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2011 Global Peace Index

World Less Peaceful for Third Straight Year; Arab Spring Heralds Biggest Ever Change in Rankings

- **Libya Tumbles 83 Spots in Rankings, Largest Ever Fall in GPI History**
- **Iceland Bounces Back from Economic Woes to Top Ranking**
- **Somalia Displaces Iraq as World's Least Peaceful Nation**
- **Violence Cost the Global Economy More Than \$8.12 Trillion in 2010**
- **US Peacefulness Shows Minimal Change**

LONDON, UNITED KINGDOM--(Marketwire - May 24, 2011) -

Editors Note: There is a video associated with this press release.

The threat of terrorist attacks and the likelihood of violent demonstrations were the two leading factors¹ making the world less peaceful in 2011, according to the latest Global Peace Index (GPI), released today. This is the third consecutive year that the GPI, produced by the Institute for Economics and Peace (IEP), has shown a decline in the levels of world peace. The economic cost of this to the global economy was \$8.12 trillion in the past year.

The GPI is the world's leading measure of global peacefulness. It gauges ongoing domestic and international conflict, safety and security in society, and militarisation in 153 countries by taking into account 23 separate indicators.

The 2011 Index dramatically reflects the impact on national rankings of the Arab Spring. Libya (143) saw the most significant drop – falling 83 places; Bahrain (123) dropped by 51 places – the second largest margin; while Egypt (73) dropped 24 places. Unrest caused by economic instability also led to falls in levels of peacefulness in Greece (65), Italy (45), Spain (28), Portugal (17) and Ireland (11).

*"The fall in this year's Index is strongly tied to conflict between citizens and their governments; nations need to look at new ways of creating stability other than through military force," said **Steve Killelea, founder and Executive Chairman of the IEP.** "Despite a decade-long war on terrorism, the potential for terrorist acts has increased this year offsetting small gains made in prior years."*

While the overall level of peacefulness was down, this year's data did show increased peacefulness in some areas – most notably levels of military expenditure and relations between neighbouring states.

Killelea continued: *"There is increasing recognition that there is a real 'peace dividend' to be had. Our research identifies eight social attitudes and structures² required to create peaceful, resilient and socially sustainable societies."*

Having high scores across all eight structures enabled Iceland to regain its position at the top of this year's Index, after slipping in last year's ranking following violent demonstrations related to the collapse of the country's financial system and currency. High scores across the governance structures also explain why Japan was able to retain its position in the rankings – despite the external shock of this year's earthquake and tsunami.

OTHER HIGHLIGHTS / REGIONAL FINDINGS

If the world had been 25% more peaceful over the past year there would have been an economic impact of US\$2 trillion to the global economy.

If the world had been 25% more peaceful over the past year the global economy would have reaped an additional economic benefit of just over US\$2 trillion. This amount would pay for the 2% of global GDP per annum investment estimated by the Stern Review³ to avoid the worst effects of climate change, cover the cost of achieving the Millennium Development Goals⁴, eliminate the public debt of Greece, Portugal and Ireland⁵, and address the one-off rebuilding costs of the most expensive natural disaster in history – the 2011 Japanese earthquake and tsunami⁶.

Iceland is the world's most peaceful nation, followed by New Zealand, Japan, Denmark and the Czech Republic. **Iraq (152) moved from the bottom of the Index for the first time ever.**

Sub-Saharan Africa remains the region least at peace, containing 40% of the world's least peaceful countries, Sudan (151) and Somalia (153) at the bottom of the Index.

For the fifth consecutive year, Western Europe is the most peaceful region with the majority of countries ranking in the top 20. Four Nordic countries are ranked in the top ten; however, **Sweden drops to number 13** because of its arms-manufacturing industry and the volume of exports of conventional weapons. **Joining the European Union has had a positive impact** on the relevant members of **Central and Eastern Europe** with the Czech Republic moving into the top ten (5th place) for the first time and Slovenia rising to 10th position.

North America demonstrated a slight improvement since last year. Canada (8) jumped 6 places in this year's rankings whereas the US's (82) overall score remained unchanged although its ranking improved from 85th to 82nd.

GPI Results, related maps and charts are available at www.visionofhumanity.org.

About The Institute for Economics and Peace

The Institute for Economics and Peace (IEP) is an international research institute dedicated to building a greater understanding of the inter-relationships between business, peace and economics with particular emphasis on the economic benefits of peace.

The Institute's ground-breaking research includes the Global Peace Index which is the world's leading measure of national peacefulness. The Institute also produces country-specific analysis including the United States Peace Index, released in 2011.

IEP is an independent, non-partisan, not-for-profit organisation with offices in Sydney and New York. IEP partners with numerous leading organisations internationally including the Aspen Institute, the Economist Intelligence Unit, the Earth Institute at Columbia University, the Club de Madrid, Monash University, and the Center for Strategic and International Studies (CSIS). It also

collaborates with multinational organizations including the World Bank, the OECD and the United Nations.

For more information please visit www.EconomicsandPeace.org.

¹Twenty-nine nations (particularly in Africa, the Middle East and Europe) experienced a rise in their terror threat level making this the most significant negative influence on the Global Peace Index this year. In thirty-three nations the likelihood for violent demonstrations increased.

²The 8 structures are: Well-functioning government; Sound business environment; Equitable distribution of resources; Acceptance of the rights of others; Good relations with neighbours; Free flow of information; High levels of education; Low levels of corruption.

³2% of global GDP= \$1.124 billion; Stern Review: *The Economics of Climate Change*, World Bank executive summary URL: <http://siteresources.worldbank.org/INTINDONESIA/Resources/226271-1170911056314/3428109-1174614780539/SternReviewEng.pdf>

⁴Cost of MDGs = \$60 billion; World Bank (2002) *The Costs of Attaining the Millennium Development Goals*:<http://www.worldbank.org/html/extdr/mdgassessment.pdf>

⁵Public debt in Greece, Portugal and Ireland = \$700 billion; Eurostat, euroindicators (26 April 2011) URL: http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-26042011-AP/EN/2-26042011-AP-EN.PDF

⁶Rebuilding costs of \$235 billion; World Bank (21 March 2011) URL: http://siteresources.worldbank.org/INTEAPHALFYEARLYUPDATE/Resources/550192-1300567391916/EAP_Update_March2011_japan.pdf

To view the video associated with this press release, please visit the following link:
<http://www.youtube.com/watch?v=zZTpBDoDOOY>

To view the 2011 GPI Discussion Paper, please visit the following link:
<http://media3.marketwire.com/docs/2011GPIDiscussionPaper.pdf>

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