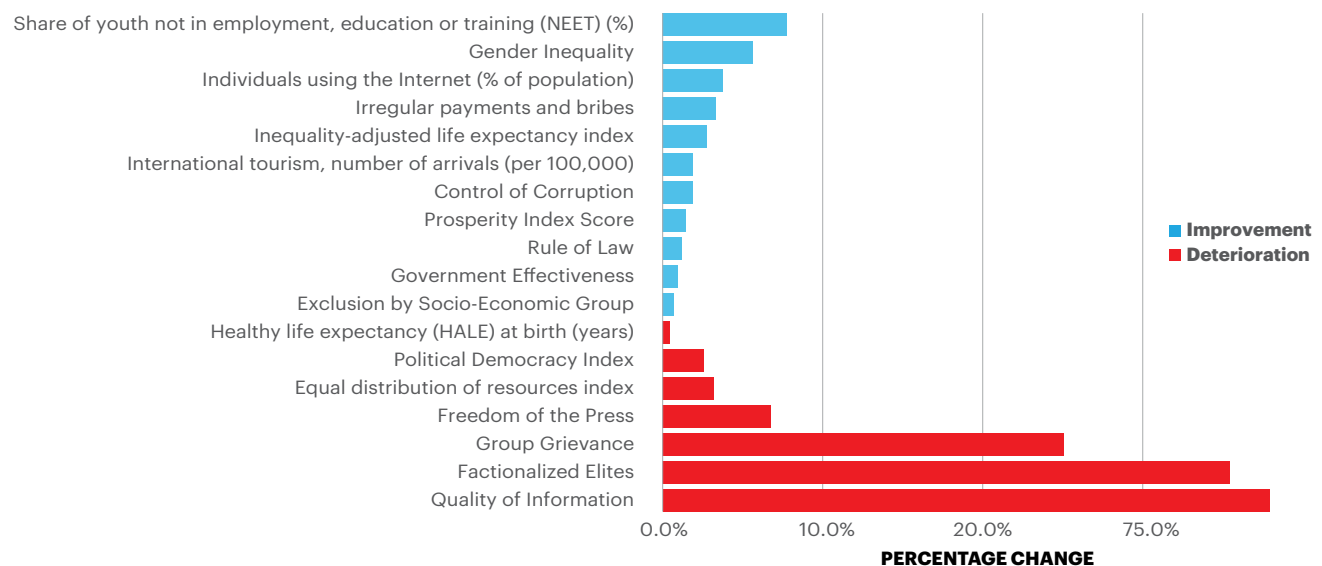


Source: IEP

FIGURE 1.10

Percentage change in Positive Peace indicators, United States, 2009–2018

Positive Peace deteriorated in the US from 2015 because of worsening indicators in the *Attitudes* and *Institutions* domains.



Source: IEP

↓ **29**
per cent

The *Free Flow of Information* PPI Pillar deteriorated by almost 29 per cent over the past decade in the United States

China

China has improved in its PPI score over the past decade, broadly consistent with other developing countries. To a large extent, this has reflected advances in economic, health and physical infrastructure gauges, which comprise the *Structures* domain of Positive Peace indicators (Figure 1.11). Accordingly, China has posted a strong improvement in its Sound Business Environment and the Equitable Distribution of Resources Pillars of Positive Peace. In 2013, the *Attitudes* domain deteriorated markedly. It is possible that this reflected

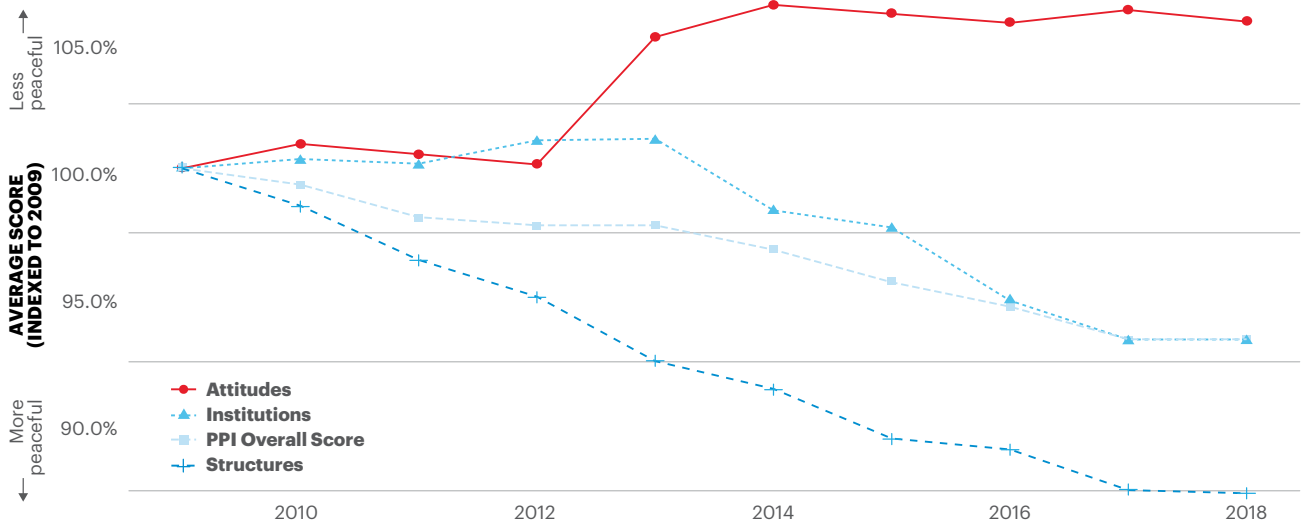
the Chinese Banking Liquidity Crisis, which saw an end to easy credit and had a negative impact on gold and stock markets. The indicators for the *Attitudes* domain, such as *Exclusion by socio-economic group* and *Hostility to foreigners/private property*, were affected the most.

There has been moderate improvement in *Government effectiveness* and *Control of corruption*, which led the *Institutions* domain to improve over the decade (Figure 1.12).

FIGURE 1.11

Change in attitudes, institutions and structures in the PPI, China, 2009–2018

Improvements in indicators of social structures – economic, health and physical infrastructure gauges – have offset deteriorations caused by worsening scores for exclusion by socio-economic group and hostility to foreigners/private property.

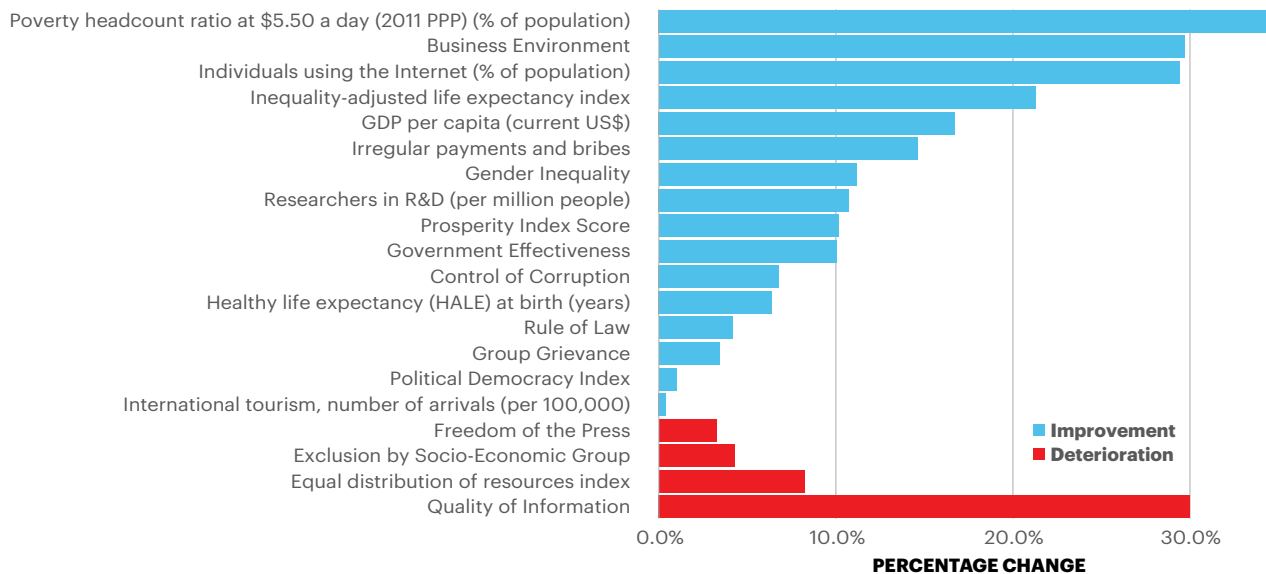


Source: IEP

FIGURE 1.12

Percentage change in Positive Peace indicators, China, 2009–2018

Improvements reflecting economic prosperity and physical infrastructure development contrast with the worsening quality of information disseminated within the country.



Source: IEP

Europe

Positive Peace in Europe has recorded a minor improvement over the past decade as shown in Figure 1.13. This reflects improvements in the *Structures* category of indicators and was influenced by continued economic development, especially in some southern and eastern nations, following the European debt crisis of the early 2010s. There has been substantial growth in internet usage and in cross-border tourism visitation – both within the continent and from outside (Figure 1.14). Business conditions and health outcomes have also improved.

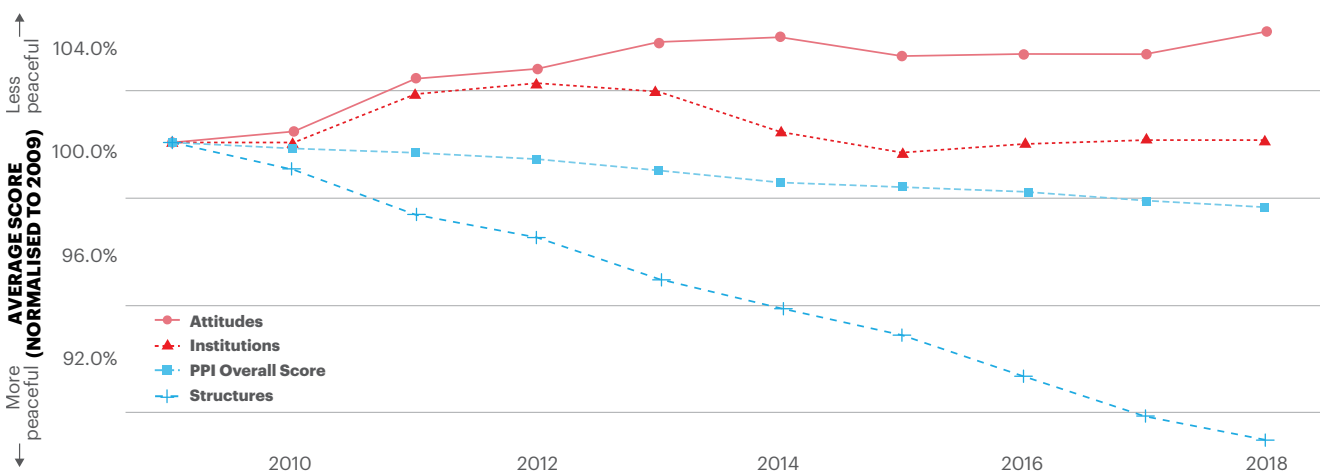
In contrast, the *Attitudes* domain deteriorated noticeably. In line with global trends, the quality of information has worsened

among European nations, particularly as some political groups took to the internet to disseminate radical views of both right-wing and left-wing persuasions. *Freedom of the press* has also been curtailed in some nations, which further contributed to a perceived deterioration of informed debate. Economic inequality has increased, albeit at rates below those recorded in other regions of the world.⁸³ This has contributed to greater social tensions and a radicalisation of the political debate – as captured by the *factionalised elites* indicator. At the country level, Lithuania, Portugal, Estonia, Latvia and Serbia were the top PPI improvers over the past decade (Table 1.2).

FIGURE 1.13

Change in attitudes, institutions and structures in the PPI, Europe, 2009–2018

Improvements in the economy of southern and eastern European nations have contributed to benign structural outcomes for the region. In contrast, attitudes deteriorated markedly.

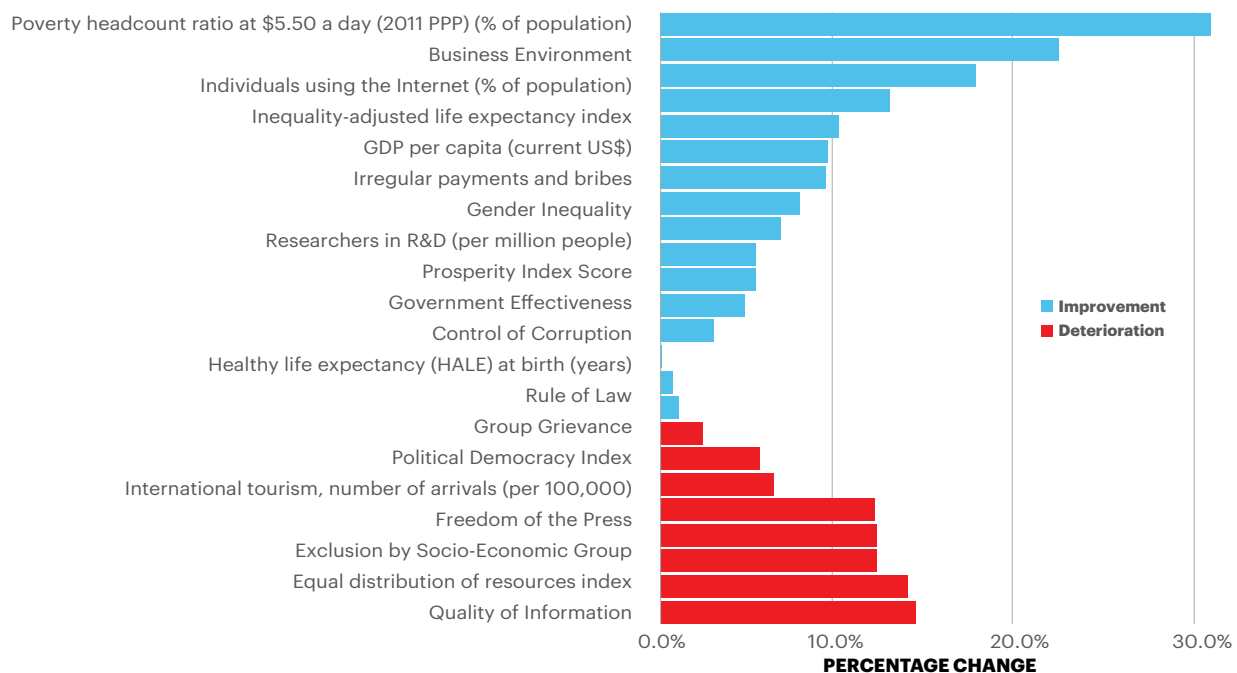


Source: IEP

FIGURE 1.14

Percentage change in Positive Peace indicators, Europe, 2009–2018

Substantial improvements in economic and health indicators were partially offset by worsening political radicalisation and quality of informed debate.



Source: IEP

TABLE 1.2

Changes in the PPI for European countries, 2009-2018

Lithuania, Portugal, Estonia, Latvia and Serbia were the top PPI improvers in Europe over the past decade.

Country	2009	2018	Change from 2009 to 2018 (%)
Lithuania	2.09	1.84	-12.0
Portugal	1.72	1.57	-8.7
Estonia	1.85	1.69	-8.6
Latvia	2.22	2.03	-8.6
Serbia	2.95	2.71	-8.1
Albania	2.90	2.68	-7.6
Macedonia	2.89	2.73	-5.5
Czech Republic	1.89	1.79	-5.3
Bulgaria	2.47	2.36	-4.5
Croatia	2.39	2.29	-4.2
Italy	2.04	1.96	-3.9
Bosnia and Herzegovina	3.05	2.94	-3.6
Slovenia	1.69	1.63	-3.6
Norway	1.21	1.17	-3.3
Switzerland	1.27	1.23	-3.1
Germany	1.46	1.42	-2.7
Romania	2.61	2.55	-2.3
Netherlands	1.31	1.29	-1.5
Ireland	1.36	1.34	-1.5
Finland	1.22	1.21	-0.8
Montenegro	2.62	2.60	-0.8
France	1.56	1.55	-0.6
Cyprus	2.02	2.01	-0.5
Poland	2.11	2.10	-0.5
Slovakia	2.12	2.11	-0.5
Spain	1.77	1.77	0.0
Kosovo	3.87	3.87	0.0
Belgium	1.52	1.53	0.7
Iceland	1.27	1.28	0.8
Turkey	3.16	3.20	1.3
Hungary	2.19	2.24	2.3
Austria	1.43	1.47	2.8
UK	1.54	1.59	3.4
Sweden	1.19	1.23	3.4
Denmark	1.18	1.26	6.8
Greece	2.00	2.18	9.0
Europe	2.02	1.97	-2.4

Source: IEP

United Kingdom

The United Kingdom (UK) had one of the poorest performances of any European nation in the last decade, deteriorating by 3.4 per cent in its Positive Peace score.

In October 2019, the UK is expected to leave the European Union. It is still unclear whether there will be a negotiated separation or if the country will leave without an agreement.

The UK elected to leave the bloc in a 2016 referendum. Since then, the country has entered a period of relative uncertainty. There is little consensus in Parliament about how to approach negotiations with European authorities. In the wider public, the antagonism has intensified between those who want to leave and those who want to stay. Businesses have delayed investment decisions because of the uncertainty, which has affected economic growth.

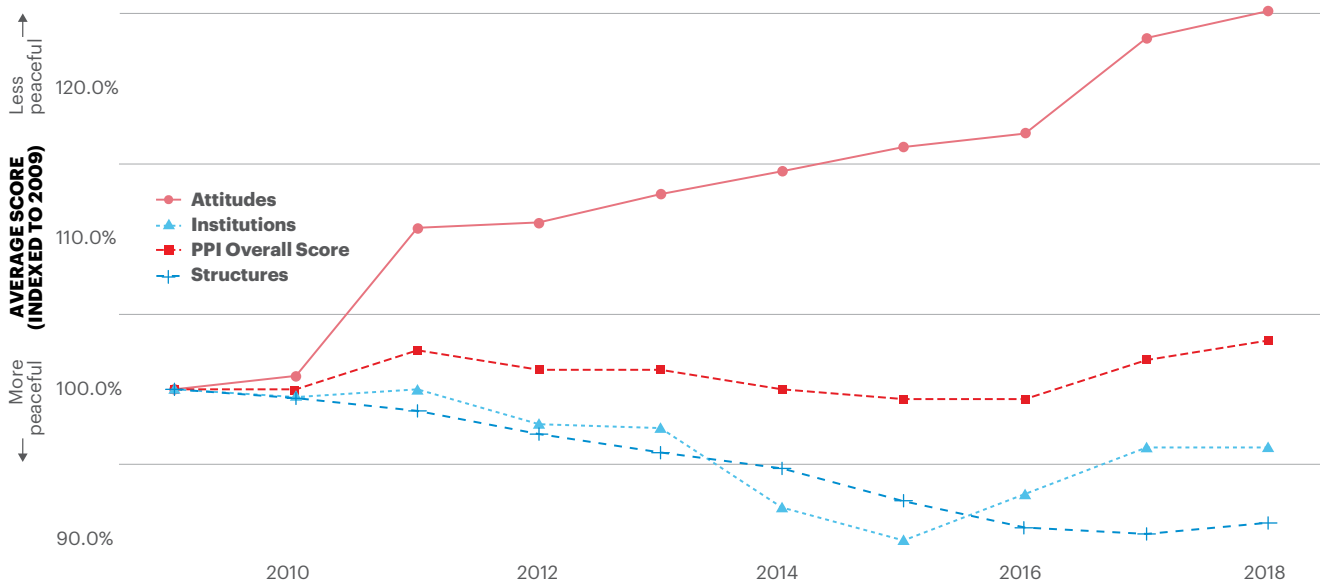
This tension has manifested as a deterioration in the UK PPI score from 2016 onwards, reversing the trend improvement of the previous five years. Both the *Attitudes* and *Institutions* domains deteriorated in the past few years, more than offsetting gains in *Structure* indicators (Figure 1.15). British *Attitudes* deteriorated sharply in 2011, interestingly this corresponded with the rise of ISIL. Another sharp deterioration took place from 2016 corresponding with the Brexit debate.

Over the past decade, three indicators deteriorated markedly: *factionalised elites*, *hostility to foreigners* and *group grievance*. These underline tensions between Brexiteers and Remainers as well as a more adverse view on immigration. It is possible for the UK to reverse these trends in the years ahead, but it will require clarity and resolution from authorities, as well as policies that promote the inclusion of different societal views.

FIGURE 1.15

Change in attitudes, institutions and structures in the PPI, United Kingdom, 2009–2018

The Attitudes domain deteriorated substantially over the past decade. This has been somewhat offset by better outcomes for the Institutions and Structures domains.



Source: IEP

↘ **3.4**
per cent

The United Kingdom had one of the poorest performances of any European nation in the last decade, deteriorating by 3.4 per cent in its Positive Peace score.

2

Positive Peace, Ethical Investment and Resilience

Key Findings

- Positive Peace has a high correlation with indicators of environmental, social and governance (ESG) investment. Designers of financial products and benchmarks can use this comparison when catering for the growing demand for ethical investment.
- Positive Peace is a reliable gauge of economic resilience. As such, it can be used to select portfolios of countries that consistently outperform global GDP growth.
- This outperformance is also verified for other indicators of macroeconomic activity and national governance.
- Every one index point of improvement in the PPI is associated with a two percentage point rise in GDP per capita.
- Inflation rates in countries where Positive Peace deteriorated were four times more volatile when compared to countries where Positive Peace improved.
- Domestic currency in countries where Positive Peace improved appreciated by 1.3 percentage points more than countries where it deteriorated.
- Countries that improved in Positive Peace also have a more positive outlook on credit rating as assessed by Standard & Poor's, Moody's and Fitch.
- Among countries where Positive Peace improved, household consumption rose in the past decade at a rate more than twice as high as for countries where the PPI deteriorated.
- Growth in business activity in countries where Positive Peace improved is six times higher than in countries where the PPI deteriorated.
- Countries seeing Positive Peace improvements are more attractive to foreign investors, with foreign direct investment and trade levels growing strongly over the last decade. This contrasts with stagnant FDI in countries where Positive Peace deteriorates.
- Countries in which the PPI improves are less prone to political shocks, social tensions and deaths from natural disasters, an obvious benefit for investors seeking to protect their capital from non-economic disruptions.

In past research, IEP demonstrated a strong direct link between the levels of Positive Peace and favourable economic outcomes. High Positive Peace countries tend to be more economically developed than low Positive Peace countries. This is also true across time: countries that improve in Positive Peace over the years tend to develop faster than comparable countries.

Nations that improve in Positive Peace consistently outperform comparable countries in real GDP growth. By choosing countries that advance in Positive Peace in a given year and

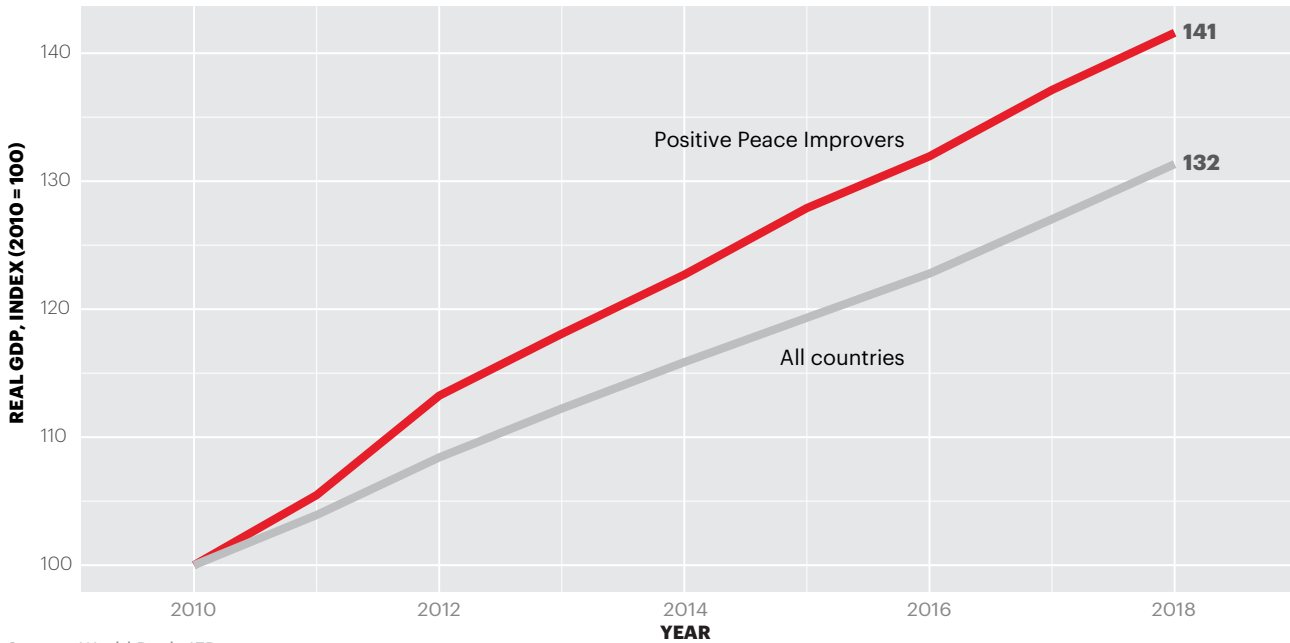
mapping their real GDP growth in the subsequent year, investment analysts can build an annually rebalanced portfolio of countries that outgrows the global average by one percentage point per year, as shown in Figure 2.1.

Other macroeconomic gauges such as consumption, business valued added and capital expenditure, also perform better in countries with improving Positive Peace.¹ Using financial market instruments that mirror domestic economic performance, one could generate above global average returns for investors interested in promoting Positive Peace.

FIGURE 2.1

Countries that improve in Positive Peace outperform the global average

Growth in real GDP of a portfolio of countries that improve in Positive Peace exceeds an equally weighted global average by one percentage point per year.



Source: World Bank, IEP

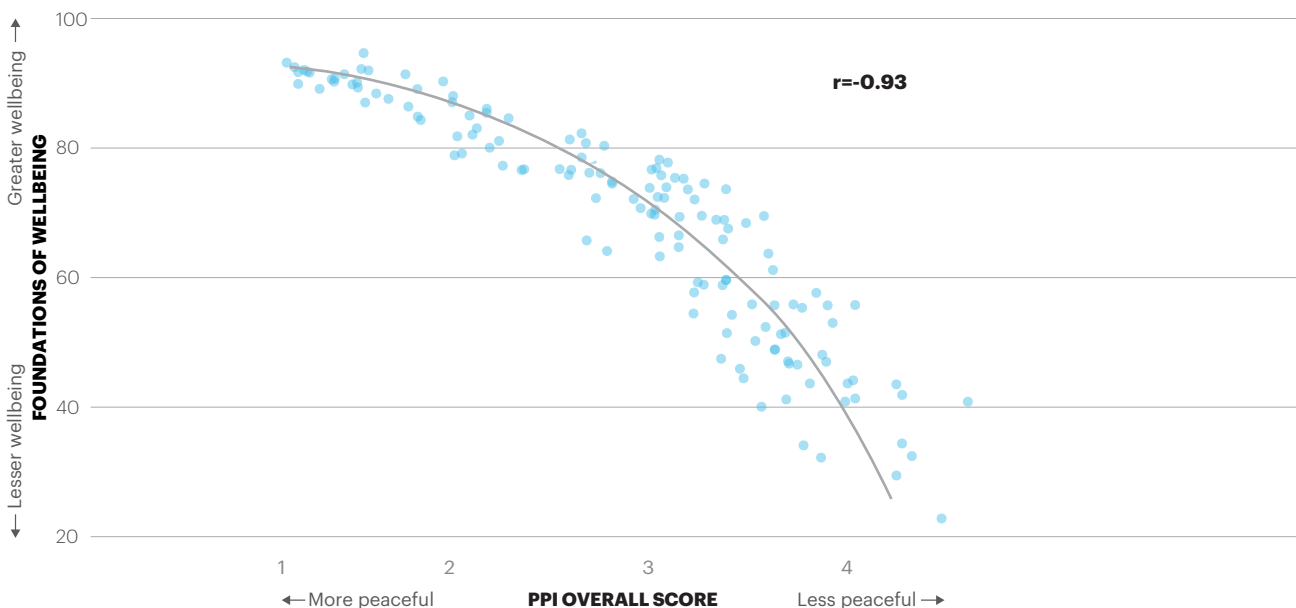
This result reflects Positive Peace’s ability to promote economic and social resilience, as discussed in more detail throughout this section. Positive Peace can also help financial services providers cater for the growing demand in international markets for ethical investment instruments and benchmarks.

In addition to economic prosperity, Positive Peace is also associated with social wellbeing, as evidenced by the close relationship between the PPI and the Social Progress Imperative’s Foundations of Wellbeing scores (Figure 2.2).

FIGURE 2.2

Social wellbeing and Positive Peace, 2018

There is a close correlation between the SPI Foundations of Wellbeing scores and PPI scores.



Source: Social Progress Imperative, IEP

POSITIVE PEACE & ETHICAL INVESTMENT

A growing number of financial market participants are motivated by principles of ethical investment and strategies that seek financial returns while promoting social wellbeing and sustainable development. To cater for this demand, financial service providers have increasingly added ethical considerations to the process of selecting the underlying assets of investment portfolios and financial benchmarks. These considerations fall in three areas: environmental, social and governance (ESG). These are factors that:

- (E) lead to environmental sustainability
- (S) promote social justice, wellbeing and development
- (G) encourage accountable and transparent organisational governance.

Depending on the type of investment, the relevant ESG principles may be different. For example, an investor pursuing ESG strategies in corporate markets of debt or equity will select companies whose operations and output minimise harm to the environment, promote the wellbeing of stakeholder communities, and are responsibly managed. Similarly, a participant in sovereign markets will select countries with proper environmental protection frameworks, effective social justice practices and transparent administration.

When applied to a country, ESG principles overlap substantially with IEP's Pillars of Positive Peace. This is because the social and governance components, the 'S' and the 'G', directly relate to the *attitudes, institutions and structures that create and sustain peaceful and prosperous societies*, as Positive Peace is characterised.

In addition, most analysts gauge the environmental component, the 'E', through the impact of environmental conditions on human activity and living standards. For example, instead of assessing a country only by the amount of carbon dioxide emitted or the number of animal species threatened, analysts use indicators such as the proportion of the population with access to clean water, or the level of outdoor air pollution affecting citizens.

But what type of societal environment leads to improvements in ESG measures? Positive Peace can be used to measure this. The impact of environmental conditions on living standards is influenced by the *attitudes, institutions and structures of Positive Peace*. For example, urban air quality is affected by economic activity, but also by society's ability to design and enforce pollution control measures. This means that in most financial analyses, all environmental, social and governance indicators are interdependent and related to some extent, and are therefore conceptually linked to Positive Peace.

ESG measures are good in and of themselves, but they do not explain why one country will perform well on ESG measures and others do not. Positive Peace provides a theory of change and describes the necessary background conditions that lead to improvements in ESG measures. Therefore, progress in Positive Peace is a predictor of future improvements in ESG measures.

Frequently used indicators of ESG performance correlate strongly with the PPI (Table 2.1). The correlation coefficient, in absolute value, between common ESG indicators and the PPI Score is high and in some cases nears unity.

TABLE 2.1

Correlation between ESG indicators and the PPI, 2018

Most commonly used indicators of ethical investment are highly correlated with the PPI. Correlation coefficients are calculated across all countries covered in the PPI and absolute values above 0.5 are highlighted.

Indicator name	Correlation Coefficient	Source
Social infrastructure factors commonly classified as 'environmental' by investment professionals		
Access to at least basic drinking water	-0.69	Social Progress Imperative
Water coverage	-0.73	CEDLAS and the World Bank
Household air pollution attributable deaths	0.68	Social Progress Imperative
Outdoor air pollution attributable deaths	0.76	Social Progress Imperative
Population using improved drinking-water sources	-0.70	UN Development Programme
Population using safely managed drinking-water	-0.72	World Health Organization
Natural hazard risk index	0.24	INFORM
Environmental health: air quality	-0.58	Yale Environment Performance Index
Environmental health: water & sanitation	-0.87	Yale Environment Performance Index
Environmental health: heavy metals	-0.77	Yale Environment Performance Index

E

	Indicator name	Correlation Coefficient	Source
	Ecosystem vitality: forests tree cover loss	0.11	Yale Environment Performance Index
	Ecosystem vitality: water resources	-0.73	Yale Environment Performance Index
	Ecosystem vitality: biodiversity & habitat	0.37	Yale Environment Performance Index
Factors commonly classified as 'social' by investment professionals			
S	Access to electricity (% of population)	-0.61	World Bank
	Gender inequality index	0.88	UN Development Programme
	GINI index	0.40	World Bank
	Infant mortality rate	-0.86	Global State of Democracy
	Life expectancy at age 60 (years)	-0.82	World Health Organisation
	Life expectancy at birth (years)	-0.82	UN Development Programme
	School enrolment, primary (% gross)	-0.12	UNESCO Institute for Statistics
	School enrolment, secondary (% gross)	-0.81	UNESCO Institute for Statistics
	Time required to get electricity (days)	0.24	World Bank
Factors commonly classified as 'governance' by investment professionals			
G	Control of corruption (estimate)	-0.92	World Bank
	Corruption perceptions	-0.93	The Economist Intelligence Unit
	Ease of doing business index	0.85	World Bank
	Governance (prosperity index)	-0.90	Legatum
	Legal rights index	0.24	World Economic Forum
	Regulatory governance score	-0.74	World Bank
	World press freedom index	0.61	Reporters Without Borders

Source: IEP, others included in table

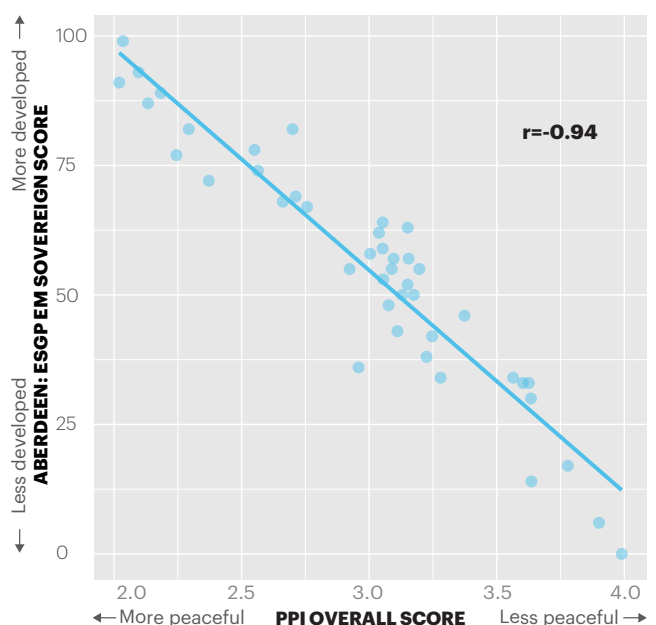
Because of the conceptual and empirical overlap between ESG and Positive Peace, the PPI can be used as a gauge of sovereign ESG performance. The correlation coefficient between the PPI and sovereign ESG scores computed by BNY Mellon's Insight Investment for 186 countries in 2018 is 0.91.² For emerging markets, ESG sovereign scores computed by Aberdeen Standard Investments match the PPI with a correlation coefficient close to one in absolute value (Figure 2.3).³ Lazard Asset Management's emerging markets debt team has computed sovereign ESG scores whose absolute value correlation coefficient with the PPI Score is 0.87.⁴

Every one index point of improvement in the PPI is associated with a two percentage point rise in GDP per capita.

FIGURE 2.3

ESG scores and Positive Peace, 2017

Countries that score well in ESG criteria tend to record stronger Positive Peace outcomes.



Source: Aberdeen Standard, IEP

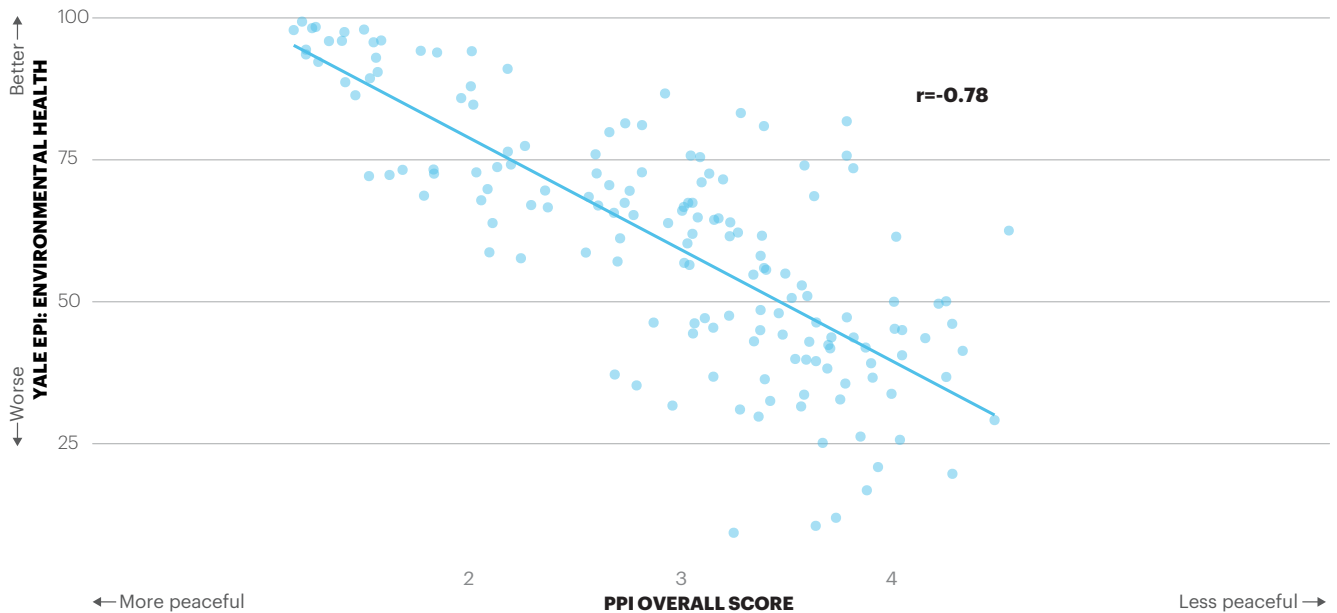
Positive Peace is also a good predictor of benign outcomes in social infrastructure factors commonly seen as representing environmental performance. The correlation coefficient between the Yale Environmental Performance Index and the PPI is -0.78

(Figure 2.4). Countries with high Positive Peace performance tend to be more advanced in the United Nations Millennium Development Goals (Figure 2.5).

FIGURE 2.4

Environmental performance scores and Positive Peace, 2018

Countries with high environmental performance tend to record stronger Positive Peace outcomes.

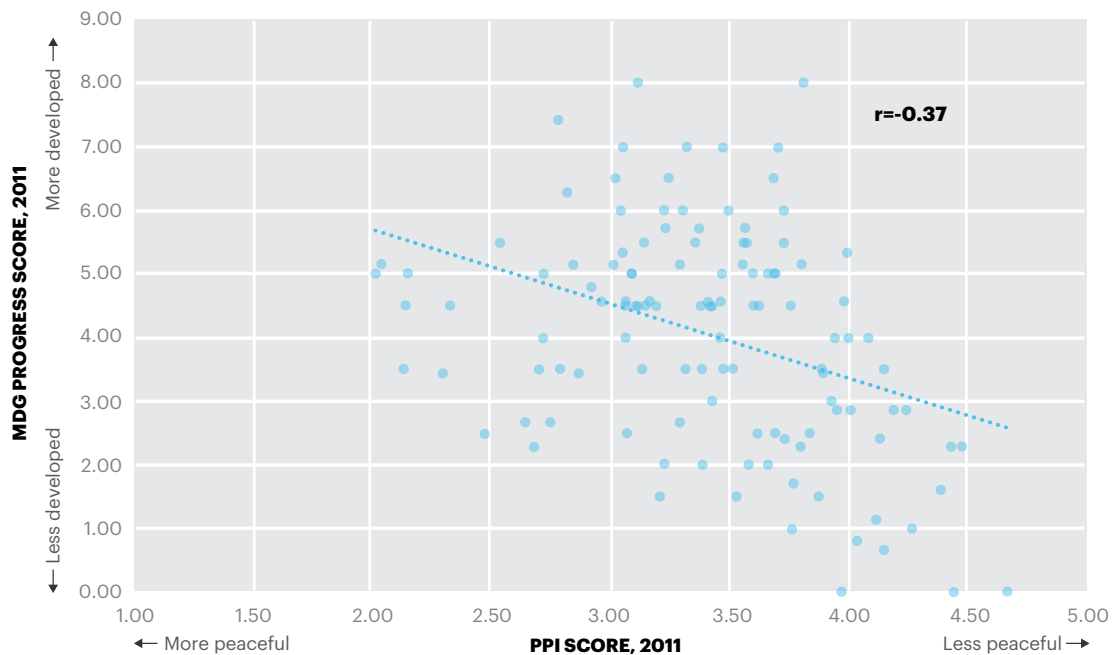


Source: Yale Environmental Performance Index, IEP

FIGURE 2.5

Millennium development goals and Positive Peace

From 2000 to 2015, countries with high Positive Peace performance tended to be more advanced in the UN Millennium Development Goals.



Source: United Nations, IEP

BOX 2.1

Why invest ethically?

ESG investors may be individuals seeking personal fulfilment by contributing to worthy causes or organisations with a mandate to promote social development and sustainability.

At first glance, ESG strategies may seem less profitable than conventional investments. This would reflect the added cost of implementing socially responsible initiatives or complying with more stringent operational standards. In addition, by excluding non-compliant companies or countries, an ESG portfolio would theoretically be less diversified than a standard counterpart.

However, ESG investing can be more advantageous than conventional strategies, especially in the medium to long-term. Companies that adhere to ethical principles tend to be more transparent and responsibly managed than their peers. In addition, they may pre-empt and avoid future losses associated with regulation, litigation, compensation and remediation. They are also likely to be better managed as the same principles will be adopted within the company, and an ESG approach will lead to a long-term view on a sustainable business.

Governments that embrace ethical principles are more likely to produce effective policies and minimise losses from corruption and inefficiency. These institutions are usually more resilient and adaptable than their counterparts. Reflecting all these factors, the ESG version of the widely used financial benchmark MSCI World outperformed its non-ESG equivalent between 2007 and 2018.⁵

Fund managers can also use ESG principles to assess the resilience and business model sustainability of companies in which they invest. Increasingly, this is happening even when the funds they manage are not necessarily targeted at ethical investors.⁶ As a result, ESG is becoming more widespread as a useful risk management tool in the wider financial markets.

Positive Peace provides a theory of change and describes the necessary background conditions that lead to improvements in ESG measures. Therefore, Positive Peace is a predictor of future improvements in ESG measures.

POSITIVE PEACE & ECONOMIC RESILIENCE

Countries that improve in PPI outperform global averages in different macroeconomic metrics, even after high-income countries from the Organisation for Economic Cooperation and Development (OECD) and the Brazil, Russia, India and China (BRIC) group are excluded from the analysis.⁷ Using a systems approach, IEP has shown how Positive Peace indicators interact with macro-economic outcomes in a complex and mutually reinforcing way. Improvements in Positive Peace such as higher levels of education or effective control of corruption will lift an economy's productivity and output. In turn, these outcomes will facilitate further improvements in a nation's socio-economic infrastructure, as measured by the PPI. These self-reinforcing cycles take place over many years. Once a pattern or trend is established, it usually persists for some time – a statistical phenomenon known as autocorrelation. Thus, by recording developments and trends in the PPI and macroeconomic indicators up to a given year, one may project future economic outcomes in the short to medium term. This explains why it is possible to forecast economic outperformance using PPI data in exercises such as the one illustrated in Figure 2.1.

The interrelationship between the PPI and macro-economic outcomes can be visualised through a number of macroeconomic gauges, as discussed below.

Economic growth

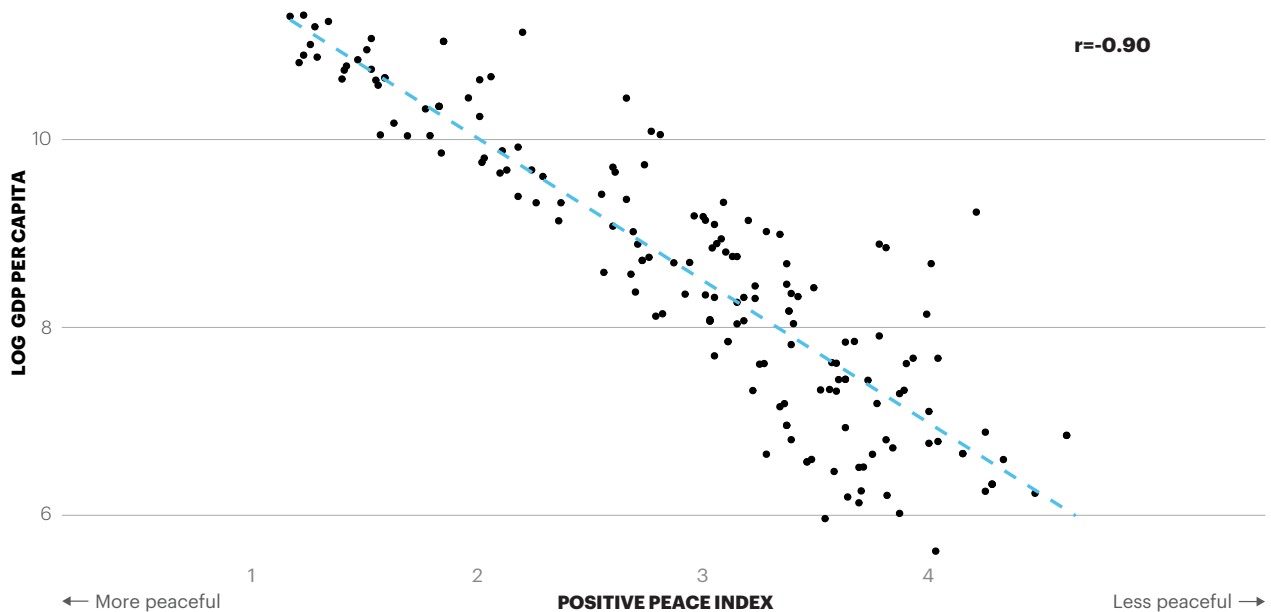
Per capita GDP is highly correlated with the PPI Score, as shown in Figure 2.6. Data for 2018 shows that for every one percentage point, improvement in Positive Peace is associated with a two per cent increase in GDP.

There is also a clear relationship between developments in Positive Peace and per capita income across time. From 2009 to 2018, per capita GDP in countries that recorded improvements in the PPI rose by 3.9 per cent per year as shown in Figure 2.7. This compares with one per cent per year for countries in which Positive Peace deteriorated.

FIGURE 2.6

Positive Peace and GDP per capita, 2018

On average, across all levels of country income, every one index point improvement in the Positive Peace Index is associated with a two percentage point rise in GDP per capita.



Source: World Bank, IEP

Economic Outperformance and Systems Thinking

GDP per capita is one of the constituents of the *Sound Business Environment* Pillar, one of eight Pillars that make up the PPI. Thus, the analysis above correlating the PPI Score and GDP per capita would present a certain degree of circularity. This problem is known as endogeneity and is a frequent cause of overstated correlations in statistical analysis.

However, almost all PPI Pillars – not just *Sound Business Environment* – predict per capita GDP outperformance, as shown in Figure 2.8. This suggests that the impact of endogeneity is small and that the correlation between changes in the PPI Score and per capita GDP is meaningful.

Positive Peace works systemically. Therefore, there is a stronger correlation co-efficient with the overall index than with any single Pillar. IEP has compared the PPI and each of the eight Pillars of Peace against GDP over the same time to compare the predictive factor of each Pillar, and the overall predictive capacity of the PPI. This analysis shows that the largest difference in GDP growth between countries that improved or deteriorated occurs when using the PPI as the predictive measure rather than any individual Pillar. This highlights the systemic nature of Positive Peace and socio-economic indicators. The combination of all eight Pillars of Positive Peace is a better predictor of economic performance than each Pillar is individually.

FIGURE 2.7

Positive Peace and growth in GDP per capita, 2009–2018

Countries that improved in Positive Peace from 2009 to 2018 recorded an average annual growth rate in per capita GDP three percentage points above nations in which the PPI had deteriorated.

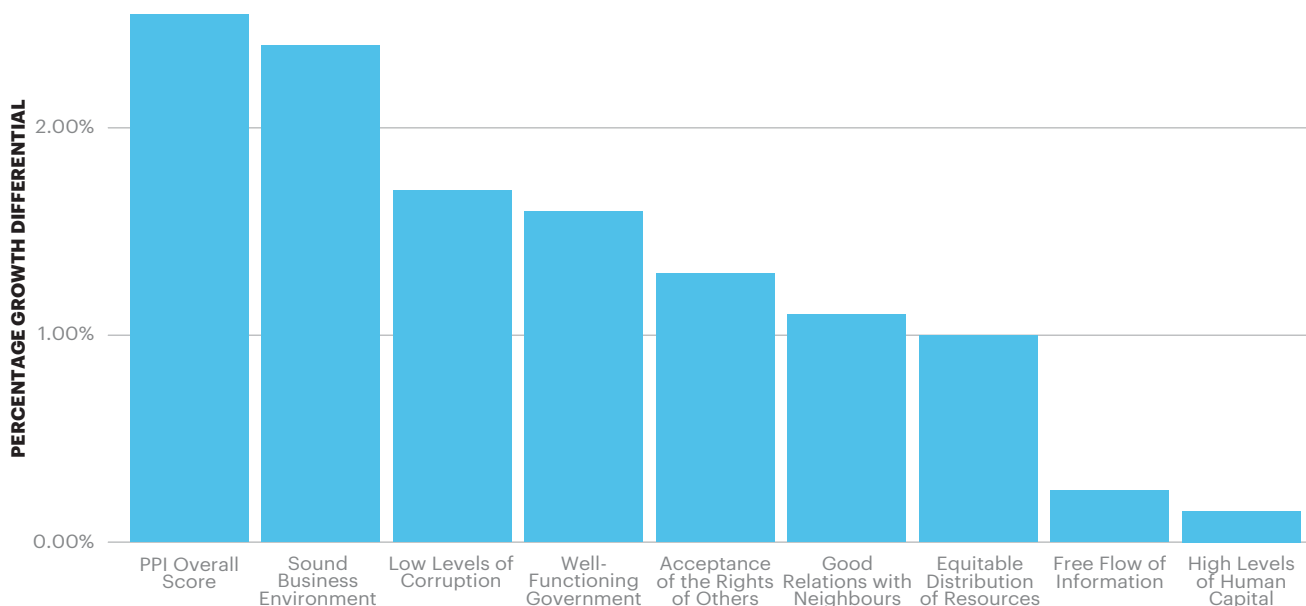


Source: World Bank, IEP

FIGURE 2.8

Median annual growth in GDP per capita by Positive Peace Pillar, 2009–2018

The PPI score shows median improvers' growth is 2.55 percentage points higher per year than countries that deteriorated.



Source: World Bank, IEP

Inflation

Throughout history, inflation has proven to be a barrier to economic growth, but development is not hampered by high inflation rates *per se*. Rather, it is the uncertainty about future economic prices that detracts from economic activity. Uncertainty is greatest when inflation rates are high. For example, consider a hypothetical economy in which annual inflation is high, say ten per cent, but constant. If such an economic state were possible, all economic agents would adjust their expectations according to the predictable future change in prices. Workers would demand and get a ten per cent wage increase next year. Firms would lift their prices by ten per cent next year, and the government would collect ten per cent more tax. This pattern would be repeated continuously without any stakeholder becoming worse off over time.

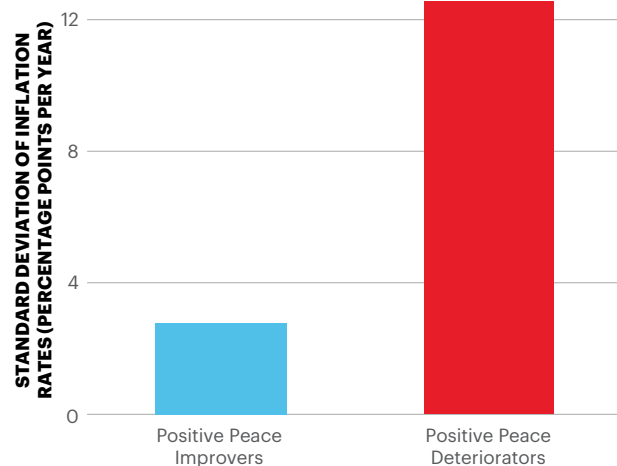
However, real life is never this smooth. No one can be certain that their income will rise perfectly in line with their costs over the next year or two. If next year's inflation is predicted to be around ten per cent, some economic agents would adjust their prices at twice that rate, just to be safe. Others would only manage to raise their prices or wages by five per cent or so, given competition, regulatory restrictions or other factors. Thus, some economic agents would gain and others would lose. An atmosphere of uncertainty would befall this economy. In response to insecurity, firms would cut production, households would reduce spending, the government would curtail infrastructure investment, and an economic contraction would ensue.

Countries that improved in Positive Peace from 2009 to 2018 experienced substantially lower volatility of inflation over this time, as shown in Figure 2.9. Between 2009 and 2018, the volatility of inflation rates in countries that deteriorated in Positive Peace was much higher than in those countries that improved.

FIGURE 2.9

Volatility of inflation rates by Positive Peace outcome, 2009–2018

Countries in which Positive Peace deteriorated recorded a standard deviation of inflation rates much greater than those countries where the PPI improved.



Source: World Bank, IEP

Exchange Rate

Countries that recorded PPI improvements from 2009 to 2018 saw their local currencies appreciate relative to the US dollar. This contrasts with countries where the index deteriorated, where almost no change was observed (Figure 2.10). However, exchange rate markets are very volatile and subject to many influences other than the strength and integrity of the domestic socio-economic system.

FIGURE 2.10

Annual changes in exchange rates to usd by Positive Peace outcome, 2009–2018

Countries that improve in Positive Peace have stronger currencies than countries that deteriorated in Positive Peace.



Source: World Bank, IEP

Credit Ratings

Almost 90 per cent of countries that improved in Positive Peace from 2009 to 2018 have a stable or positive credit rating outlook as assessed by Standard & Poor’s, Moody’s and Fitch, as shown in Figure 2.11. This compares to 75 per cent for countries that deteriorated in Positive Peace.

Sovereign credit ratings are assessments of a country’s ability to repay its debt. When evaluating the creditworthiness of nations, credit ratings agencies (CRA) take into consideration many factors. These include the amount, duration and currency of dues, the resilience of the economy and consequently its ability to garner enough foreign reserves to repay creditors, and the transparency and efficiency of the administration. The two latter factors can be gauged by Positive Peace, which suggests the PPI can also be helpful in assessing sovereign creditworthiness.

Observers have commented that CRA’s assessments are lagging indicators of an organisation’s ability to repay dues. This appears to have been confirmed during the global financial crisis (GFC) of 2008. On that occasion, many struggling debtors held benign ratings until shortly before they were declared insolvent. This is due to a number of technical and commercial considerations governing credit ratings processes that are still present today.⁸ The Positive Peace framework can be used by investors as a predictive auxiliary tool to assess sovereign creditworthiness in a manner that is transparent, timely, consistent across time, and auditable.

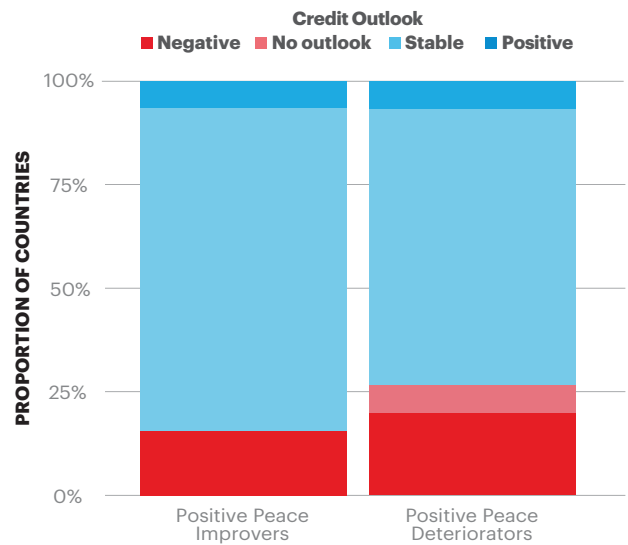
Domestic Activity

Household consumption is particularly responsive to improvements in Positive Peace. Among countries that recorded PPI improvements, the average annual growth in household consumption from 2009 to 2018 was 5.7 per cent, as shown in

FIGURE 2.11

Credit ratings and Positive Peace, 2009–2018

Credit ratings for countries improving in Positive Peace are more likely to change positively or remain stable than for countries in which the PPI deteriorates.



Source: Standard & Poor’s, Fitch, Moody’s, IEP

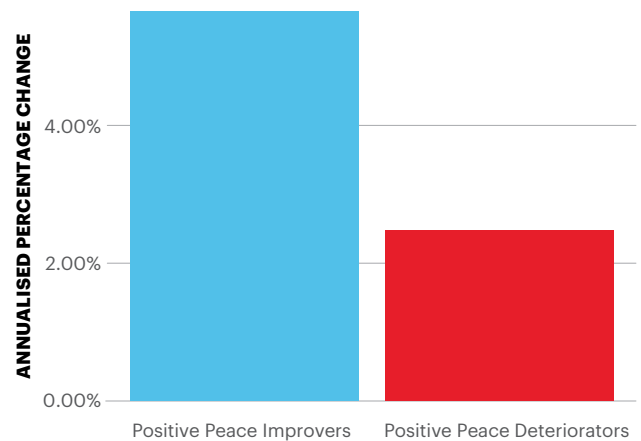
Figure 2.12, around twice the rate for countries in which Positive Peace deteriorated. This result confirms previous IEP findings that consumption is a key component of how socio-economic systems respond to improvements in peacefulness.⁹

The business sector is responsible for almost all of the production of goods and services in most economies. A gauge of activity in this sector is gross value added (GVA), which measures the value of all goods and services produced minus the

FIGURE 2.12

Changes in household consumption by Positive Peace, 2009–2018

Among countries where Positive Peace improved, household consumption rose from 2009 to 2018 at a rate much higher than in countries where the PPI deteriorated.



Source: World Bank, IEP

variable cost of producing them. Thus, firms' profits equal GVA minus fixed costs.

Previous research has already established that GVA grows with Positive Peace and that this relationship varies in strength according to different types of business activity.¹⁰ The business sector can be broadly encapsulated into four subsectors: agriculture (including the extraction of natural resources), construction, manufacturing, and services.

Construction is the subsector most responsive to changes in the PPI, with the GVA of PPI improvers recording annual growth of seven per cent over the decade, as shown in Figure 2.13. This contrasts with less than one per cent growth per year for countries where Positive Peace contracted. Many countries that have experienced improvements in their socio-economic systems in the past decade have experienced construction booms. For instance, Lao recorded strong growth in construction on the back of new electricity production projects in the Mekong tributaries and from renewed investment in real estate.¹¹ Panama's construction activity has been buoyed by a government capital investment program that helped build a public metro system in Panama City.¹² Azerbaijan experienced a construction boom that saw rapid urban expansion in and around the capital Baku.¹³ All these countries recorded substantial improvements in the PPI Score over the past ten years.

The manufacturing GVA of PPI improvers grew at an annual rate of six per cent in contrast to the negligible growth for countries with PPI deteriorations. The service subsector has also experienced strong growth on the back of Positive Peace improvements. Some of this growth has been domestically oriented, as in Bhutan's fast growing health, education and asset ownership services.¹⁴ But there has also been a growing presence in global service markets, as per Ethiopia's fast development in international air travel and telecommunications.¹⁵

Trade and Openness

When a country advances the *attitudes, institutions and structures* that underpin social development, it also fosters economic vigour and resilience. In turn, this creates opportunities that attract investors from global capital markets. Foreign direct investment (FDI) is a flow of capital from external investors to acquire direct stakes in domestic companies, assets or projects. It contrasts with financial market investment, or 'portfolio' investment, which gives exposure to a country indirectly through financial market instruments such as shares, bonds or derivatives.

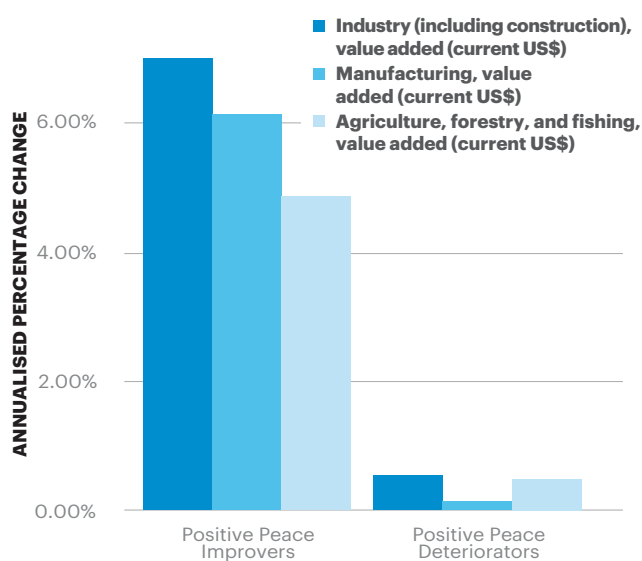
Nations that consistently develop in Positive Peace are more attractive to FDI investors because of: 1) greater economic returns; 2) improved governmental transparency and efficiency; 3) enhanced rule of law, protection of private property and enforcement of contracts; and 4) cheaper and less burdensome dispute, compensation and remediation procedures. From 2009 to 2018, FDI for PPI improvers rose at an annual rate of 7.5 per cent, contrasting with a decline for nations in which Positive Peace retreated, as shown in Figure 2.14.

There is evidence that cross border trade is also buoyed by improvements in Positive Peace. Countries in which the PPI

improved over the past decade recorded average trade growth rates around six per cent per year, versus less than four per cent for non-improvers. Improvements in the PPI have been shown to accompany rises in domestic demand, which buttresses imports. Similarly, improvements in Positive Peace - especially when linked to the soundness of the business sector and quality of policymaking - render local firms more efficient and competitive in export markets.

FIGURE 2.13
Changes in business value added by Positive Peace outcome, 2009–2018

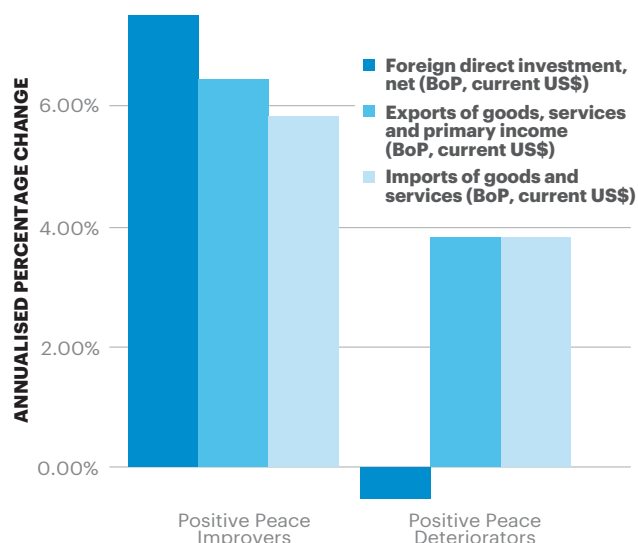
Construction is the sector most responsive to improvements in Positive Peace, with improvers' GVA growing at seven per cent per year.



Source: World Bank, IEP

FIGURE 2.14
Changes in FDI and trade by Positive Peace outcome, 2009–2018

FDI flows towards PPI improvers grew strongly over the decade, while countries where Positive Peace declined became less attractive in global capital markets.



Source: World Bank, IEP

Governance

There is a conceptual link between the quality of governance exercised by authorities and the level of peacefulness enjoyed by a society. Empirically, the nexus between the PPI and governance measures, as proxied by the World Bank's Country Policy and Institutional Assessment (CPIA), is particularly strong.

Nations that improve in the PPI also advance their CPIA ratings, especially in the areas of education, equity, quality of

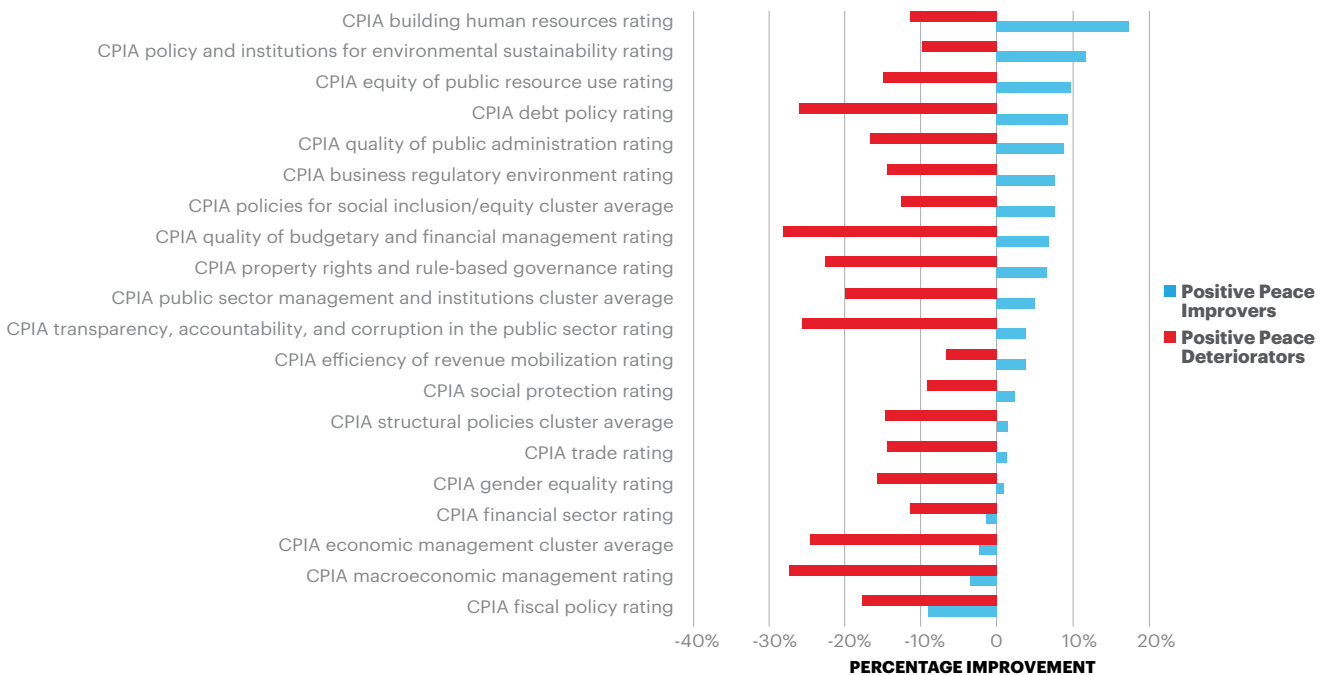
administration and business regulation, as shown in Figure 2.15. This is in stark contrast to countries where Positive Peace deteriorated over the past decade, which were downgraded in all CPIA criteria.

There are some CPIA indicators that on average have deteriorated, including fiscal policy and macro management ratings. However, countries that improved in Positive Peace on average had smaller deteriorations than countries that deteriorated in Positive Peace.

FIGURE 2.15

Governance ratings by Positive Peace outcome, 2009–2018

Countries that improve in Positive Peace tend to fare better in the CPIA assessment by the World Bank.



Source: World Bank, IEP

6x

Growth in business activity in countries where Positive Peace improved is six times higher than in countries where the PPI deteriorated.

POSITIVE PEACE & SOCIAL RESILIENCE

Positive Peace provides a framework for assessing a country's level of resilience. It can be used as a proxy for a country's ability to plan, absorb and respond to shocks. A key reason for this is the mutually reinforcing nature of the societal structures underpinning the Positive Peace Pillars. For instance, when a country has strong formal institutions, such as a well-functioning legal system, in combination with strong informal institutions, such as cohesive communities, it will tend to respond or adapt to specific shocks more effectively.

This section explains the key concepts associated with resilience and adaptability by exploring the interaction between changes in the Global Peace Index (GPI) score and Positive Peace. High Positive Peace countries are more stable than other countries in a number of different ways.

Figure 2.16 shows the change in internal peace from 2009 to 2018 for three equal groups of countries based on PPI scores. This shows that countries with high levels of Positive Peace are by far the most stable, with only 11 per cent experiencing a deterioration of greater than 0.1 in the GPI Internal Peace score compared to 28 per cent for the group with low levels of peace.

Stability in response to shocks

The term 'shock' is used to describe a sudden change in some aspect of a system. In terms of a nation, shocks are sudden onset events that have the potential to "cause significant fatalities, injuries, property damage, infrastructure damage, agricultural loss, damage to the environment, interruption of business, or other types of harm or loss."¹⁶ Examples may be tsunamis, hurricanes, drought, earthquakes, civil war, violent changes of political power or epidemics.

Shocks can be catastrophic events that directly cause loss of life and/or events that trigger the outbreak of violence. Some shocks can be positive events, such as peace negotiations, the introduction of a new technology or the discovery of a new mineral resource deposit. This study does not include the impact of positive shocks.

The nation as a system has a number of feedback loops that allow countries to respond in the aftermath of shocks. The strength of the feedback loops determines resilience. Shocks affect many aspects of an otherwise stable society and their flow-on effects can be long-term and unpredictable. Shocks can, therefore, create tense situations that can lead to violence.

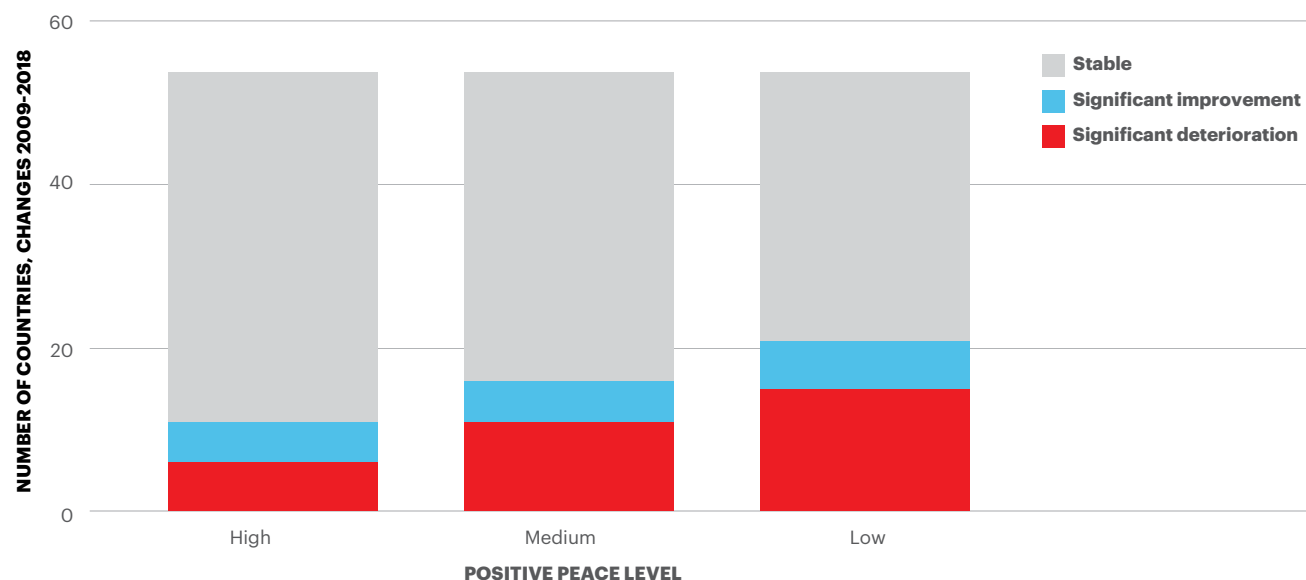
The 2010 earthquake in Port-au-Prince, Haiti is an example of a shock that triggered violence. During the earthquake, the National Penitentiary in Port-au-Prince was severely damaged, allowing over 5,000 prisoners to escape.¹⁷ At the same time, police officers were immediately engaged in disaster response, reducing their capacity to respond to crime and violence, and police resources were also damaged in the earthquake.¹⁸ Chaotic conditions facilitated the regrouping of formerly dispersed or imprisoned gang members, and combined with general post-disaster lawlessness, the city saw an escalation of turf wars and a rise in homicide, assault and rape.¹⁹ The intersection of a severe shock and existing vulnerabilities in the system, such as weak infrastructure and an under-resourced police force, led to a deterioration in peacefulness.

However, not all shocks trigger violence. Countries with high levels of Positive Peace have the *attitudes, institutions and structures* that allow for better adaptation and cooperation.

FIGURE 2.16

Positive Peace and changes in GPI, 2009–2018

High Positive Peace enables countries to maintain high levels of peacefulness.



Source: IEP

These can be understood as drivers of nonviolent change. The social characteristics that make up Positive Peace give people access to methods of resolving conflicts and addressing change without falling into violence.

Shocks are commonly categorised as being either exogenous or endogenous. Exogenous shocks originate from outside the national system while endogenous shocks result from internal mechanisms.

Endogenous Shocks

Endogenous shocks are sudden onset events that arise from conditions inside society. Particular conditions may change rapidly or build over time and result in unexpected events that have the potential to spark violence. Civil unrest is an example, when nations quickly turn violent because of a sudden, destabilising event. Economic shocks are similar. Economic conditions can be misaligned for a long time before resulting in a sudden crash or crisis that has the potential to spark riots or other types of violence.

Although these shocks originate from within the system, endogenous shocks are still difficult to predict, but the data shows that more internal shocks take place in low Positive Peace countries, and the types of shocks differ depending on the levels of Positive Peace. Therefore, it is possible to reduce the impact of shocks by proactively building resilience through Positive Peace. Additionally, countries with high levels of Positive Peace are less likely to deteriorate in their GPI score post-shock.

BOX 2.2

Endogenous Shocks Data

IEP has sourced the following data for creating a database of endogenous shocks:

- **Infrastructure accidents** are from EM-DAT and include transport, industrial and technological disasters.
- **Economic shocks and crises** are from Reinhart and Rogoff (2010) and include incidence of crises in banking, currency, inflation crises, sovereign debt, and stock markets.
- **Political shocks** are from Polity IV and include regime changes, coups d'état and revolutions.
- **Violent conflict** is from the UCDP battle deaths dataset.
- **Civil Resistance Campaigns** are from the Nonviolent and Violent Campaigns and Outcomes (NAVCO) Data Project from the University of Denver.

Civil resistance campaigns

Episodes of social unrest are more frequent than other types of political shocks and their characteristics vary distinctly according to the level of Positive Peace in the country where they occur. One way in which Positive Peace helps to build resilience is by creating an environment conducive to nonviolent alternatives for conflict resolution. This sub-section explores the link between Positive Peace and whether civil resistance movements are violent or nonviolent in attempting to address their grievances.

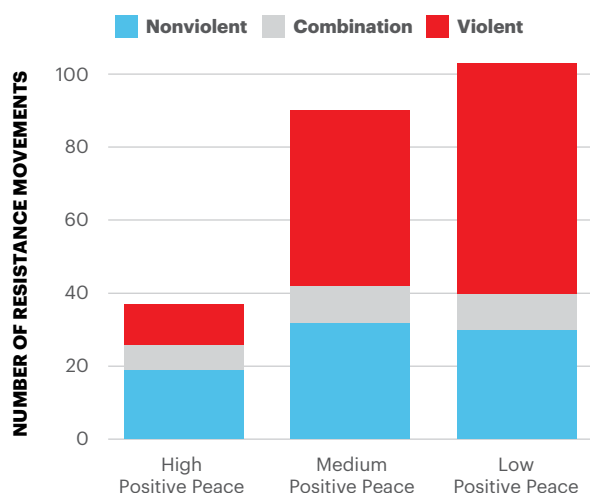
Countries with higher Positive Peace have historically had fewer civil resistance movements, whether violent or nonviolent (Figure 2.17).

IEP used the Nonviolent and Violent Campaigns and Outcomes (NAVCO) Data Project for the analysis, a multi-level data collection effort that catalogues major violent and nonviolent resistance campaigns around the world between 1947 and 2006. NAVCO was compared to Positive Peace to determine the breakdown of conflicts by their Positive Peace profile. The database only includes movements of more than 1,000 participants. It should be noted that the majority of these resistance movements have been violent.²⁰

Positive Peace translates into more opportunities for nonviolent conflict resolution.

FIGURE 2.17
Prevalence and nature of resistance campaigns

Most violent resistance campaigns have occurred in countries with weaker Positive Peace.



Source: University of Denver, IEP

TABLE 2.2

Characteristics of resistance campaigns by levels of Positive Peace

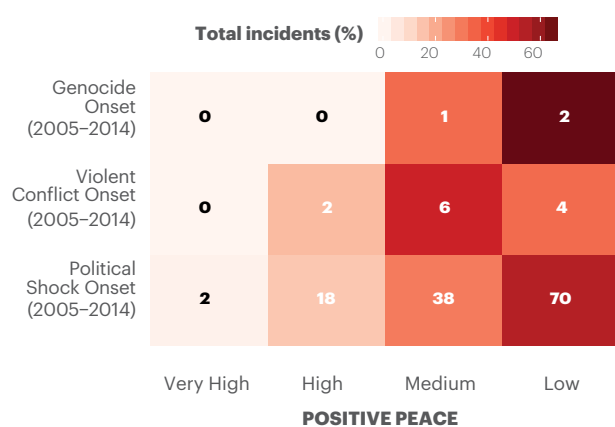
Violent civil resistance movements only occur in extreme circumstances in countries with stronger Positive Peace.

	Weaker Positive Peace	Stronger Positive Peace
GOAL OF THE CAMPAIGN	Goals are typically major structural or regime change.	Goals are typically aimed at policy or in some circumstances territorial independence.
SIZE	Weaker Positive Peace countries tend to have larger violent campaigns, but smaller nonviolent campaigns.	Stronger Positive Peace countries tend to have smaller violent but larger nonviolent campaigns.
PROPENSITY FOR VIOLENCE	Campaigns tend to use violence more often.	Campaigns have more of a tendency to use nonviolence.
PROGRESS	On average, violent and nonviolent campaigns can achieve some gains but fall short of major concessions without regime change.	Violent campaigns are less successful. Nonviolent campaigns tend to achieve more concessions.
STATE RESPONSE	Repression occurs. In nonviolent cases, state repression aims to demobilise the movement.	Repression of nonviolent campaigns tends to be condemned.
INTERNATIONAL RESPONSE	State repression of nonviolent campaigns is more likely to result in international condemnation and sanctions.	There is generally stronger overt international support for the state. Diasporas living overseas tend to be more supportive of the campaign.

FIGURE 2.18

Distribution of Endogenous Shocks, 2009–2018

Lower Positive Peace countries experience more shocks.



Source: INSCR, UCDP, IEP

Violent Shocks

Violent shocks such as regime changes, coups d'état and revolutions are prevalent in countries with lower Positive Peace, with 84 per cent occurring in medium to low Positive Peace countries. Genocide, being a *jus cogens* principle of international law, is the largest endogenous systemic breakdown. The data used in this analysis registers genocide events in three countries between 2005 and 2016. Offensives by the state during the Sri Lankan civil war in 2008 have been classified as genocide against the Tamils. In the Central African Republic, following the forcible displacement of the President Bozizé regime on 24 March 2013, the government engaged in predatory actions against the population.²¹ The Sunni extremists organised under the banner of the Islamic State in Iraq since 2014 have targeted Yazidis and Christians in their controlled territories.

It is estimated that these operations have killed around 5,000 people.²² Figure 2.18 shows the distribution of violent shocks by levels of Positive Peace.

Economic shocks are most prevalent in very high Positive Peace countries. Although this may seem counter-intuitive, the risk of financial shocks increases as financial institutions proliferate and become more integral to a country's economy. High Positive Peace countries tend to have more sophisticated economies.

Exogenous Shocks

Natural disasters are the most prevalent type of exogenous shock. Between 2005 and 2015, there were over 2,400 natural disasters in 196 countries affecting more than 1.8 billion people.²³ They occur all over the world, and their frequency and intensity are outside the control of policymakers. However, they do have control over their preparedness and responses. Importantly, as the effects of ecological degradation and climate change accelerate, so too may the frequency and impact of natural disasters.

Figure 2.19 shows that natural disasters kill 13 times more people in low Positive Peace countries despite the frequency of events being approximately equal. Societies' *attitudes, institutions and structures*, such as social cohesion, economic conditions and the quality of infrastructure will impact the outcome of these disasters, especially in terms of lives lost.²⁴

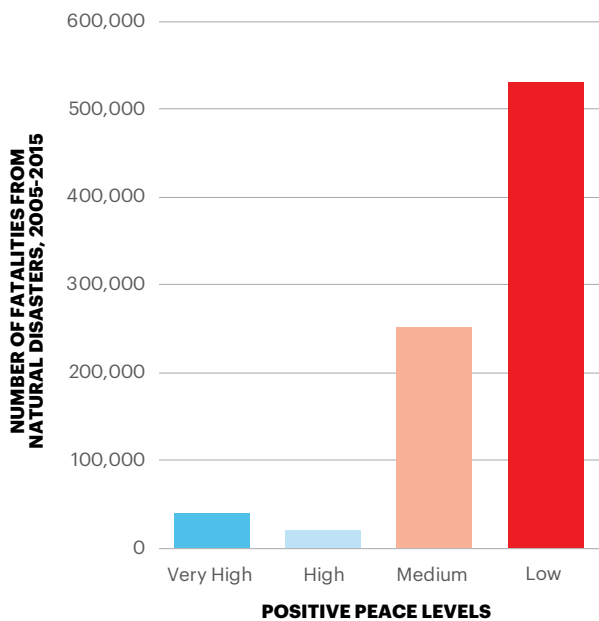
To explore the link between Positive Peace and the varying impacts of natural disasters, it is necessary to account for the distributions of frequency, severity and population density across different levels of Positive Peace. While there will undoubtedly be other factors that determine the impact of a natural disaster in a country, for brevity this report will look at these three major areas.

Figure 2.19 shows that countries at lower levels of Positive Peace experience far more fatalities because of natural disasters, despite a similar number of events. Countries with weak Positive Peace have a fatality ratio of 13:1 compared to high

FIGURE 2.19

Total number of deaths from natural disasters, 2009–2018

Natural disasters are only slightly more frequent in low Positive Peace countries, yet they have 13 times more fatalities when compared to high Positive Peace environments.

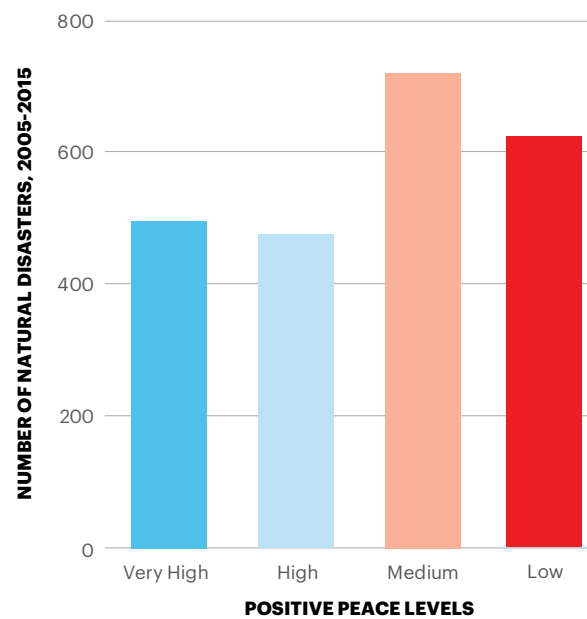


Source: EMDAT, IEP

FIGURE 2.20

Frequency of natural disasters, 2009–2018

Natural disasters occur almost as often in low Positive Peace countries as in high Positive Peace ones.



Source: EMDAT, IEP

BOX 2.3

Emergency Events Database

IEP used data from the Emergency Events Database (EM-DAT) to explore the relationship between resilience and Positive Peace. EM-DAT captures basic data on the occurrence and effects of natural and technological disasters for the years 1900 to 2015. Events are included in the database if they meet one of the following criteria:

- 10 or more people reported killed
- 100 or more people reported affected
- declaration of a state of emergency
- call for international assistance.

Information on events is collated from a variety of sources, with preference given to data from UN agencies and country governments.²⁵

Positive Peace environments, while the frequency of natural disasters is much closer at 6:5. Figure 2.20 shows the frequency of natural disasters by level of Positive Peace, showing that these types of shocks occur roughly as often across the different groups of countries.

Resilience Systems Map

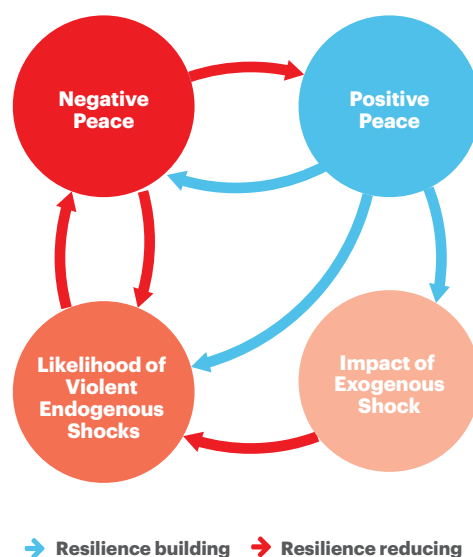
These observations highlight two important aspects of resilience. The first is that building resilience does not have to be direct. Using systems thinking, it is easy to see how

improvements in one area can strengthen resilience in another. Secondly, by building Positive Peace a country can shift the types of shocks it is vulnerable to from violent ones, such as revolutions and regime changes, to non-violent ones, such as non-violent action groups. These dynamics are shown in Figure 2.21. By reducing the risk of internal threats, a country will be able to maintain stability more easily.

FIGURE 2.21

Resilience building in a Positive Peace system

Positive Peace can be used not only to build resilience but also to help transform society's response to a shock from violent to nonviolent.



3

Positive Peace & Changes in GPI Scores

Key Findings

- › Different combinations of Positive Peace and negative peace show different levels of stability within countries. IEP's research shines a new light on risks and opportunities for the evolution of peace and development.
- › Countries that have a higher rank in negative peace than in Positive Peace, are said to have a Positive Peace deficit. This is where a country's actual peace is higher than what its Positive Peace indicates it should be. Seventy-five per cent of countries identified as high risk in IEP's Positive Peace deficit model had significant deteriorations in peace between 2009 and 2018. On average, these countries had a deterioration in peace, as measured by the GPI, of 11 per cent.
- › Countries identified by IEP as having strong levels of Positive Peace in 2009 on average improved on the GPI by two per cent over the past decade.
- › Countries need to improve in all eight Pillars of Positive Peace to guarantee improvements in the GPI. Between 2009 and 2018, Georgia, Lithuania and Serbia recorded significant improvements in peace and showed improvements in the highest number of Positive Peace indicators.
- › The most important Pillars for countries suffering from high levels of violence are *Well-Functioning Government*, *Low Levels of Corruption*, *Acceptance of the Rights of Others* and *Good Relations with Neighbours*.
- › *Free Flow of Information* and *Sound Business Environment* Pillars become more important as countries move away from very low levels of peace. These countries are also associated with lower access to small arms, better economic environments and higher levels of Positive Peace.
- › *Low Levels of Corruption* is the only Pillar that is strongly statistically significant across all levels of peacefulness.
- › Uneven improvements in the Pillars of Positive Peace can lead to increased violence, highlighting the importance of a holistic approach to building Positive Peace.
- › Countries that deteriorate on the GPI tend to have higher levels of access to small arms, higher numbers of police, and higher group grievances than countries of similar levels of peace.

This section of the report analyses the Positive Peace factors associated with transitions in peace. The research highlights the most important factors, which vary depending on the prevailing state of peace and the country's level of development. Systems thinking has been applied to better understand the dynamics of the way a country operates and how that affects their GPI scores.

A central question behind understanding national systems is what makes nations transition from one level of development

and peace to another. To answer this, IEP has looked at both the GPI and PPI to identify different characteristics of national systems, and how they operate at different levels of peacefulness.

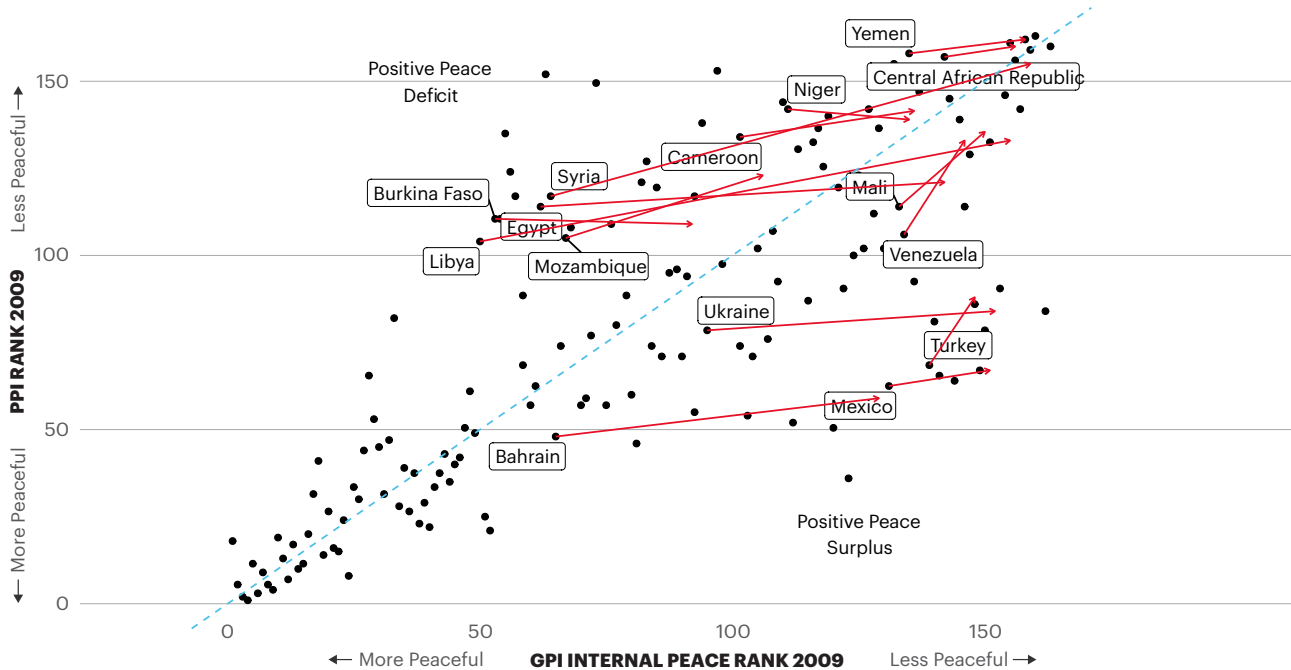
The analysis in this section focusses explicitly on peacefulness. However, the same dynamic applies to social and economic development. Indeed, countries that develop in the PPI and the GPI tend to progress also in economic prosperity, wellbeing and development.

HISTORICAL CHANGES IN PEACE

FIGURE 3.1

Largest deteriorations in the Global Peace Index, 2009–2018

A country is more likely to deteriorate in peace if it has a higher GPI rank in relation to Positive Peace.



Source: IEP

Comparing changes in IEP's PPI with the GPI over time highlights that improvements in Positive Peace precede falls on the GPI.

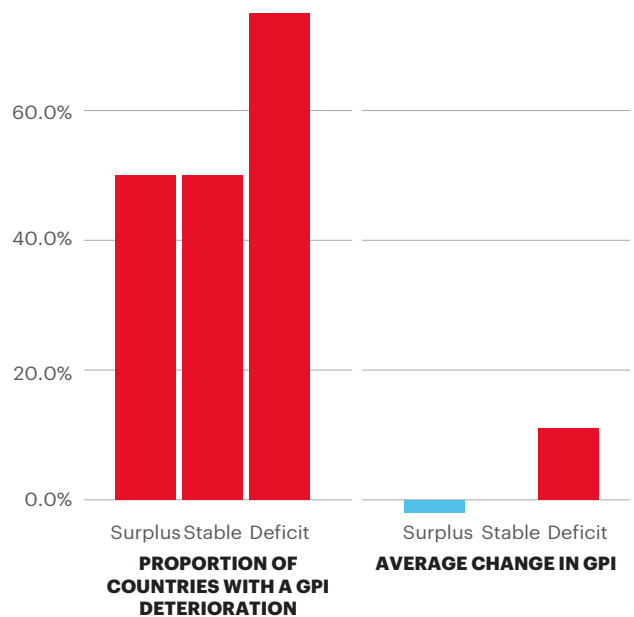
Figure 3.1 compares the ranks of the PPI and the GPI in 2009. When countries rank higher in the GPI than in the PPI they have what is termed a Positive Peace deficit. This indicates that the country's peacefulness is higher than its underlying social structures would indicate it should be. It also means that they are comparatively more vulnerable to internal or external shocks and run a higher risk of increased levels of violence. Conversely, when a country ranks higher in the PPI than in the GPI it is said to have a Positive Peace surplus. This indicates a high level of institutional capacity to support lower levels of violence than the country currently experiences. Figure 3.1 shows that most countries with large deteriorations in the GPI from 2009 to 2018 had Positive Peace deficits.

Figure 3.2 shows three categories of countries: (1) Positive Peace deficit countries rank at least twenty places higher on the GPI than the PPI; (2) Positive Peace surplus countries rank at least twenty places lower on the GPI than the PPI; and (3) stable countries have a rank difference between the GPI and PPI of less than 20 places. Figure 3.2 shows that 75 per cent of countries with a Positive Peace deficit in 2009 experienced a deterioration in peace over the past decade and had an average GPI deterioration of 11 per cent. Positive Peace surplus countries improved on average in the GPI. However, half of these countries did fall in the GPI, but the deteriorations were much smaller than the improvements.

FIGURE 3.2

Changes in GPI by the Positive Peace deficit model, 2009–2018

Three quarters of countries with a Positive Peace deficit in 2009 deteriorated in the GPI between 2009 and 2018. On average, countries with a Positive Peace deficit deteriorated by 11 per cent in peacefulness. Positive Peace surplus countries on average improved in their GPI score over the period.



Source: IEP

Table 3.1 shows that eleven of the twelve countries with the largest Positive Peace deficit in 2009 experienced a deterioration greater than five per cent in the GPI in the past decade.

Table 3.2 shows that Equatorial Guinea, Sierra Leone and Laos are the countries with the largest Positive Peace deficits in 2018.

TABLE 3.1

Recorded changes in GPI and by Positive Peace deficit model, 2009-2018

Two thirds of the countries with the largest Positive Peace deficits in 2009 experienced a deterioration greater than five per cent in the GPI between 2009 and 2018. Less than one in ten experienced an improvement greater than five per cent in the GPI.

COUNTRY	PPI RANK 2009	GPI INTERNAL PEACE RANK 2009	POSITIVE PEACE DEFICIT 2009	CHANGE IN GPI 2009-2018
Equatorial Guinea	152	63	89	7%
Sierra Leone	135	55	80	-4%
Angola	149	73	76	7%
Timor-Leste	124	56	68	6%
Zambia	116	57	59	6%
Burkina Faso	110	53	57	16%
Eritrea	153	97	56	5%
Tanzania	110	54	56	7%
Libya	104	50	54	92%
Syria	116	64	52	85%
Egypt	113	62	51	44%
Vietnam	82	33	49	6%
Laos	122	74	48	-5%
Liberia	127	83	44	0%
Togo	138	94	44	3%
Nepal	128	87	41	1%
Malawi	108	68	40	-1%
Djibouti	121	82	39	10%
Mozambique	105	67	38	15%
Bhutan	65	28	37	-11%
Azerbaijan	119	85	34	3%
Myanmar (Burma)	148	114	34	9%
Tajikistan	144	110	34	4%
Cameroon	134	101	33	19%
Gambia	109	76	33	4%
Bangladesh	130	100	30	-1%
Indonesia	99	69	30	-3%
Niger	141	111	30	14%
Nicaragua	88	58	30	13%
Madagascar	125	99	26	-10%
Kuwait	53	29	24	13%
Swaziland	116	92	24	2%
Guinea	155	132	23	-14%
Qatar	41	18	23	16%
Yemen	158	135	23	36%
Congo - Brazzaville	140	119	21	5%

Source: IEP

TABLE 3.2

Countries with the largest Positive Peace deficit in 2018

Equatorial Guinea, Sierra Leone and Laos have the largest Positive Peace deficits in 2018.

COUNTRY	PPI RANK 2018	GPI INTERNAL PEACE RANK 2018	POSITIVE PEACE DEFICIT 2018
Equatorial Guinea	153	71	82
Sierra Leone	127	45	82
Laos	124	52	72
Madagascar	125	62	63
Angola	145	83	62
Liberia	128	72	56
Malawi	112	56	56
Guinea	150	95	55
Timor-Leste	117	64	53
Eritrea	157	109	48
Zambia	113	65	48
Bhutan	60	20	40
Vietnam	81	41	40
Nepal	120	85	35
Haiti	146	112	34
Kosovo	138	105	33
Tanzania	99	66	33
Bangladesh	129	99	30
Ghana	74	44	30
Guinea-Bissau	152	122	30
Indonesia	83	54	29
Senegal	89	60	29
Benin	103	77	26
Gambia	108	82	26
Cambodia	117	91	26
Zimbabwe	150	124	26
Togo	125	100	25
Papua New Guinea	132	108	24
Bolivia	102	79	23
Mongolia	74	51	23
Croatia	42	21	21

Source: IEP

Positive and Negative Peace Systems Dynamics Model

IEP's findings indicate that future levels of peace in any country depend on the levels of Positive Peace today. However, certain combinations of Positive Peace and negative peace appear to be more stable than others, while some specific configurations have historically been unstable. Countries that rank near the boundaries between stability and instability are susceptible to tipping points where small disturbances can lead to radically different peace trajectories.

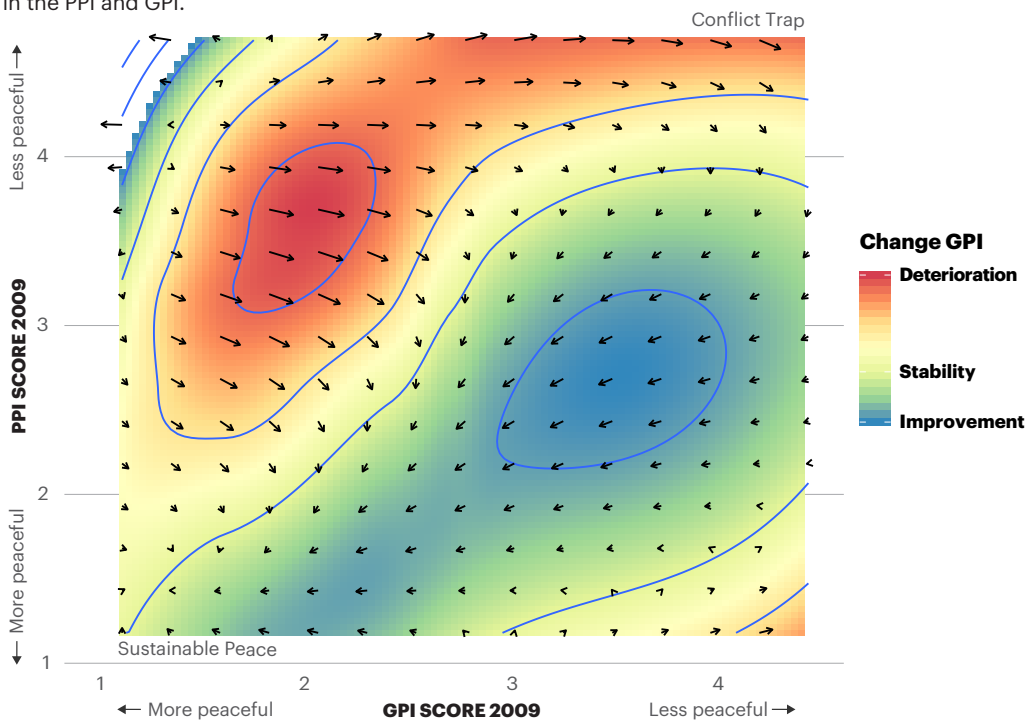
The eight Pillars of Positive Peace represent a system of factors that interact to create and sustain peaceful societies. However,

the efficacy of these Pillars depends on the context of violence in which they operate. For example, Europe – currently the most peaceful region in the world – has highly evolved and effective Positive Peace mechanisms to address grievances. However, this is the result of centuries of intense conflict, in which the nature of violence continuously shifted. Violence and Positive Peace co-evolve and as such operate as a system.

By tracking changes in the GPI and the PPI for all countries over the past decade, it is possible to build a dynamical systems model of peace transitions. Figure 3.3 shows the outputs of this model.

FIGURE 3.3
IEP systems dynamics of GPI and PPI trajectories

Based on empirical evidence, Positive and negative peace change more rapidly depending on levels in the PPI and GPI.



Source: IEP

The diagram has areas of red and blue. The arrows highlight the likely shifts over time based on the historical performance of the last decade. Red areas represent combinations of Positive and negative peace that have been historically unstable leading to large future deteriorations in the GPI score. In 2009 Syria, Libya and Egypt were all in this region and have since had large deteriorations in the GPI. Countries in the region colored blue on a given year have tended to have subsequent improvements in the GPI. Areas of yellow have shown relatively little movement over the period. The large yellow area in the bottom-left of the figure represents states where the combinations of Positive Peace and negative peace tend to be more stable. This could be seen as a region of sustainable peace region, characterised by institutional stability and social wellbeing.¹

Commonly known as a phase plane, this graphical representation illustrates potential transitions between states of the system. There are areas of stability where the system operates with little change over the period. These are represented by the yellow areas with very short arrows and can be thought of as attractor basins. As a country nears these regions they tend towards periods of stability. Areas of rapid change – represented by arrows with long stems – are referred to as transition regions. Points on the boundary between attractor and transition basins are highly sensitive, small fluctuations can lead widely different development paths.

In the phase plane above, the regions labelled 'sustainable peace' and 'conflict trap' act as attractor basins for countries. Countries can fall into the conflict trap region rapidly. However, the historical data suggests that through strengthening Positive Peace, countries over time tend towards the sustainable peace

region. In the decade of data analysed, no country in the sustainable peace region has seen a significant deterioration. There are also large areas, coloured yellow, where change is gradual. These are large areas reflecting that change of countries in these regions have been small in the last decade. If the analysis were repeated for multiple decades or even centuries, the areas of stability would likely concentrate around the sustainable peace and conflict trap regions.

By using historical data to build this phase-plane model, IEP's approach is empirically derived, and does not need to make assumptions about how individual components of the system behave.

Standard dynamical systems modelling relies on assumptions on how individual components of the system behave. This approach to modelling is very useful in the study of engineering or biological systems, where researchers can isolate individual components and understand how they behave. Unfortunately, this approach is impossible in the study of social systems because individual components cannot be analysed in isolation without arbitrary assumptions on how different components interact with each other.

Tipping Points in the Positive and Negative Peace Systems Dynamics Model

IEP's dynamical model highlights the non-linear behavior of complex systems. Small differences in the initial conditions of two countries can have large impacts on a country's future pathway towards peace.

Figure 3.4 indicates that countries in the Positive Peace deficit region can work towards sustainable peace by improving Positive Peace. However, they are also at risk of deteriorating into a conflict trap. Countries that improve in Positive Peace at

different rates in this region may have large divergences from each other. This is highlighted in Figure 3.4, which shows with the divergence in the actual historical paths of Egypt and Syria. While both countries were very close in both PPI and GPI scores in 2009, their trajectories since have been very different. In this case, Syria could be thought of in 2008 as on the verge of a tipping point towards a conflict trap. In 2009, Egypt scored much stronger than Syria in *Well-Functioning Government, Low Levels of Corruption* and *Sound Business Environment*.

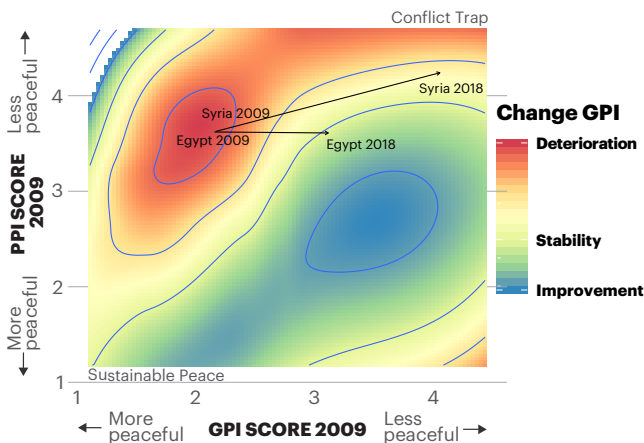
Tipping points can also be beneficial to a country. Figure 3.5 shows how countries can overtake peers in developing in peacefulness and wellbeing. In 2009, Venezuela was more peaceful than Colombia. However, Colombia had stronger Positive Peace. The larger reserves of Positive Peace placed Colombia closer to the region in which improvements in the GPI are generally produced. In 2018, Venezuela had deteriorated in the GPI, while Colombia had improved. In the Global Peace Index Report 2019, Colombia had overtaken Venezuela in the GPI with ranks of 143 and 144 respectively. In 2009 Colombia scored stronger than Venezuela in *Well-Functioning Government, Low Levels of Corruption, Good Relations with Neighbours, Free flow of Information* and *Sound Business Environment*.

This finding also highlights the significance of shocks to a country. Shocks can push a country from its current trajectory into another region of the phase plane. If any country experienced a shock that pushed it closer to the Positive Peace deficit region, it could alter the path from one that was directed to sustainable peace, to one that tends toward a conflict trap.

FIGURE 3.4

Tipping points in the Positive Peace deficit region

Tipping points in the Positive Peace and negative peace system can result in countries that are relatively close to each other on the PPI and GPI experiencing widely diverging trajectories.

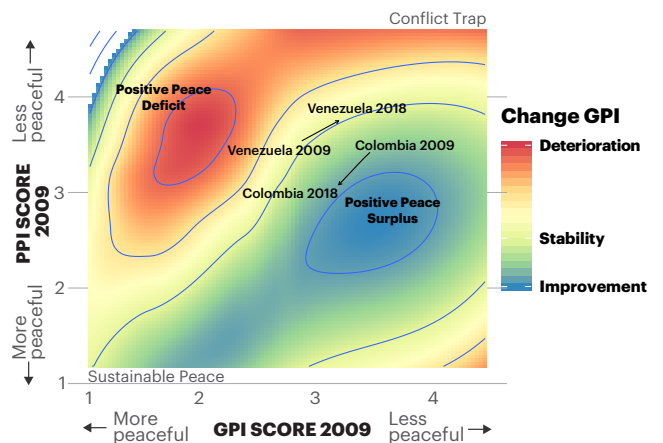


Source: IEP

FIGURE 3.5

Tipping points in the Positive Peace surplus region

Despite starting at a lower level of peacefulness, in 2019 Colombia has overtaken Venezuela in the GPI.



Source: IEP

Systemic Changes in the Pillars of Peace and the GPI

Systemic changes in the PPI lead to improvements in peacefulness. This finding is demonstrated by comparing the 20 countries that improved in the GPI over the last decade to the 20 countries that deteriorated. Figure 3.6 shows the number of countries in each group to improve in each Pillar of Positive Peace. Importantly, countries that improved in peace consistently improved in the Pillars of Positive Peace. *Well-Functioning Government* and *Low Levels of Corruption* are the Pillars that most explain the difference between the twenty countries that improved in the GPI compared with the 20 countries that deteriorated. Of the 20 countries that improved in the GPI, 13 improved in *Well-Functioning Government*, and 12 in *Low Levels of Corruption*. By comparison, only four of the 20 countries with the largest deteriorations in the GPI improved in these Pillars.

Countries that improved in more than 15 PPI indicators all recorded an improvement in peacefulness over the past decade.

Positive Peace acts as a whole to form a mutually reinforcing system, it is not expected that major changes in any one indicator will necessarily lead to major changes in the GPI. However, it is expected that sustained improvements in all indicators of Positive Peace will eventually lead to reductions in

violence and fear of violence. Figure 3.7 confirms this expectation. Since 2009, only Georgia, Serbia and Lithuania improved in more than 15 PPI indicators, each recording an improvement in the GPI greater than seven per cent.

Positive Peace at different Levels of the GPI

The research finds that building peace in fragile and less peaceful contexts requires a specific emphasis on:

- *Low Levels of Corruption*
- *Well-Functioning Government*
- *Good Relations with Neighbours*
- *Acceptance of the Rights of Others*.

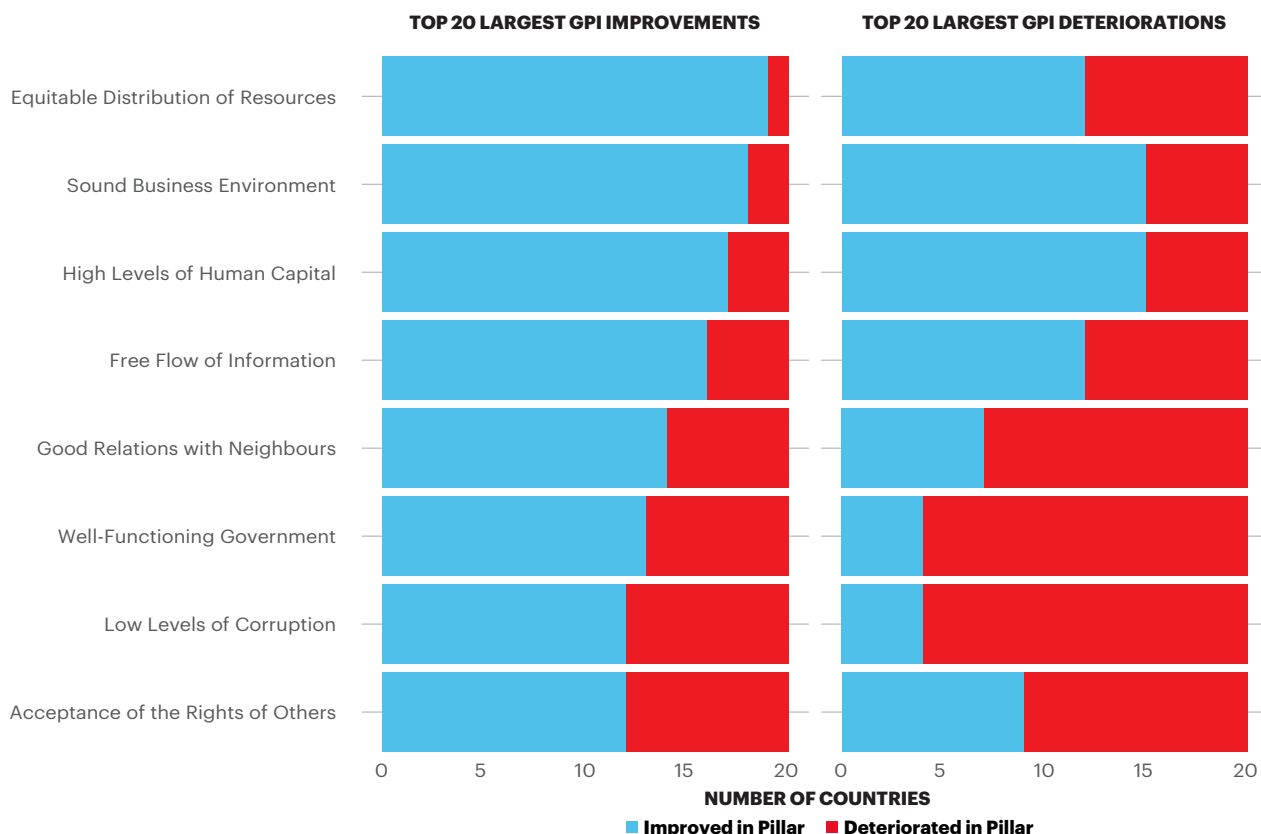
Building strength in other areas of Positive Peace is still important as all Pillars work as a system.

Figure 3.8 highlights the correlations for each of the eight Pillars of Positive Peace at each level of peace, with a correlation coefficient of greater than $r=0.45$ being considered strongly significant, and above $r=0.3$ being considered moderately significant. The transition to high Positive Peace is gradual; as countries improve in peace, the correlations become stronger, highlighting the need to focus on all Pillars.

FIGURE 3.6

Contrasting countries that improve and deteriorate in the GPI: improvements in the Pillars of Peace, 2009–2018

Of the 20 countries that improved in the GPI, 13 improved in *Well-Functioning Government*, and also 12 in *Low Levels of Corruption*. By comparison, only four of the 20 countries with the largest deteriorations in the GPI improved in these Pillars.

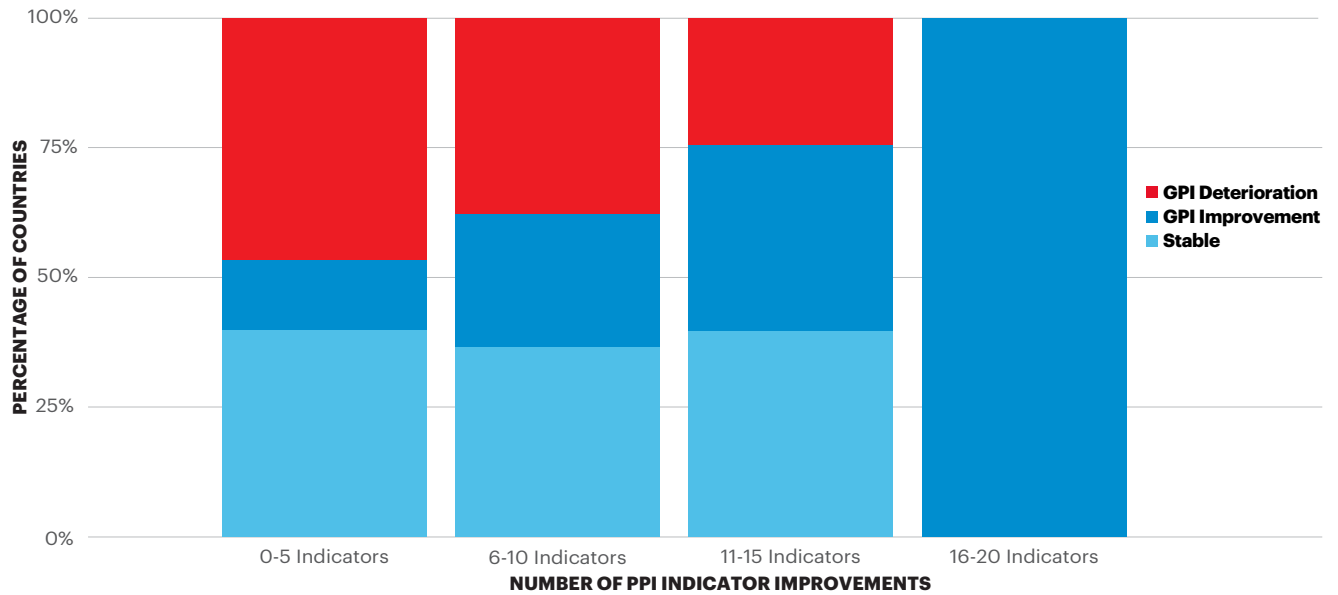


Source: IEP

FIGURE 3.7

Systemic changes in Positive Peace lead to improvements in the GPI, 2009–2018

The proportions of recorded improvements in peacefulness increase with the number of PPI indicators that also improve. Countries that improved in greater than 15 PPI indicators all recorded an improvement in peacefulness over the past decade.



Source: IEP

FIGURE 3.8

Correlation coefficients between Positive Peace and internal GPI score in High, Mid, and Low Peace Countries

Low Levels of Corruption is the only Pillar that is strongly significant across all three levels of peacefulness.



Source: IEP

By contrast, *Equitable Distribution of Resources* and *High Levels of Human Capital* are not as strongly associated with peace as in low peace countries, as indicated by the low correlation coefficients in Figure 3.8.

Some of the world's least peaceful countries struggle with issues of resource equity or low human capital, but it is not a consistent feature of all countries facing low levels of peacefulness.

The core requirement of government in low peace environments is to provide security to its citizens, without which a country cannot be peaceful or develop. In order for governments to function well and be trusted, corruption needs to be controlled. Poor relations with neighbours can lead to other countries attempting to interfere through direct interventions or funding militias, while group grievances, or *Acceptance of the Rights of Others*, can create the identity basis for conflict.

However, this is not to say that improvements in the other Pillars are not important in improving peacefulness. As can be seen in Table 3.3, as countries become more peaceful, the strength of the correlation of each Pillar increases, highlighting the importance of building these Pillars. Due to the systemic nature of societies, successes are likely to positively compound as countries progress, so building strength in the other four Pillars will also help to progress peace.

Mid-peace countries have a different profile. Correlations tend to be weaker for this group, but more Pillars are moderately correlated, suggesting that to make progress at moderate levels of peacefulness it is important to understand the strength of the individual Pillars before developing a strategy.

Low Levels of Corruption is the only Pillar to maintain a strong statistical correlation across all levels of peace.

Six Pillars become important for mid-peace countries, but at a lower level of significance. When compared to low peace

countries, *Free Flow of Information* and *Sound Business Environment* have a stronger relationship. This aligns with classic state-building theory that suggests that security is a prerequisite for the development of other institutions.² For example, in the absence of individual security or a judiciary system to enforce transactions and contracts, it is difficult for legitimate businesses to thrive. Further, without a functioning government, *Free Flow of Information* may be hindered and censored. In order for these Pillars to become mutually reinforcing within the national system, they first need a functioning state to reinforce them.

To better understand how different aspects of Positive Peace may be more important at different levels of peace the 163 countries were broken up into groups of ten and then correlated to determine at what stage of peace the various indicators had the most importance.

Table 3.3 shows the progression of the correlations between the PPI indicators and the internal peace scores of the GPI. It shows that the indicators that comprise Positive Peace correlate with peace more strongly in nations that have already achieved a minimum level of peacefulness, for example GPI rank at 110 or higher.

Equitable Distribution of Resources and *High Levels of Human Capital* only correlate with internal peace for nations that rank highly in the GPI. This suggests that a nation must have achieved a minimum level of internal security for equity and education to make meaningful contributions to further peacefulness. In contrast, *Acceptance of the Rights of Others*, *Well-Functioning Government*, *Low Levels of Corruption* and *Sound Business Environment* start making meaningful contributions at earlier stages of development. This suggests that depending on a nation's negative peace status, authorities would have different menus of policy options to foster social development.

Free Flow of Information and Sound Business Environment Pillars become more important as countries move away from very low levels of peace. These countries are also associated with lower access to small arms, better economic environments and higher levels of Positive Peace.

TABLE 3.3

Correlations with the internal GPI scores against all Positive Peace scores and indicators, 2018 ($r > 0.3$ Highlighted)

Indicators within *Acceptance of the Rights of Others*, *Low Levels of Corruption*, *Sound Business Environment*, *Good Relations with Neighbours* and *Well-Functioning Government* correlate for the most peaceful countries and the least peaceful countries, but not for the mid-range countries.

POSITIVE PEACE FACTORS	Ranks in the GPI internal score										
	1-60	11-70	21-80	31-90	41-100	51-110	61-120	71-130	81-140	91-150	101-163
1. Acceptance of the Rights of Others	0.71	0.70	0.57	0.55	0.41	0.34	0.20	0.23	0.37	0.21	0.46
Exclusion by Socio-Economic Group	0.60	0.63	0.51	0.47	0.36	0.30	0.17	0.20	0.28	0.03	0.26
Gender Inequality Index (GII)	0.68	0.65	0.55	0.38	0.18	0.25	0.05	0.07	0.17	-0.01	0.21
Group Grievance	0.41	0.29	0.10	0.35	0.32	0.13	0.14	0.18	0.28	0.40	0.53
2. Equitable Distribution of Resources	0.61	0.63	0.56	0.46	0.31	0.26	0.00	0.06	0.24	0.04	0.32
Equal distribution of resources index	0.59	0.60	0.47	0.49	0.40	0.22	0.00	0.18	0.24	0.28	0.43
Inequality-adjusted life expectancy index	0.59	0.57	0.51	0.35	0.22	0.31	0.06	-0.02	0.22	-0.07	0.18
Poverty headcount ratio at \$5.50 a day (2011 PPP) (% of population)	0.54	0.60	0.56	0.38	0.19	0.16	-0.04	-0.04	0.15	-0.12	0.18
3. Free Flow of Information	0.66	0.67	0.65	0.56	0.45	0.31	0.06	0.07	0.13	0.04	0.33
Freedom of the Press	0.55	0.56	0.53	0.44	0.44	0.22	0.10	-0.02	0.00	0.04	0.23
Government dissemination of false information domestically	0.39	0.41	0.35	0.38	0.27	0.24	0.12	0.19	0.03	0.14	0.28
Individuals using the Internet (% of pop)	0.62	0.61	0.57	0.39	0.20	0.15	-0.08	-0.01	0.21	-0.08	0.21
4. Good Relations with Neighbours	0.46	0.57	0.68	0.63	0.35	0.22	0.14	0.10	0.24	0.43	0.50
Hostility to foreigners/private property	0.23	0.37	0.51	0.52	0.33	0.17	0.04	0.03	0.21	0.55	0.49
International tourism, number of arrivals (per 100,000)	0.42	0.41	0.47	0.48	0.19	0.19	0.09	-0.02	0.10	0.17	0.28
The extent of regional integration	0.35	0.50	0.55	0.40	0.19	0.08	0.17	0.20	0.18	0.14	0.34
5. High Levels of Human Capital	0.78	0.77	0.67	0.48	0.14	0.09	0.06	0.16	0.24	-0.03	0.24
Researchers in R&D (per million people)	0.75	0.75	0.66	0.53	0.22	0.13	-0.12	0.00	0.13	-0.07	0.12
Healthy life expectancy (HALE) at birth (years)	0.59	0.55	0.47	0.27	0.17	0.27	0.05	0.00	0.23	-0.05	0.29
Share of youth not in employment, education or training (NEET) (%)	0.68	0.63	0.44	0.23	-0.08	-0.16	0.19	0.32	0.15	0.05	0.12
6. Low Levels of Corruption	0.76	0.71	0.63	0.63	0.46	0.43	0.12	-0.05	0.10	0.09	0.53
Irregular payments and bribes	0.65	0.63	0.54	0.51	0.28	0.39	0.04	-0.15	0.03	0.01	0.33
Control of Corruption: Estimate	0.77	0.74	0.58	0.58	0.41	0.30	0.10	0.12	0.07	0.08	0.51
Factionalized Elites	0.63	0.54	0.52	0.52	0.47	0.28	0.16	-0.02	0.14	0.12	0.44
7. Sound Business Environment	0.75	0.75	0.72	0.62	0.44	0.43	0.01	-0.10	0.13	-0.03	0.40
Business Environment	0.69	0.65	0.55	0.44	0.27	0.41	0.15	-0.08	0.06	-0.05	0.34
GDP per capita (current US\$)	0.66	0.69	0.67	0.58	0.41	0.24	-0.19	-0.14	0.06	-0.05	0.19
Prosperity Index Score	0.78	0.78	0.71	0.58	0.43	0.39	0.07	-0.04	0.21	0.04	0.49
8. Well-Functioning Government	0.81	0.78	0.73	0.68	0.52	0.44	0.16	0.02	0.08	0.02	0.47
Political Democracy Index	0.59	0.52	0.48	0.40	0.43	0.29	0.19	0.00	0.05	-0.06	0.32
Government Effectiveness: Estimate	0.81	0.79	0.71	0.64	0.38	0.39	0.07	0.01	0.07	-0.01	0.44
Rule of Law: Estimate	0.81	0.79	0.73	0.69	0.50	0.40	0.12	0.03	0.11	0.14	0.53

* All indicators have been banded and their directions harmonised: lower levels mean higher development and peacefulness; higher levels mean lower development and peacefulness.

Source: IEP

UNEVEN PROGRESS IN POSITIVE PEACE

IEP's research has found that if improvements are made in one Pillar without corresponding improvements in others, then violence is more likely to increase. This finding highlights the need to consider the systemic nature of Positive Peace when planning development projects.

When improvements in *Sound Business Environment*, *High Levels of Human Capital* and *Equitable Distribution of Resources* occur without corresponding improvements in the other Pillars, there may be a negative effect on the levels of peace. For example, *youth development* policies often increase budget funding for education, thereby improving the *High Levels of Human Capital* Pillar. However, unless the economy can absorb graduates into the labour market, this runs the risk of building a highly educated yet idle youth cohort.³ Flooding the labour market with university graduates when the economy cannot absorb them may have a radicalising effect and is one of the push factors that militant organisations have taken advantage of in recruitment of youth.⁴

To isolate the situations where an improvement in one Pillar without accompanying improvements in others can lead to deteriorations in overall peace, partial correlations analysis was used. This looks at the relationship between two indicators, controlling for the potential effect of a third or more indicators. Partial correlations, while not providing causation, can provide quantitative evidence of the impact of an intervention that focusses on one Pillar over the remaining seven.

This highlights that improvements in *Sound Business Environment* and *High Levels of Human Capital* need to be made in conjunction with low levels of corruption and *Well-Functioning Government* otherwise they can lead to unrest. Table 3.4 summarises the results.

TABLE 3.4

Effects of increasing one Pillar while keeping another constant

Improvements in *Sound Business Environment*, *High Levels of Human Capital* and *Equitable Distribution of Resources* can have a negative effect on levels of peace if achieved without improvements in the levels of corruption, governance and *Acceptance of the Rights of Others*.

Improving this Pillar	Without improving this Pillar	Correlation with GPI
Equitable Distribution of Resources	Low Levels of Corruption	-0.48
Sound Business Environment	Low Levels of Corruption	-0.42
Sound Business Environment	Well-Functioning Government	-0.52
Sound Business Environment	Acceptance of the Rights of Others	-0.44
High Levels of Human Capital	Low Levels of Corruption	-0.46
High Levels of Human Capital	Well-Functioning Government	-0.48

Source: IEP

Mexico – A Case Study

Mexico – a country with high overall Positive Peace and high levels of violence – is a good example of interplay of Positive Peace and negative peace. While Mexico outperformed the global and regional averages in *Sound Business Environment*, *High Levels of Human Capital*, *Good Relations with Neighbors*, *Equitable Distribution of Resources* and *Acceptance of the Rights of Others*, it underperformed in *Well-Functioning Government*, *Low Levels of Corruption* and *Free Flow of Information*. This imbalance between Pillars underpins Mexico's difficulties in addressing its high rates of criminal violence.

Figure 3.9 compares Mexico's Pillar scores with the average Pillar scores of the countries that ranked in the top quintile of the 2017 PPI. It shows that Mexico's three most underperforming Pillars are the ones for which the distance from the best performing quintile is greatest. This highlights that Mexico's ability to improve its levels of peacefulness largely depends on its ability to improve these three underperforming Pillars.

Mexico's imbalanced performance in the Pillars of Positive Peace creates risks for peace.

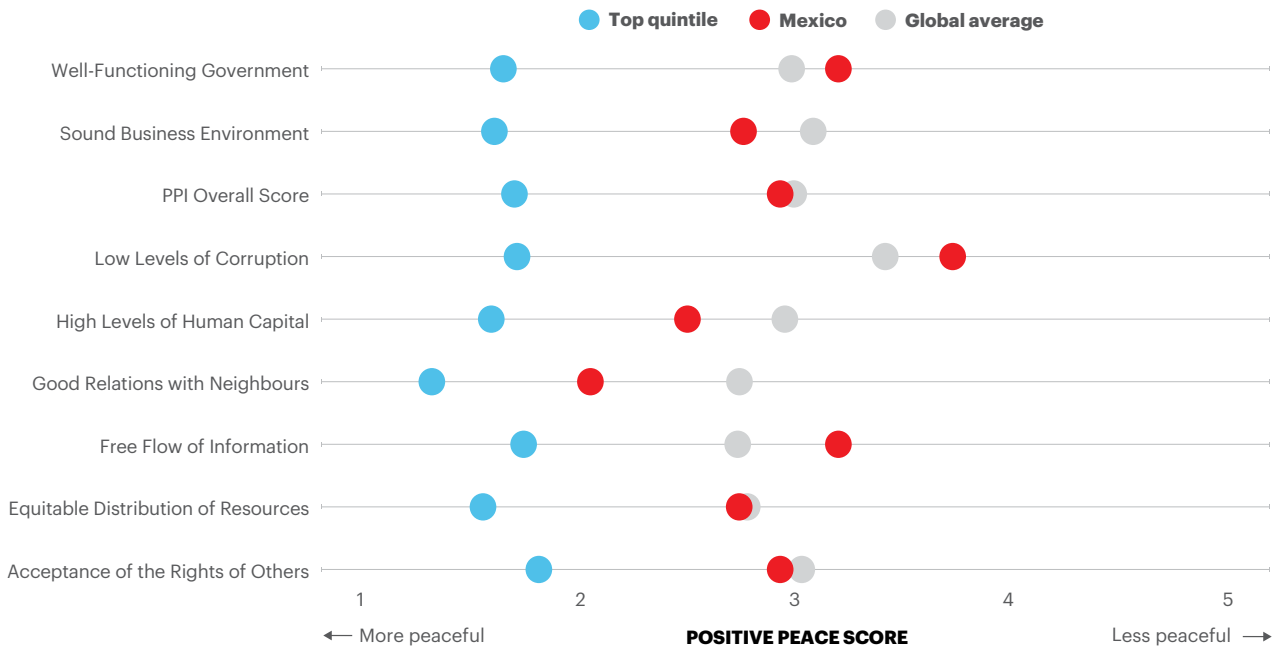
If Mexico is to become more peaceful, it needs to focus on strengthening its weakest Pillars: *Well-Functioning Government*, *Low Levels of Corruption* and *Free Flow of Information*. Although building a *Sound Business Environment* and improving levels of human capital are important, focusing on them to the exclusion of other Pillars will not promote peace.

In high Positive Peace systems, *Low Levels of Corruption* and a *Well-Functioning Government* act as barriers to the growth of organised criminal activity. However, in Mexico, a country with a sizeable illicit economy, the scores for *Well-Functioning Government* and *Low Levels of Corruption* remain low, reflecting

FIGURE 3.9

Mexico vs global top quintile countries, PPI Pillar scores, 2018

Mexico’s imbalanced performance in Positive Peace pillars - sometimes outperforming, sometimes underperforming global averages - may contribute to the country’s difficulties in addressing violence.



Source: IEP

the country’s lagging institutional capacity to tackle organised crime and the violent activities associated with it.

The high levels of criminality and violence in Mexico and many of its Central and South American neighbours are primarily driven by economic rather than political gain: access to illicit commodities, trafficking territory or drug cultivation. The infrastructure normally associated with high-performing legal businesses can also be used for illicit activities, such as leveraging telecommunications networks, using road networks for access to ports and borders and laundering money through legitimate banks and businesses. While corruption can facilitate

the operation of criminal activities, weaknesses in the law enforcement and justice system can reduce the capacity to prosecute crimes. Consequently, high levels of impunity translate into lower opportunity costs for engaging in illicit activities or in committing violent crimes.

Meanwhile, the tens of billions of dollars of illicit profits flowing through Central America and into the US. generate wealth for criminal syndicates. Global Financial Integrity, an independent think tank, conservatively estimated that inward and outward illicit financial flows in Mexico totaled US\$77.6 billion between 2005 and 2013.⁵

Countries that deteriorate on the GPI tend to have higher levels of access to small arms, higher numbers of police, and higher group grievances.

4

Implementing Positive Peace

This section focuses on the practical application of Positive Peace, highlighting some of the successful policies and programs that have been implemented around the world. It includes three case studies of countries that have strongly improved in Positive Peace, discussing some of the actions these countries have taken. This section also describes some recent IEP Positive Peace workshops. These descriptions can act as a guide for countries, communities, organisations and individuals seeking to promote Positive Peace.

COUNTRY CASE STUDIES

The three countries covered in case studies have all overcome challenges to peacefulness. This is reflected in their Positive Peace scores, which have improved over the last decade. These improvements have resulted in greater resilience, which means that they are less likely to fall back into conflict. The GPI scores for these countries also reflect these improvements in peace.

Using the Pillars of Positive Peace as a framework, this section illustrates the policy challenges and successes of Bhutan, Peru and Timor-Leste. These countries differ in culture, history and level of economic development. However, they have each implemented unique solutions that have produced tangible economic, political and social benefits. Although each country still faces domestic and international challenges, their successes can help guide other countries seeking to improve in Positive Peace.

Bhutan

Located between Nepal, India and China, the Kingdom of Bhutan leads South Asia in Positive Peace. It has a population of nearly 800,000 and its total land area is 38,117 square kilometres. The country ranked 60th in the 2019 Positive Peace Report, climbing five places over the past decade. Bhutan is internationally renowned for conceiving and then measuring Gross National Happiness, a metric that has been codified as a national priority in the country's constitution.¹ Bhutan elected its National Assembly for the first time in 2008, successfully transitioning from an absolute monarchy to a constitutional monarchy.

In recent years, socioeconomic development programs, funded by hydroelectricity exports and foreign aid, have enabled Bhutan to improve its poverty and education rates. Bhutan's per capita income grew from US\$580 in 1990 to US\$3,080 in 2018,

evidencing the country's development success.² Targeted government programs such as the Rural Economy Advancement Program (REAP) and National Rehabilitation Program (NRP) have provided financial and infrastructural aid to marginalised communities.³

Bhutan has faced challenges. For example, the country had been under scrutiny for the displacement of over 100,000 *Lhotshampas*, an ethnic group in southern Bhutan, between 1988 and 1993.⁴ However, consistent improvements in the GPI and the PPI scores have established Bhutan as a regional and international reference in terms of peace and development policy.

Notable Successes by Pillar

- **Good Relations with Neighbours:** Bhutan is collaborating with India and Bangladesh on hydropower projects that continue to expand its capacity to generate and export energy, which comprises 25 per cent of government revenue.⁵ These international collaborations strengthen Bhutan's *Good Relations with Neighbours* Pillar, and provide an example of policies in one Pillar that also help to strengthen others, namely the *Sound Business Environment* Pillar and *Well-functioning Government* Pillar. Bhutan's progress in international relations has seen the country improve 55 places in the *Good Relations with Neighbours* Pillar over the past decade to rank 64th in 2018—a notable improvement in a relatively short period.
- **Free Flow of Information:** In 1999, the Bhutanese government lifted a ban on television and internet. In 2014, the Bhutan Power Corporation and Ministry of Information and Communications established fibre optic infrastructure throughout the country that reaches all 20 of the country's districts. To lower prices, telecom providers are allowed to use

the fibres for free.⁶ The country rose 21 places in the *Free Flow of Information* Pillar ranking in the past ten years, standing at 97th in 2018.

- **Low Levels of Corruption:** Established in 2006 under the Anti-Corruption Act, Bhutan's fully-independent Anti-Corruption Commission (ACC) promotes the prevention, detection, and punishment of corruption in the public sector. It also educates the general public about the role of the ACC and what constitutes corruption.⁷ Bhutan improved 14 places in the *Low Levels of Corruption* ranking since 2009. By 2018, the country featured as the 32nd least corrupt among the 163 countries assessed in this Pillar. This is a remarkable standing for a developing nation.
- **Well-Functioning Government:** In 2007, a royal decree legalised political parties in order to improve the country's political culture. Bhutan democratically elected its National Assembly for the first time in 2008.⁸
- **Equitable Distribution of Resources:** The Common Minimum Program, established as part of the country's tenth Five-Year Plan, ensures that all *gewogs* or groups of villages, have access to basic infrastructure and services, such as healthcare, schooling, water supplies, sanitation systems, electricity, telecommunication facilities and roads to *gewog* centres.
- **Acceptance of the Rights of Others:** Policies passed by the national parliament, such as the Child Care and Protection Act of Bhutan 2011, the Child Adoption Act of Bhutan 2012 and the Domestic Violence Prevention Act of Bhutan 2013, show movements toward greater acceptance of people's rights within the country.

Peru

Peru has emerged as one of Latin America's most prosperous countries following decades of military coups, violent insurgencies, social unrest and macroeconomic gyrations. With a population of 33 million people and covering an area of 1.3 million square kilometres, the country is the third largest in South America. Peru's Positive Peace improved by four per cent over the last decade and the country is now ranked 72nd in the PPI. This is the fourth highest rank within South America, after Uruguay, Chile and Argentina. Much of the improvement in Peru's Positive Peace scores occurred prior to 2008. In recent decades, prudent monetary, exchange rate and investment policies have allowed Peru to weather international economic crises and commodity price declines.⁹ Peru's National Electoral Board (*Jurado Nacional de Elecciones*, JNE) and National Office of Electoral Processes (*Oficina Nacional de Procesos Electorales*, ONPE) have helped ensure fair and peaceful elections.¹⁰

Peru has undergone six consecutive peaceful and democratic changes of government, and remains politically stable today. The country's economy grew at an average annual rate of 6.1 per cent between 2002 and 2013, increasing per-capita income levels and reducing poverty.¹¹ Reductions in economic inequality and poverty have also been helped by *Juntos* (Together), the government's monthly monetary stipend program for socioeconomically vulnerable Peruvians.¹² Access to the internet has increased due to privatisation of the telecommunications

sector and government subsidies for telecom developments in rural areas, improving connectivity even in historically underserved parts of the country.¹³ Scholarships are making higher education attainable for low-income Peruvians.¹⁴

In 2001, a Commission of Truth and Reconciliation (*Comisión de la Verdad y Reconciliación*, CVR) was set up to establish justice surrounding the country's internal conflict during the 1990s.¹⁵ In 2011, the Peruvian Congress passed a law requiring the consultation of indigenous and rural communities before developments or projects involving their ancestral territories, which in the past had been a source of much social conflict.¹⁶

Although Peru still faces challenges, its low *homicide rate* compared to its neighbours, consistent economic performance, amicable regional relations and impressive GPI and PPI scores have made it a global success story.¹⁷

Notable Successes by Pillar

- **Good Relations with Neighbours:** In 2004, after decades of border disputes, Peru and Chile signed a statement expressing their intent to forge closer ties and develop bilateral relations.¹⁸ Peru is a member of Mercosur, the Pacific Alliance, the Community of Andean Nations, the Asia-Pacific Economic Cooperation, the Commission of Latin American and Caribbean States and the Forum for East Asia-Latin America Cooperation, among other international bodies. Over the past decade, Peru improved 22 places in the *Good Relations with Neighbours* Pillar ranking to reach rank 88 in 2018.
- **Well-Functioning Government:** Peru created the *Acuerdo Nacional*, a consultative body comprised of representatives from various sectors that defines long-term government reform objectives and policies.¹⁹ Meetings of the body are attended by high-ranking members of the country's political parties, the workers' union, business and professional associations.²⁰ It is the country's highest-level policymaking body and a critical mechanism for the creation of both policies and political consensus.²¹ The country's standing improved considerably since 2009, with its *Well-Functioning Government* ranking rising by 11 places to 68th in 2018.
- **Sound Business Environment:** Macroeconomic reforms halted hyperinflation in the 1990s and opened Peru to international trade and investment. From 1990, President Alberto Fujimori implemented a series of deregulation and privatisation measures that unencumbered the local business sector and facilitated international trade and cross-border capital flows. Since then, Peru has been one of the region's fastest growing economies, with an annual growth rate of 5.9 per cent and low inflation averaging 2.9 per cent.²²
- **Equitable Distribution of Resources:** In 2005, Peru's Ministry of Development and Social Inclusion (*Ministerio de Desarrollo e Inclusión Social*, MIDIS) implemented *Juntos*, a conditional cash transfer program that provides monthly support to impoverished families.
- **High Levels of Human Capital:** To improve access to higher education, Peru's Ministry of Education created the *Beca 18* program, which offers government-sponsored scholarships to impoverished or vulnerable youth.²³
- **Free Flow of Information:** The Peruvian government's Telecommunications Investment Fund (*Fondo de Inversión en Telecomunicaciones*, FITEL) subsidises telecom services in rural areas and other places where returns for private providers are marginal.²⁴

- **Low Levels of Corruption:** Peru's High-Level Anti-Corruption Commission (*Comisión de Alto Nivel Anticorrupcion*, CAN) seeks to prevent and combat corruption by coordinating government anti-corruption efforts and proposing policy solutions.²⁵ For example, CAN helped with drafting and ultimately approved, Peru's National Policy on Integrity and the Fight Against Corruption (*Política Nacional de Integridad y Lucha contra la Corrupción*) in 2017.²⁶
- **Acceptance of the Rights of Others:** In 2001, the Commission of Truth and Reconciliation (*Comisión de la Verdad y Reconciliación*, CVR) was set up with the goal of seeking justice in the aftermath of violence in the 1990s. Proceedings of the CVR allowed the conviction of former president Alberto Fujimori and other human rights violators.^{27,28}

Timor-Leste

Timor-Leste is one of the youngest countries in the world, having gained formal independence in 2002. It is situated in South-East Asia and currently has a population of around 1.3 million. Timor-Leste's Positive Peace rank in 2018 was 117th, a seven-place improvement from a decade ago. Timor-Leste's progress in Positive Peace is all the more remarkable given its recent history. After being controlled by Indonesia since 1975, Timor-Leste held a UN-organised independence referendum in 1999.²⁹ Violent conflict with the Indonesian military and pro-Indonesia militias led to a peacekeeping and institution-building UN intervention that lasted until 2012.³⁰ A Commission for Reception, Truth and Reconciliation enabled Timorese communities to heal following years of violence.³¹

Timor-Leste established a legislative Constituent Assembly in 2001, elected its first president in 2002 and successfully executed peaceful transfers of power since. Revenue from petroleum exports and international aid funded development programs and economic diversification.³² For example, in 2016, Timor-Leste's Ministry of Agriculture and Fisheries and the World Bank launched a US\$21 million project aimed at increasing smallholder agricultural productivity.³³

Between 2005 and 2017, Timor-Leste experienced the Asia-Pacific region's largest improvement in *Equitable Distribution of Resources*, illustrating the country's development gains. Government investment in education and workforce development through programs such as the Education Sector Support Project (ESSP) have led to an 8.8 per cent improvement in *High Levels of Human Capital*. Timor-Leste liberalised its telecommunications sector in 2011, allowing more telecom operators to enter the market and driving a 17.6 per cent improvement in its *Free Flow of Information* score since 2005. The UN General Assembly plans on graduating Timor-Leste from Least Developed Countries (LDC) status in December 2021, reflecting the nation's past successes and future potential for development.³⁴

Notable Successes by Pillar

Acceptance of the Rights of Others: Following the violence resulting from Timor-Leste's 1999 independence referendum, the UN mission in Timor-Leste established a Commission for Acceptance, Truth and Reconciliation (*Comissão de Acolhimento, Verdade e Reconciliação*, CAVR). CAVR enabled Timor-Leste to

receive and reintegrate individuals who had caused harm, restore the dignity of victims, and formulate recommendations to prevent recurrence of human rights violations.³⁵ Timor-Leste's ranking on this Pillar improved by 13 places over the decade to reach 130th by 2018.

Equitable Distribution of Resources: Although almost half of Timorese live below the national poverty line, the government is committed to improving the socioeconomic prospects of subsistence farmers. For example, in 2016 the Ministry of Agriculture and Fisheries' introduced a US\$21 million project aimed at increasing smallholder agricultural productivity. The country's ranking in this Pillar improved ten places since 2009 and currently stands at 130th.

Well-Functioning Government: Timor-Leste's National Election Commission (CNE) and Technical Secretariat for Electoral Administration (TSAE) collectively ensures lawful elections, registers voters and administers civic education, among other mandates.

Free Flow of Information: In 2011, the National Communications Authority of Timor-Leste liberalised the country's telecommunications sector by renegotiating its exclusion concession contract with Timor Telecom. This allowed more companies to enter the market and more than doubled cellular connections between 2011 and 2017.

Sound Business Environment: In 2012, Timor-Leste's Ministry of Finance established a Registry and Verification of Enterprises Service (SERVE) as a one-stop shop for the registration of businesses, encouraging entrepreneurship and foreign investment.

Good Relations with Neighbours: In 2005, Timor-Leste and Indonesia formed a Commission for Truth and Friendship (CTF), strengthening relations between the two countries.³⁶

Low Levels of Corruption: In 2010, Timor-Leste's National Parliament established the Anti-Corruption Commission (CAC) in an attempt to reduce the prevalence of corruption in the country, leading to an increased number of corruption convictions and a seven per cent improvement in the country's *Low Levels of Corruption* score.

High Levels of Human Capital: A partnership between Timor-Leste's Ministry of Education and the World Bank, the Education Sector Support Project (ESSP) built and renovated 2,100 classrooms. This added capacity for more than 65,000 students and contributed to a ten per cent increase in primary school completion rates between 2009 and 2012.

IEP'S POSITIVE PEACE PROGRAMS

IEP currently has over 20 partner organisations that have implemented or are implementing Positive Peace programs. These institutions range from governments, to developmental aid organisations to religious bodies. Numerous police departments have also held Positive Peace workshops or have conducted training programs for their members. These workshops have now been held in the Middle East, Asia, Africa, Europe, North and South America with participants from government, universities, business, and some of the neediest villages in the world with high illiteracy rates.

In developing the workshops, emphasis has been placed on designing a process that is culturally sensitive and can therefore be used anywhere in the world. A process of change based on systems thinking underpins the workshops. Change will stem from the community's current state of development and must be incremental, but constant, not revolutionary. The design of the interventions must come from the local community, not parachuted in from other projects or developed outside of the local context.

POSITIVE PEACE WORKSHOPS

The primary goal of the Positive Peace workshops is to help local communities and individuals develop practical and concrete actions to strengthen peace by enhancing the *attitudes, institutions and structures* associated with Positive Peace at the sub-national and community level. Positive Peace workshops also educate participants on the Positive Peace framework, how to implement it in their societies, and how to involve an ever-widening network of people in understanding and pursuing Positive Peace.

Two approaches can be adopted. The first approach involves designing a program by defining what the interventions would be, so that at least one intervention would be conducted for each Pillar. This approach can be used for developmental aid programs, such as education, health, micro-economic or environmental programs. It has the advantage of applying a systemic approach to any developmental projects, while at the same time incorporating the concepts of peace in its design. An example of how it was applied to a literacy program in Uganda is explained later in this section.

The second approach involves understanding how a group of projects fit within the Positive Peace framework. This enables

participants to understand what is missing within the suite of projects they are undertaking if they wish to stimulate the whole system. This helps in understanding how their projects interact together holistically.

These Positive Peace workshops have the following working principles:

- They are guided by a participatory and locally-focused strategy. The approach for the Positive Peace workshops is based on fundamental concepts such as local ownership, local leadership and multi-stakeholder partnership, which fits with a systems perspective. Systems need to evolve, not change dramatically over a short period of time. Local communities best understand what is important in their societal system.
- Workshops are sensitive to the intricacies of local dynamics. By letting communities define what the interventions should be, workshops ensure that the activities are culturally sensitive, viable and appropriate in the local context.
- They are designed to complement and not disrupt other more formal or technocratic peacebuilding approaches.

PROCESS OF CHANGE UNDERPINNING THE POSITIVE PEACE WORKSHOPS

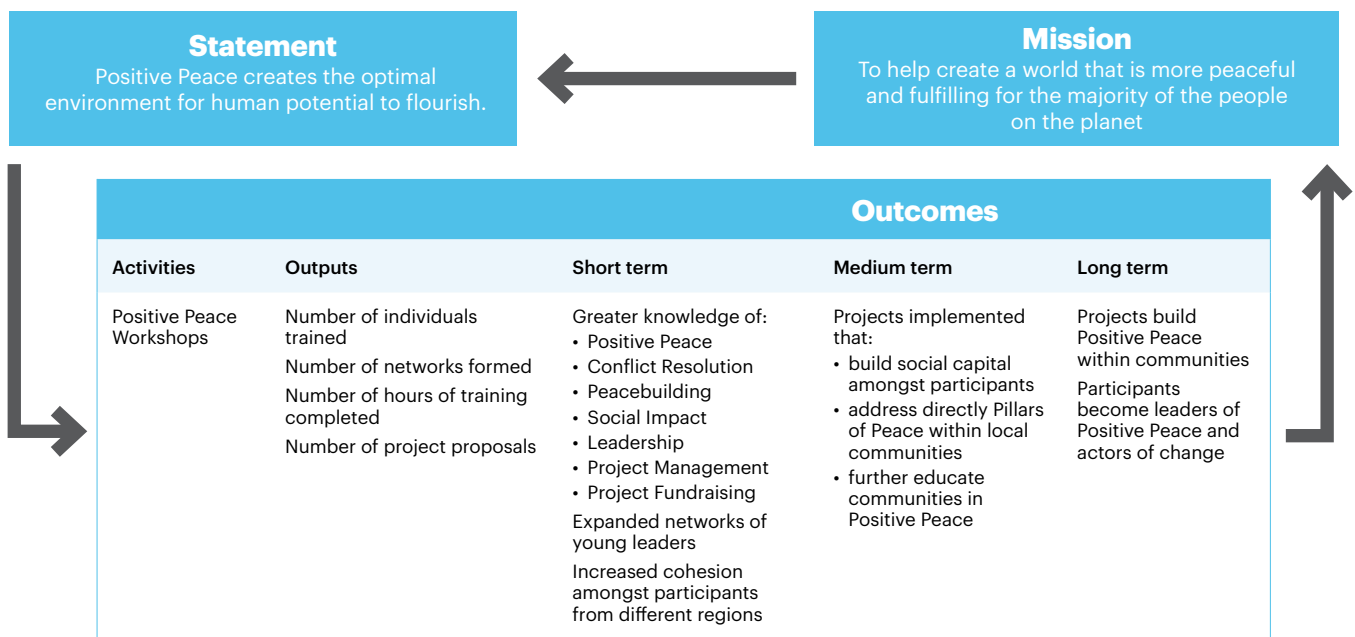
IEP has developed the Positive Peace framework using empirical research techniques to understand what factors create and sustain peaceful societies. The Positive Peace workshops are designed to assist local communities to understand Positive Peace and create systemic change.

Figure 4.1 shows IEP's process of change for Positive Peace workshops. The workshops provide training, build networks

FIGURE 4.1

Positive Peace workshop process of change

Workshops help improve Positive Peace directly by educating participants and implementing projects, and indirectly through building human capital, expanding networks and follow-on projects.



Source: IEP

and inform project proposals. In the short term, participants gain knowledge and skills useful in building peace. In the medium term, participants will use these skills to build their own projects, which are intended to directly improve Positive Peace. The long-term goal is for local communities to develop new ways of further improving Positive Peace in their countries. This will lead to better economic development outcomes, higher resilience and more peaceful societies.

Specifically, Positive Peace workshops create change by:

- **Teaching participants that Positive Peace is systemic** and that sustainable peace is achieved through ensuring all eight Pillars are strong and developing in tandem. Many development projects focus on only some of the Pillars. On their own, these are useful projects but systemic change only happens when the focus is on the whole system. The eight Pillars of Positive Peace provide a good framework to describe systems of peace.
- **Following this process broadens the participant's awareness** that many aspects interact to create positive development and peace. Strengthening only one of the Pillars can sometimes increase the likelihood of conflict. Thinking systemically allows participants to better describe the issues they face and identify broader solutions. The Positive Peace workshops are consistent with the “do no harm” approach.³⁷
- **Fostering bottom-up approaches that assist in building better societies.** Participants are given time to develop projects and apply the theory and language of Positive Peace to real world projects. Participants are instilled with ownership of the project throughout the workshop. Participants are first asked to describe the issue they wish to address and then how it could be addressed through the eight Pillars. The skills and knowledge gained in the workshops assist participants in gaining community support for future Positive Peace endeavours.
- **Reducing the likelihood of future conflicts.** The causes of conflicts are complex and intertwined. Describing the full scope of any conflict situation is challenging. Because IEP's Positive Peace framework is easily understood, it is easier for participants to see the importance of each of the Pillars. The simple language of the Pillars also presents a neutral baseline language acceptable in all cultural contexts of the workshops to date.
- **Offering the opportunity for participants** to meet, discuss and collaborate with people from other parts of the country that they ordinarily may not have contact with. In some workshops, participants have come from groups that were hostile and violent toward each other, yet were able to utilise the opportunity and constructively work towards peace. As the workshops are designed to be forward looking, it allows participants to describe problems and solutions without falling into accusatory or inflammatory language, which can happen when looking to the causes of problems.

MONITORING & EVALUATION

Monitoring and Evaluation (M&E) surveys are conducted before each course, immediately following, and then six months after the completion of the course. An example of the M&E from a workshop conducted in Mexico in conjunction with Rotary International provides an example of the changes in attitudes that can occur.

Short Term

Knowledge Metrics

- 55 percentage point increase in participants who felt “very familiar” with the topic of Positive Peace after the workshop, as compared to eight per cent before.
- 22 percentage point increase to 51 per cent in participants who felt “very familiar” with the topic of conflict resolution after the workshop, as compared to 29 per cent before.
- 38 percentage point increase to 53 per cent in participants who felt “very familiar” with the topic of peacebuilding after the workshop, as compared to 15 per cent before.
- 28 percentage point increase to 72 per cent in participants who felt “very familiar” with the topic of social impact after the workshop, as compared to 44 per cent before.

Skills Metrics

- 15 percentage point increase to 34 per cent in participants who felt “very comfortable” with conflict resolution as a skill after the workshop, as compared to 19 per cent before.
- 22 percentage point increase to 64 per cent in participants who felt “very comfortable” with leadership after the workshop, as compared to 42 per cent before.
- 17 percentage point increase to 36 per cent in participants who felt “very comfortable” with project management after the workshop, as compared to 19 per cent before.
- 21 percentage point increase to 29 per cent in participants who felt “very familiar” with project fundraising after the workshop, as compared to eight per cent before.

Medium Term

- 75 per cent of the participants reported that they had since applied the “leadership” skills gained at the workshops.
- 57 per cent of the participants reported they had since applied the “conflict resolution” skills gained at the workshops.
- 46 per cent of the participants reported they had since applied the “project management” skills gained at the workshops.
- 25 per cent of the participants reported they had since applied the “project fundraising” skills gained at the workshops.

Long Term

- After the Positive Peace workshop, 77 per cent of participants became involved in one or more new projects that they had not been involved in prior to the workshop.
- Of these participants, 82 per cent started the project themselves. All of these reported that participation in the workshop motivated them to start the new project.

WORKSHOP FORMATS

The format of Positive Peace workshops can be customised for different contexts and cultures. The workshops carried out thus far have had considerable variety. Three examples of participant groups are set out below:

1. **Members of Government and Civil Society.** This format brings together relevant leaders in government, business and academia. IEP conducted this type of workshop in Belfast, Northern Ireland in 2019 and Mexico in 2018 and 2019.
2. **Rival Groups in a Conflict Setting.** This type of workshop

brings together different conflicting groups, such as from rival ethnicities. The structure of the Positive Peace workshops allows participants to see common problems and issues without creating blame. This tends to pull the participants together, thereby fostering understanding. IEP conducted this type of workshop in Tunisia with participants from seven Libyan cities in 2018 and in Zimbabwe in 2016.

3. Local Community Leaders and Youth. This format brings together local community leaders and motivated youth who want to improve development and enhance peace in their communities. IEP has conducted many of these types of workshops, including Cambodia, Uganda, Thailand, Mexico, Colombia and more.

ANTICIPATED OUTCOMES OF THE WORKSHOPS

The following outcomes can be expected from the workshops:

1. Equip individuals with foundational knowledge about the mechanisms that create societal development and peace.⁸⁸
2. Provide practical examples and motivation that positively influence individual behaviours towards achieving Positive Peace.
3. Participants identify additional stakeholders to be involved and a process for doing so, including future workshops, online training and provision of relevant additional research and resources.
4. Identify practical, concrete steps that participants can take to build Positive Peace in their local communities, activities and actions.
5. Positively reinforce and build other important behaviours and skills linked to Positive Peace, including communication, conflict resolution, inclusivity, cooperation, empathy and civic engagement.

EXAMPLES OF POSITIVE PEACE PROGRAMS & PROJECTS

Zimbabwe

IEP coordinated a workshop on Positive Peace in November 2015 in Harare, Zimbabwe, in partnership with the National Peace Trust, a Zimbabwean organisation. The workshop was supported by IEP and led by Mr Trust Mamombe from the National Peace Trust. Mr Mamombe would later join IEP as Director of Operations for Southern Africa. More than 50 participants attended, including senior government officials such as Zimbabwe's then Vice President, the Honourable Emmerson Mnangagwa, who later became President of the country. Mr Mnangagwa made introductory remarks, followed by civil society leaders, church leaders, academics and NGO representatives. The workshop took place over two days and included presentations by identified experts in each of the eight Positive Peace factors.

The workshop brought together representatives of the ruling party, opposition parties and civil society aligned with both sides of politics. The outcome of the workshop was agreement on areas where they could tangibly work together.

Through a shared understanding of peace in the wider southern Africa region, complex systems and social processes were explored using innovative tools and methods to find patterns of Positive Peace across communities.

Uganda

Rotary Workshops

In partnership with Rotary International and the International Peace and Security Institute, IEP conducted a Positive Peace workshop in Kampala, Uganda from 30 September to 2 October 2016. This workshop was delivered to 200 young Rotarians from clubs all over Uganda. This workshop also piloted a set of tailored teaching activities for each of the Pillars.

The workshop developed a number of initiatives that would be partnered and driven by the local Rotary clubs. The aim was to have a large number of small projects developed by the participants that they would take back to their local communities.

One project that was implemented by Jude Kakuba, a Positive Peace workshop participant, highlights how the systemic nature of Positive Peace can be applied to small projects, such as school education. The project was a literacy training program in an impoverished region of Uganda. The systemic nature of interventions moved the school from the bottom half of the district in scholastic performance to the top third and increased attendance rates by 40 per cent. Table 4.1 gives school attendance rates and academic performance. Table 4.2 lists specific interventions that took place for each Pillar of Positive Peace.

TABLE 4.1

Positive Peace initiative, Kampala, Uganda, 2017–2018

Positive Peace project improved school attendance rates and academic performance.

Pupil enrolment before and after implementation of project			
Enrolment	Before implementation (in 2017)	After implementation (in 2017)	Increase (%)
Boys	126	215	70.6
Girls	201	238	18.4
Total enrolment	327	453	38.5

Pupil achievement before and after implementation of project			
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Before implementation of the project, 48.5 per cent of the candidates were in the first three scholastic divisions, while 51.5 per cent were in the other undesirable divisions.

After implementation of the project, 67.8 per cent of the candidates were in the first three divisions, while only 32.2 per cent were in the remaining three undesirable divisions - a 19.3 percentage point improvement.

The teachers confirmed that this improvement in scholastic results and attendance reflected the project's holistic approach, with special focus on sanitary pads for girls and luncheon porridge program for all pupils. The luncheon program was responsible for the high increase in male attendance rates.

Source: Rotary International

Moroto, Karamoja Region, Uganda

The Karamoja region in northeast Uganda is one of the least developed areas in the country. The illiteracy rate for Karamoja is 81 per cent. School attendance in primary and secondary is low. For example, primary education attendance is at 6.7 per cent. The people of Karamoja region of Uganda are predominately pastoralists. Economically, the region depends

TABLE 4.2

Positive Peace initiative by Pillars, Kampala, Uganda, 2017–2018

Positive Peace project improved school attendance rates and academic performance.

Pillar of Peace	Activity addressed by project	Impact
1. Well-functioning Government	Inviting local community leaders onto the planning and implementation committee.	<ul style="list-style-type: none"> The local community leaders have been instrumental in encouraging the engagement of the community in the implementation of the project through collecting construction materials such as gravel, sand, and also arranging non-skilled labour. The community members have gained the courage to demand accountability for the donated items after empowering and awareness meetings conducted by the Rotaract Club.
2. Sound Business Environment	Construction of classroom blocks.	Construction material such as sand and cement bought from community businesses. Paid skilled labour has also provided by Busedde community residents. This improved business conditions and lifted household incomes.
3. Equitable Distribution of Resources	Construction of classroom blocks and local purchase of building materials.	Household incomes improved because of paid labour and supply of construction materials.
	Providing school materials such as textbooks and teaching aids.	Improved learning experience, greater retention rates.
4. Acceptance of the Rights of Others	Providing feminine hygiene products and training.	Reduced the absenteeism rate of female pupils during their menstrual periods.
5. Good Relations with Neighbours	Fruit tree planting within project area.	Stopped hungry pupils from pilfering fruit from neighbouring properties.
	Porridge project.	<ul style="list-style-type: none"> Reduced conflict originating from pupils trespassing on neighbours' plantations in search of raw food such as cassava, sweet potatoes. Provision of food also meant that parents were more likely to send their kids to school.
6. Free Flow of Information	<ul style="list-style-type: none"> Media coverage by a partner Busoga One FM 	Partnering with a local radio station that uses a native language (Lusoga) has enabled easier dissemination of information about the project, progress of Kakuba Primary school and encouraged community participation in the project.
	Setting a communication and monitoring committee comprising of parents, community leaders and teachers.	Identifying stakeholders has enabled cost-effective and fast flow of information between the community and Rotaract club. This enabled proper monitoring and supervision of project activities.
7. High Level of Human Capital	Construction of classroom blocks.	Providing employment and on-the-job training to formerly unemployed youths and elderly members of the community through construction and maize growing.
	Provision of school material.	Helped to attract a higher number of pupils and improved the learning experience. As a result there was improvement of pupil performance in national exams.
	Medical camp.	Providing free medical services to the residents and pupils helped reduce reoccurrence of health issues such as colds, malaria and dental ailments. This resulted in improved worker productivity and reduced pupil absenteeism rates.
8. Low Levels of Corruption	Branding donated items and setting up a parent-staff committee to monitor item usage.	Improved sense of personal responsibility for the items and reduced pilfering.

Source: Rotary International

on livestock herding and trade. This is also one of the poorest areas in Uganda.

Karamoja has been marked by a recent history of conflict including intercommunity livestock raiding, the issue has become more acute through the spread of small arms and light weapons in the area. Peace is fragile due to many factors including competition over critical and depleting natural resources, and longstanding intercommunity grievances.

Over three workshops in October 2018 in the Moroto region, IEP along with The Charitable Foundation and the Danish Refugee Council, introduced the eight Pillars of Positive Peace to 120 participants, including the factors that sustain peaceful societies, and how the Positive Peace model applies to local environments.

Workshop evaluation surveys showed that participants understanding of Positive Peace improved. There was a 54 per cent increase in participants who correctly identified and

defined Positive Peace and more than half of survey respondents said they had new ideas for projects or activities to build peace in their communities post-workshop.

Tunisia

In March and April of 2018 and in collaboration with UNICEF and the Nicosia Initiative, IEP conducted a series of four workshops for Libyan youth in Tunis, Tunisia. The 2018 program was based on a successful pilot program in 2017, supported by the mayors of Libya, during which 16 young people travelled to Tunis for training. After the successful pilot, 180 young people were trained in 2018.

Since the overthrow of Gaddafi in 2011, Libya has been mired in violent conflict. Different militias and brigades control different areas within Libya, and many of the communities from which the youth came were in conflict with each other.

The workshop allowed participants from different cities across Libya the chance to sit at the same table and discuss their

different experiences and perspectives. Through IEP's Positive Peace framework, participants were able to see common peace and development problems facing their cities. There were many comments after the course stating that they never thought that they would be in the same room with some of the other participants, let alone agree on common approaches to common problems.

At the conclusion of each of the four workshops, participants were asked to develop and present their own projects based on the Positive Peace framework. This exercise allowed participants to consider the challenges they face systemically and respond with actions aimed at building the Pillars of Positive Peace. Of the 40 projects submitted, 13 were selected to be funded as part of the initiative. Project grants were awarded by a multi-stakeholder committee based on the project's potential to build Positive Peace in Libyan towns and cities.

Prior to each workshop, participants responded to a survey that measured perceptions of cohesion across communities. The same survey was also administered at the end of each workshop. The results show a marked increase in intergroup cohesion and positive perceptions of other communities, as a result of participation in the workshop.

Mexico

Due to high levels of organised crime, Mexico ranks 144th out of 163 countries on the Global Peace Index. However, it has the second highest potential for improvement in peace in the world, as measured by the PPI. In order to activate that potential, IEP, Rotary International and Universidad de las Americas Puebla convened more than 300 young members of Rotary, university students and youth leaders for the two-day intensive program, "A Stronger Mexico: Pillars of Positive Peace."

Integrating IEP's research on Positive Peace and Rotary's grassroots network in Mexico, the workshop aimed to provide youth leaders with the knowledge and tools needed to improve peace. The workshop's participants learned about the Mexico Peace Index, topics like social entrepreneurship, civic engagement and leadership, and participated in breakout sessions on each Pillar of Positive Peace. Participants identified peace and development focused projects to pursue in their own communities.

Following the workshop, participants reported increased familiarity with Positive Peace, conflict resolution, project management and fundraising, peacebuilding, and leadership.

All respondents reported that the knowledge they gained through the workshop was pertinent to their work, studies or projects. The results of the workshop have been set out as an example under Monitoring and Evaluation, earlier in this section.

Kenya

Turkana County, in North West Kenya, has an estimated population of around one million. Turkana County is borderland, surrounded by several other African nations on its fringes including Ethiopia, Uganda and South Sudan.

Cross-border violence is common between the Turkana people, the Karamojong in Uganda, the Merille in Ethiopia, and the Dassenech people from the eastern Turkana region. A long

history of violent and fatal raids between these groups mean that many locals are armed. Literacy rates in Turkana country are low, with varying levels of competency in English, Swahili or Karamojong.

Turkana people are mainly pastoralists and fishermen. Locals fish Lake in Turkana with relatively simple boats and equipment, but the resulting cottage industry for fishing produce has not reached its business potential due to a lack of accessibility to markets and required processing, transport and road infrastructure.

In 2019, IEP, in partnership with Mercy Corps, Pact, and Sapcone set out to build Positive Peace knowledge and capacity within the Turkana community over two workshops. The workshops introduced the Positive Peace concepts and framework, participants discussed and worked together to apply the Positive Peace Pillars to local issues and devise their own local strategies to improve peace. Participants also interacted with one another through activities like the Yarn Game, a highly interactive game, which illustrates how the eight Pillars of Positive Peace interrelate as a system.

An initial workshop in the town of Lodwar focussed on potential Positive Peace trainers. All ten participants were currently working for local development organisations and had some experience in peacebuilding. The town of Lowarengak hosted the second workshop, this time focussing on participants from the local community. There were 38 participants in attendance, including six from the previous workshop.

IEP's evaluation surveys after the training of the trainers workshop showed a marked increase in familiarity with the topic of Positive Peace post training, the number of respondents who felt "very confident" with the topic increasing five-fold.

Cambodia

In 2019, IEP arranged a workshop with Sarus, a Cambodian non-profit organisation that supports youth peace leaders in ASEAN countries by arranging international exchange programs and peace incubator programs for youth across Southeast Asia.

In Southeast Asia, the Association of South East Asian Nations or ASEAN, is a regional intergovernmental body that brings country representatives together to collaborate on and discuss issues of mutual benefit or interest. The "spirit of ASEAN" is a well-known saying reflecting the organisation's values of mutual respect, non-interference, and collaborative assistance in the interests of peace and stability in Southeast Asia.

The workshop brought together 21 youth leaders from Cambodia, Vietnam, Bangladesh and Myanmar to explore what Positive Peace looks like across the Southeast Asian region. Participants represented the non-profit arena, private enterprise, the public sector and worked in diverse fields including humanitarian relief, peacebuilding, education, social work, healthcare and social entrepreneurship.

Over three days, the workshop included detailed instruction on each of the eight Pillars of Positive Peace, the concepts of Positive Peace, and how to apply Positive Peace in local contexts. Participants explored their visions for Positive Peace in their communities 30 years from now.



Positive Peace Index Methodology

The Positive Peace Index (PPI) is the first widely known attempt to build a statistical index measuring Positive Peace according to its definition: “the attitudes, institutions and structures that create and sustain peaceful societies.” The PPI is similar to the Global Peace Index (GPI) in that it is a composite index built to gauge a multidimensional concept. It covers the same set of 163 countries included in the GPI, covering over 99 per cent of the world’s population. The objective is to devise a measurement system that is simple, intuitive, auditable, comparable across countries and consistent over time.

IEP takes a systems approach to peace, drawing on the recent body of research on the topic. In order to construct the PPI, IEP analysed over 24,700 different data series, indices and attitudinal surveys in conjunction with current thinking about the drivers of violent conflict, resilience and peacefulness. The result is an eight-part taxonomy of the factors associated with peaceful societies. The eight domains, or Pillars of Positive Peace, are derived from the data series that had the strongest correlation with internal peacefulness as measured by the GPI, an index that defines peace as “absence of violence or the fear of violence”. Three indicators measure each of the eight PPI Pillars. These indicators represent the best available, globally comparable data, with the strongest statistically significant relationship to levels of peace within a country. The 24 indicators that make up the PPI are listed in Table A.1.

The 2019 PPI uses a set of updated indicators. This new set of indicators provides a more representative picture of recent social dynamics. It also reduces missing data, both over time and by country. To maximize conceptual relevance and data completeness, the period of analysis was restricted to the years between 2009 and 2018. Remaining instances of missing data were resolved through statistical imputation methods. The indicators are weighted proportionally to their correlation coefficient against the GPI.

For the 2019 report, PPI indicators were further classified into three domains: *Attitudes*, *Institutions* and *Structures*:

- Indicators measuring *Attitudes* reflect social views, tensions or perceptions.
- Indicators measuring *Institutions* represent the impact that formal and informal institutions of a society exert on peacefulness, social wellbeing and the economy.
- Indicators measuring *Structures* assess the underpinning of the socio-economic system, such as poverty and equality, or are the result of aggregate activity, such as GDP. Usually, these indicators measure infrastructure or socio-economic development.

TABLE A.1

Indicators in the Positive Peace Index

The following 24 indicators in the Positive Peace Index show the strongest relationships with the absence of violence and the absence of fear of violence.

Pillar	Domain	Indicator	Description	Source	Correlation coefficient (to the GPI)
Acceptance of the Rights of Others	Structures	Gender Inequality Index (GII)	The Gender Inequality Index (GII) reflects women's disadvantage in three dimensions: reproductive health, empowerment and the labour market.	United Nations Development Programme	0.65
	Attitudes	Group Grievance	The Group Grievance Indicator focuses on divisions and schisms between different groups in society – particularly divisions based on social or political characteristics – and their role in access to services or resources, and inclusion in the political process.	Fragile States Index	0.65
	Attitudes	Exclusion by Socio-Economic Group	Exclusion involves denying individuals access to services or participation in governed spaces based on their identity or belonging to a particular group.	Varieties of Democracy (V-Dem)	0.73
Equitable Distribution of Resources	Structures	Inequality-adjusted life expectancy index	Life expectancy for the whole population correcting for changes in income levels. Lower income brackets tend to have shorter life expectancy. A change in inequality may lead to a change in the overall life expectancy even if the life expectancy for each individual income bracket has not changed.	United Nations Development Programme	0.59
	Structures	Poverty headcount ratio at \$5.50 a day (2011 PPP) (% of population)	Poverty headcount ratio at \$5.50 a day is the percentage of the population living on less than \$5.50 a day at 2011 international prices.	World Bank	0.52
	Structures	Equal distribution of resources index	This component measures the equity to which tangible and intangible resources are distributed in society.	Varieties of Democracy (V-Dem)	0.73
Free Flow of Information	Attitudes	Freedom of the Press	A composite measure of the degree of print, broadcast and internet freedom.	Freedom House	0.58
	Attitudes	Quality of Information	Measured by Government dissemination of false information domestic: How often governments disseminate false or misleading information.	Varieties of Democracy (V-Dem)	0.59
	Structures	Individuals using the Internet (% of population)	Internet users are individuals who have used the Internet (from any location) in the last three months. The Internet can be used via a computer, mobile phone, personal digital assistant, games machine, digital TV etc.	International Telecommunication Union	0.59
Good Relations with Neighbours	Attitudes	Hostility to foreigners/private property	Intensity of antagonistic attitudes towards foreigners or property held by foreigners.	The Economist Intelligence Unit	0.68
	Structures	International tourism, number of arrivals (per 100,000)	Number of tourists who travel to a country (staying at least one night) other than that in which they have their usual residence.	World Tourism Organization	0.39
	Structures	The extent of regional integration	A qualitative measure reflecting the level of regional integration as measured by a country's membership of regional trade alliances.	The Economist Intelligence Unit	0.6
High Levels of Human Capital	Structures	Share of youth not in employment, education or training (NEET) (%)	Proportion of people between 15 and 24 years of age that are not employed and are not in education or training.	International Labour Organization	0.54
	Structures	Researchers in R&D (per million people)	The number of researchers engaged in Research & Development (R&D), expressed as per one million population.	UNESCO	0.64
	Structures	Healthy life expectancy (HALE) at birth (years)	Average number of years that a newborn can expect to live in full health.	World Health Organisation	0.61

Pillar	Domain	Indicator	Description	Source	Correlation coefficient (to the GPI)
Low Levels of Corruption	Institutions	Control of Corruption	Control of Corruption captures perceptions of the extent to which public power is exercised for private gain.	World Bank	0.77
	Attitudes	Factionalized Elites	Measures the fragmentation of ruling elites and state institutions along ethnic, class, clan, racial or religious lines.	Fragile States Index	0.72
	Institutions	Irregular payments and bribes	Measuring the prevalence undocumented extra payments or bribes by firms.	World Economic Forum	0.70
Sound Business Environment	Structures	Business Environment	Measures a country's entrepreneurial environment, its business infrastructure, barriers to innovation, and labour market flexibility.	Legatum Institute	0.70
	Structures	GDP per capita (current US\$)	GDP per capita is gross domestic product divided by midyear population.	World Bank	0.61
	Structures	Prosperity Index Score	Assesses countries in regards to economic development, business environment, governance, education, health, safety and security, personal freedoms, social capital and natural environment.	Heritage Foundation	0.81
Well-Functioning Government	Institutions	Political Democracy Index	Measures whether the electoral process, civil liberties, functioning of government, political participation and culture support secular democracy.	The Economist Intelligence Unit	0.64
	Institutions	Government Effectiveness: Estimate	Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.	World Bank	0.78
	Institutions	Rule of Law: Estimate	Rule of Law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.	World Bank	0.81



Positive Peace Index rankings

TABLE B.1
Results of the 2019 Positive Peace Index

Country	Rank	PP overall score	Well-Functioning Government	Low Levels of Corruption	Sound Business Environment	Equitable Distribution of Resources	Acceptance of the Rights of Others	Free Flow of Information	High Levels of Human Capital	Good Relations with Neighbours
Norway	1	1.17	1.08	1.09	1	1.01	1.35	1.26	1.19	1.48
Finland	2	1.21	1.2	1.06	1	1.16	1.11	1.15	1.33	1.83
Switzerland	3	1.23	1.17	1.13	1	1.05	1.45	1.15	1.2	1.8
Sweden	3	1.23	1.2	1.28	1.05	1.22	1.17	1.05	1.24	1.73
Denmark	5	1.26	1.26	1.11	1	1.11	1.49	1.05	1.28	1.88
Iceland	6	1.28	1.42	1.27	1.13	1.04	1.1	1.47	1.19	1.68
Netherlands	7	1.29	1.3	1.57	1.06	1.08	1.52	1.1	1.2	1.44
Ireland	8	1.34	1.57	1.42	1.12	1.19	1.23	1.45	1.36	1.38
New Zealand	9	1.4	1.24	1.07	1	1.15	1.87	1.34	1.38	2.35
Canada	10	1.41	1.27	1.47	1.01	1.12	1.53	1.46	1.4	2.2
Germany	11	1.42	1.44	1.6	1.08	1.14	1.62	1.28	1.27	1.93
Austria	12	1.47	1.48	1.73	1.26	1.1	1.64	1.83	1.26	1.38
Australia	13	1.51	1.43	1.34	1.04	1.25	1.5	1.7	1.3	2.73
Belgium	14	1.53	1.81	1.93	1.26	1.13	1.62	1.39	1.35	1.7
Singapore	14	1.53	1.5	1.48	1.2	1.09	1.32	2.62	1.11	2.09
France	16	1.55	1.71	1.68	1.32	1.07	2.01	1.82	1.34	1.38
Japan	17	1.56	1.57	1.6	1.4	1.04	1.47	1.65	1.08	2.84
Portugal	18	1.57	1.82	1.99	1.84	1.17	1.38	1.48	1.32	1.38
United Kingdom	19	1.59	1.55	1.85	1.01	1.22	2.17	1.69	1.38	1.84
Slovenia	20	1.63	1.95	1.94	1.7	1.16	1.69	1.69	1.33	1.38
Estonia	21	1.69	1.84	2.19	1.79	1.21	2.08	1.27	1.51	1.38
Spain	22	1.77	1.9	2.86	1.57	1.16	1.88	1.56	1.62	1.38
Czechia	23	1.79	1.93	2.6	1.81	1.15	1.78	1.93	1.34	1.55
South Korea	24	1.83	1.88	2.42	1.71	1.06	1.43	1.58	1.32	3.32
Lithuania	25	1.84	2.03	2.19	2.3	1.45	1.7	1.56	1.69	1.57
United States	26	1.85	1.57	2.28	1.12	1.67	2.21	2.02	1.58	2.47
Italy	27	1.96	2.33	2.73	1.85	1.18	1.7	2.07	2.08	1.54
Cyprus	28	2.01	2.06	2.91	1.73	1.13	2.04	1.88	2.4	1.74
Israel	28	2.01	1.84	2.72	1.59	1.36	2.71	2.01	1.46	2.33

Country	Rank	PP overall score	Well-Functioning Government	Low Levels of Corruption	Sound Business Environment	Equitable Distribution of Resources	Acceptance of the Rights of Others	Free Flow of Information	High Levels of Human Capital	Good Relations with Neighbours
Uruguay	30	2.02	2.25	1.81	2.21	1.47	1.63	1.85	2.84	2.14
Latvia	31	2.03	2.09	2.54	2.34	1.48	2.31	1.52	2.26	1.48
United Arab Emirates	32	2.06	2.56	1.8	1.61	1.4	2.15	2.71	1.97	2.31
Taiwan	33	2.09	1.85	2.68	1.81	1.15	2.41	2	1.75	3.1
Poland	34	2.1	2.39	2.33	2.36	1.32	1.93	2.2	1.95	2.16
Slovakia	35	2.11	2.24	2.97	2.25	1.5	2.17	1.7	1.81	1.98
Chile	36	2.13	2.02	1.81	2.35	2.15	2	1.61	2.82	2.38
Costa Rica	37	2.18	2.38	2.5	2.41	1.38	2.11	1.53	2.85	2.17
Greece	37	2.18	2.57	2.85	2.53	1.23	1.87	2.51	1.77	1.88
Qatar	39	2.2	2.74	2.19	1.82	1.28	2.45	2.59	2.45	1.98
Hungary	40	2.24	2.42	2.89	2.41	1.75	2.03	2.57	1.86	1.83
Mauritius	41	2.26	2.05	2.44	2.37	1.66	2.06	2.55	3.2	1.79
Croatia	42	2.29	2.46	2.88	2.71	1.36	2.19	2.4	2.22	1.88
Bulgaria	43	2.36	2.65	3.23	2.93	1.68	1.97	2.31	2.16	1.57
Malaysia	44	2.37	2.38	2.95	2.45	1.47	2.61	2.58	2.05	2.34
Romania	45	2.55	2.7	3.05	2.55	2.24	2.78	2.3	2.71	1.85
Jamaica	46	2.56	2.57	2.83	2.85	2.39	2.15	2.16	3.13	2.36
Montenegro	47	2.6	2.84	3.2	2.89	1.43	2.63	2.6	2.74	2.24
Oman	47	2.6	3.02	2.79	2.61	1.52	2.22	2.82	3.1	2.61
Panama	49	2.61	2.69	2.79	2.28	2	2.99	2.35	3.06	2.66
Argentina	50	2.66	2.76	3	2.88	1.82	2.52	2.22	2.64	3.4
Kuwait	50	2.66	3.14	3.46	2.27	1.58	2.22	2.42	3.2	2.85
Albania	52	2.68	2.97	3.33	3.05	2.17	2.18	2.58	3.06	1.86
Botswana	53	2.69	2.31	2.26	3.07	2.7	2.6	2.65	3.92	2.06
Georgia	54	2.7	2.57	2.95	3.16	1.98	2.68	2.78	2.86	2.5
Serbia	55	2.71	2.78	3.6	3.04	1.76	2.44	3.1	2.25	2.49
Macedonia	56	2.73	2.99	3.14	2.87	1.89	2.36	2.58	3.03	2.92
Trinidad & Tobago	57	2.74	2.67	3.42	2.54	2.5	2.17	1.84	3.94	2.79
Belarus	58	2.76	3.55	3.71	3.26	1.44	2	2.98	2.5	2.24
Bahrain	59	2.77	3.05	3.01	2.23	1.56	3.41	3.35	2.93	2.6
Bhutan	60	2.79	2.6	2.49	3.09	2.05	2.95	3.24	3.2	2.75
Saudi Arabia	61	2.81	3.26	3.01	2.54	1.67	3.27	3.29	2.59	2.77
Tunisia	62	2.82	2.8	3.58	3.5	2.04	2.5	2.65	2.56	2.66
Namibia	63	2.87	2.67	2.55	3.13	3.06	2.95	2.57	3.89	2.15
Jordan	64	2.92	2.99	2.91	3.44	1.97	3.24	2.76	2.89	3.06
Bosnia & Herzegovina	65	2.94	3.22	3.88	3.31	1.69	2.45	2.61	3.15	2.94
China	66	2.96	3.17	3.21	2.87	2.47	2.64	3.92	2.38	2.99
Mexico	67	3	2.99	3.68	2.69	2.7	3.54	2.76	3.07	2.41
Armenia	68	3.01	3.2	3.45	3.33	2.13	2.63	2.73	3.55	2.97
Kazakhstan	68	3.01	3.36	3.68	2.94	1.91	3.21	3.4	2.79	2.57
Morocco	70	3.03	3.12	3.33	3.45	2.55	3.14	2.79	2.93	2.78
Moldova	70	3.03	3.15	4.11	3.41	2.12	2.52	2.27	3.26	3.14
Cuba	72	3.04	3.38	3.53	3.26	1.7	2.24	4.09	2.57	3.55
Peru	72	3.04	2.98	3.6	2.95	2.64	3.11	2.75	3.13	3.06
Brazil	74	3.05	2.92	3.53	3.18	2.7	2.88	2.66	3.01	3.5
Ghana	74	3.05	2.75	3.34	3.39	3.09	2.49	2.5	3.88	3
Mongolia	74	3.05	2.96	3.31	3.21	2.23	2.29	3.03	3.28	4.27
Thailand	77	3.06	2.85	3.77	2.98	2.17	3.45	3.47	2.58	3.1

Country	Rank	PP overall score	Well-Functioning Government	Low Levels of Corruption	Sound Business Environment	Equitable Distribution of Resources	Acceptance of the Rights of Others	Free Flow of Information	High Levels of Human Capital	Good Relations with Neighbours
Dominican Republic	78	3.08	3.02	3.83	3.11	2.74	3.51	2.65	3.31	2.18
Russia	79	3.09	3.49	3.8	2.97	1.85	3.14	3.54	1.88	3.89
Colombia	80	3.1	2.91	3.72	2.81	2.7	3.33	2.86	3.28	3.1
Vietnam	81	3.11	3.16	3.81	3.27	2.13	2.74	3.6	2.66	3.42
Ecuador	82	3.13	3.21	3.9	3.3	2.17	3.2	2.66	2.97	3.45
Indonesia	83	3.15	2.83	3.4	2.97	2.8	3.26	3.09	3.43	3.49
Ukraine	83	3.15	3.27	4.02	3.6	2.03	3.18	2.83	2.77	3.27
South Africa	83	3.15	2.59	3.4	2.99	3.71	3.12	2.38	3.75	3.38
Sri Lanka	86	3.18	2.82	3.83	3.27	2.26	3.05	3.31	3.39	3.45
Palestinian Territories	86	3.18	3.31	3.73	3.6	1.88	2.77	2.83	3.46	3.8
Turkey	88	3.2	3.04	3.49	3.19	2.44	3.28	3.4	2.87	3.9
Senegal	89	3.22	2.98	3.39	3.65	3.2	2.92	2.95	3.73	2.96
Guyana	90	3.23	3.01	3.61	3.29	3.22	3.31	2.81	3.72	2.76
El Salvador	90	3.23	3.17	3.36	3.3	3	3.61	2.85	3.49	2.97
India	92	3.25	2.59	3.23	3.25	3.72	3.27	3.07	3.62	3.38
Nicaragua	93	3.27	3.42	3.99	3.39	2.58	3.22	3.71	2.67	2.94
Lebanon	94	3.28	3.43	4.46	3.37	1.92	3.28	2.56	2.81	4.16
Rwanda	94	3.28	3.1	2.75	3.24	3.36	3.84	3.65	3.72	2.6
Gabon	96	3.34	3.66	3.94	3.71	2.5	2.97	3.23	3.55	2.93
Kyrgyzstan	96	3.34	3.52	4.26	3.31	2.8	3.28	3.44	3.27	2.56
Lesotho	98	3.36	3.14	3.83	3.74	3.33	3.07	3.14	3.83	2.72
Azerbaijan	99	3.37	3.51	3.65	3.29	3.44	3.16	3.76	2.92	3.18
Paraguay	99	3.37	3.29	4.12	3.17	3.08	3.4	2.81	3.2	3.84
Tanzania	99	3.37	3.23	3.52	3.49	3.36	3.16	3.59	3.47	3.15
Bolivia	102	3.38	3.42	4.15	3.61	2.92	2.85	2.93	3.09	3.95
Benin	103	3.39	3.3	3.96	3.82	3.44	2.76	3.09	3.63	3.01
Algeria	103	3.39	3.64	3.7	3.82	2.06	3.21	3.39	2.97	4.23
Honduras	103	3.39	3.37	3.7	3.26	3.3	3.36	3.53	3.44	3.1
Philippines	106	3.4	2.89	4.01	3.23	3.39	3.47	2.91	3.34	3.98
Swaziland	107	3.42	3.51	3.12	3.7	3.86	3.05	3.51	4.21	2.35
Gambia	108	3.46	3.6	3.48	3.73	3.24	2.86	3.71	4.05	2.97
Burkina Faso	109	3.48	3.34	3.88	3.82	4.03	2.86	2.93	3.84	3.02
Guatemala	110	3.49	3.42	3.64	3.17	3.35	4.21	3.47	3.52	3.07
Uzbekistan	111	3.52	3.91	4.1	3.76	2.38	3.02	3.82	3.19	3.82
Malawi	112	3.54	3.24	4	3.56	4.03	3.52	2.98	3.88	2.99
Zambia	113	3.56	3.16	3.66	3.35	3.94	3.28	3.62	4.17	3.48
Djibouti	114	3.57	3.88	3.77	3.88	3.42	3.58	3.47	3.34	2.97
Iran	115	3.58	3.61	4.05	3.52	1.93	3.68	3.77	3.39	4.7
Uganda	115	3.58	3.23	4.28	3.79	3.63	3.57	3.29	4.02	2.64
Cambodia	117	3.59	3.63	4.35	3.53	3.3	3.69	3.85	2.92	3.24
Timor-Leste	117	3.59	3.4	4.02	3.65	3.72	3.69	3	3.49	3.7
Kenya	119	3.6	3.17	4.21	3.29	3.58	3.8	3.66	3.6	3.51
Côte d'Ivoire	120	3.63	3.57	3.92	3.79	3.89	3.8	2.99	4.32	2.61
Egypt	120	3.63	3.57	3.61	3.74	3.61	3.96	3.66	3.34	3.46
Nepal	120	3.63	3.5	4.22	3.46	3.52	3.31	3.3	3.75	4
Mozambique	123	3.64	3.72	3.95	3.94	3.92	3.12	3.11	3.73	3.49
Laos	124	3.67	3.72	3.72	3.68	3.71	3.57	3.68	4.05	3.14
Madagascar	125	3.69	3.61	4.29	3.9	4.22	3.43	3.71	3.18	3.02

Country	Rank	PP overall score	Well-Functioning Government	Low Levels of Corruption	Sound Business Environment	Equitable Distribution of Resources	Acceptance of the Rights of Others	Free Flow of Information	High Levels of Human Capital	Good Relations with Neighbours
Togo	125	3.69	3.78	4.01	3.95	3.52	3.41	3.81	3.42	3.48
Sierra Leone	127	3.7	3.68	4.09	3.99	4.07	3.58	3.36	3.65	3.02
Liberia	128	3.71	3.69	3.88	3.73	3.95	3.7	3.63	3.49	3.52
Bangladesh	129	3.73	3.34	4.4	3.72	3.62	4.2	3.36	3.51	3.53
Ethiopia	130	3.75	3.53	3.95	4.09	3.58	3.91	3.79	3.31	3.76
Myanmar (Burma)	131	3.77	3.73	4.22	4.2	3.55	3.86	3.48	3.47	3.48
Libya	132	3.78	4.48	4.65	4.05	2.67	2.9	3.81	3.11	4.32
Papua New Guinea	132	3.78	3.33	4.11	3.83	4.19	4.15	2.82	3.75	4.01
Venezuela	132	3.78	4.21	4.53	3.75	3.11	3.2	3.78	3.14	4.38
Mali	135	3.81	3.44	3.81	3.9	4.01	4.1	3.06	4.18	4.02
Turkmenistan	135	3.81	4.26	4.11	3.65	2.68	3.21	4.44	3.45	4.7
Tajikistan	137	3.84	4.18	3.84	3.6	3.19	3.75	4.31	3.7	4.21
Kosovo	138	3.87	3.73	4.24	4.07	3.72	3.93	3.86	3.5	3.86
Niger	138	3.87	3.55	4.16	4.12	3.99	3.62	3.46	3.79	4.28
Pakistan	138	3.87	3.49	4.11	3.91	4.09	3.58	3.56	3.74	4.64
Cameroon	141	3.89	3.77	4.45	3.74	3.58	4.16	3.32	3.71	4.36
North Korea	141	3.89	4.58	4.2	3.71	2.25	3.44	4.59	3.4	4.96
Nigeria	143	3.9	3.63	4.51	3.58	4.26	4.13	3.12	3.89	4.02
Congo - Brazzaville	144	3.93	3.99	3.97	4.13	3.83	4.19	3.85	3.5	3.86
Angola	145	3.99	3.87	4.39	4.37	4.28	4.05	3.75	3.17	3.88
Haiti	146	4	4.11	4.65	4.53	4.19	3.83	3.81	3.6	2.99
Mauritania	146	4	3.54	4.38	4.37	3.84	4.13	3.52	4	4.19
Iraq	148	4.01	4.04	4.56	4.34	3.14	3.5	3.46	4.03	4.98
Burundi	149	4.03	4.2	4.23	4.27	4.64	3.78	4.43	3.37	3.15
Guinea	150	4.04	3.95	4.6	3.92	4.34	4.07	3.66	3.77	3.89
Zimbabwe	150	4.04	4.06	4.42	3.89	3.95	3.35	3.9	4.3	4.5
Guinea-Bissau	152	4.15	4.4	4.71	4.66	4.56	3.68	3.56	3.84	3.51
Equatorial Guinea	153	4.21	4.35	4.61	4.52	4.18	3.81	4.09	3.74	4.26
Afghanistan	154	4.25	4.23	4.5	4.54	3.98	4.15	3.62	4.25	4.64
Sudan	154	4.25	4.13	4.7	4.47	3.91	4.37	3.97	3.94	4.37
Syria	154	4.25	4.69	4.62	4.31	3.71	4.05	4.37	3.68	4.44
Congo - Kinshasa	157	4.28	4.45	4.7	4.32	4.43	4.57	4.31	3.79	3.39
Eritrea	157	4.28	4.38	4.4	4.87	3.6	3.92	4.64	3.61	4.72
Chad	159	4.33	4.31	4.74	4.48	4.45	4.46	4.14	3.96	3.89
Central African Republic	160	4.47	4.54	4.63	4.56	4.67	4.46	4.19	4.06	4.62
South Sudan	161	4.53	4.69	4.82	4.88	4.58	4.7	4.34	3.86	4.11
Yemen	162	4.61	4.54	4.85	4.65	4.25	4.93	4.3	4.3	4.99
Somalia	163	4.65	4.95	4.87	4.88	4.65	4.52	4.36	3.88	5

ENDNOTES

SECTION 1

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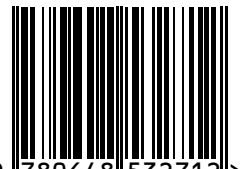
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ISBN 978-0-6485327-1-2



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