



Geopolitical Influence & Peace

○ Relations Between
Major Powers

○ Emerging
Nations

○ Great Power
Competition





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 well-being 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, Brussels, The Hague, Mexico City and Nairobi. It works with a wide range of partners internationally and collaborates with intergovernmental organizations on measuring and communicating the economic value of peace.

For more information visit www.economicsandpeace.org

Please cite this report as:

Institute for Economics & Peace. Geopolitical Influence & Peace: Tracking the trends shaping international relations, Sydney, January 2025. Available from: <http://visionofhumanity.org/resources> (accessed Date Month Year).

Contents

Executive Summary	2
Key Findings	3
Introduction	4
Relations Between Major Powers	5
Economic Slowdown and Increasing Debt	7
Trade	8
The United Nations and the Multilateral System	9
Emerging Nations	10
Nuclear Weapons	11
The Effects of Major Power Competition on the Rest of the World	11
Competing for Influence	14
Competition During the Cold War in Low and Middle Income Countries	15
Competition in the Post-Cold War Period in Low and Middle Income Countries	15
Competition Today in Low and Middle Income Countries	17
Changes in Influence for G20 Countries by Region	18
Endnotes	22

Executive Summary

This report, Geopolitical Influence & Peace, explores the shifting dynamics of global power, drawing comparisons to the Cold War while underscoring the unique challenges of today's interconnected and multipolar world.

Geopolitical risks today exceed levels seen during the Cold War, driven by heightened military spending, stalled efforts at nuclear disarmament, and a diminished role for multilateral institutions like the United Nations. At the same time, global power is being redistributed, with emerging middle powers reshaping the landscape through strategic investments and influence-building initiatives. These shifts challenge the dominance of traditional Western powers, creating both opportunities and vulnerabilities in global governance. Economic stagnation further complicates the picture, as developing nations grapple with mounting debt burdens that divert critical resources away from health, education, and infrastructure.

Unlike the bipolar structure that prevailed in most of the 20th-century Cold War, the current global landscape is shaped by technological dominance, economic interdependence, and influence competition across emerging regions such as Africa, Latin America, and Southeast Asia. While China's rise is clear, emerging regional powers, such as Brazil, Türkiye, United Arab Emirates, South Africa and Indonesia are also seeking to shape regional and global dynamics. The proliferation of advanced technologies like artificial intelligence, semiconductors, and 5G infrastructure has transformed power dynamics, with states vying to secure strategic dominance in these areas. Meanwhile, economic interdependence, once seen as a stabilising force, is increasingly weaponised, as seen in trade wars, sanctions, and the deliberate decoupling of supply chains in critical industries. These dynamics are exacerbated by the intensification of proxy conflicts, hybrid warfare tactics, and disinformation campaigns that further destabilise global alliances and erode trust among nations.

In exploring the current dynamics of global power, the report addresses the challenges of a multipolar world and the implications for the developing world. Developing countries can face economic disruptions, diminished development funding, and governance challenges due to shifts in geopolitics of the major powers. During the Cold War, developing countries became arenas for proxy wars, economic exploitation, and political interference, exacerbating instability, poverty, and underdevelopment. Today, as global power struggles intensify, nations in Africa, Latin America, and parts of Asia risk becoming similarly entangled, facing increased economic pressures, disrupted trade partnerships, and reduced access to critical investments. Debt servicing costs now outweigh investments in essential services for many developing countries, undermining their capacity for sustainable growth. Moreover, the plateauing of global trade integration limits economic opportunities, further constraining development pathways for emerging economies.

Competition for influence among powerful nations may undermine local governance and development priorities, diverting attention from urgent challenges such as climate change, food insecurity, and peacebuilding. A nuanced understanding of these dynamics is crucial to ensure that developing countries are supported in long-term stability and development.

Key Findings

Changes in the International Landscape

- 1. Geopolitical Risk on the Rise:** Current geopolitical risk levels exceed those of the Cold War and are nearing the peaks observed in the aftermath of 9/11, underscoring the intensifying global tensions.
- 2. Record Military Spending:** In 2023, global military expenditure reached \$2.43 trillion, marking a seven per cent increase from the previous year — the largest rise since 2009 — primarily driven by ongoing conflicts like the war in Ukraine.
- 3. Trade and Economic Interdependence Plateau:** While global trade as a percentage of GDP grew rapidly after 1990, it has plateaued over the past decade, remaining around 60 per cent of global GDP.
- 4. Decline in UN Effectiveness:** UN Security Council resolutions have decreased significantly since their 1990s peak, with a sharp rise in vetoes, reflecting deepening divides among major powers.
- 5. Nuclear Disarmament Stalls:** Efforts to reduce global nuclear stockpiles have stagnated, with some states even increasing their arsenals, raising concerns over renewed proliferation and security risks.
- 6. Emergence of New Global Competitors:** The number of countries with significant influence in more than five other nations has almost tripled, rising from 13 at the end of the Cold War to 34 in 2024. In addition to China and India, countries like Türkiye, United Arab Emirates, Vietnam, South Africa, Brazil and Indonesia are all growing in influence.

Impacts on Low- and Middle-Income Countries (LMICs)

- 1. Rising Competition for Influence:** In regions like Africa, South Asia, and South America, external competition for resources and political influence has intensified. For example, in the Sahel region in Africa, instability and resource scarcity have driven foreign and regional actors to vie for control, contributing to a complex and contested environment.
- 2. Potential for New Tensions:** Historically, major power competition can, in the extreme case, lead to proxy wars. International involvement in civil conflict may prolong peaceful outcomes and increase the potential for mass atrocities. For instance, Sudan's civil war, involving external support for opposing factions, has displaced over 10 million people and caused tens of thousands of deaths, worsening the humanitarian crisis and regional instability.
- 3. China's Rise in Development Aid:** China has emerged as the most influential external actor in regions like West Africa. Its Belt and Road Initiative has significantly reshaped economic dependencies in developing countries.
- 4. Development Assistance Shifts:** Increased security spending in donor countries reduces funding available for Official Development Assistance (ODA) in the developing countries.
- 5. Debt Burdens Outpace Essential Spending:** While ODA reached \$223.7 billion in 2023, its impact is undermined by the prioritisation of loans over grants, exacerbating long-term debt challenges in the developing countries. In 2024, 3.3 billion people lived in countries where debt interest payments exceeded spending on health and education, highlighting the growing fiscal strain on developing countries which will impede improvements in Positive Peace.

Introduction

The Geopolitical Influence & Peace report provides a critical analysis of ongoing trends in international affairs, amidst growing discussions of major conflict and frequent assertions that the world has entered a new Cold War. Currently, there is an observable trend of major global alliances solidifying, with Russia, China, North Korea, Iran strengthening formal pacts, while NATO allies are now exceeding their two per cent of GDP commitments to defence spending. Figure 1 shows that military spending is now at its highest level since the end of the Cold War, with a notable increase since the onset of the Russia-Ukraine war.

The idea that the world is in a new Cold War arises from a series of escalating geopolitical events that reflect intensifying rivalry among major powers, particularly the United States and China. Proponents argue that growing ideological, economic, and military competition mirrors the Cold War dynamic, with spheres of influence and proxy conflicts re-emerging as they did through US-Soviet rivalry. Tensions have mounted over trade disputes, military build-ups in the South China Sea, and competition for technological dominance, exemplified by battles over 5G networks and semiconductor supply chains. Russia's actions, including its

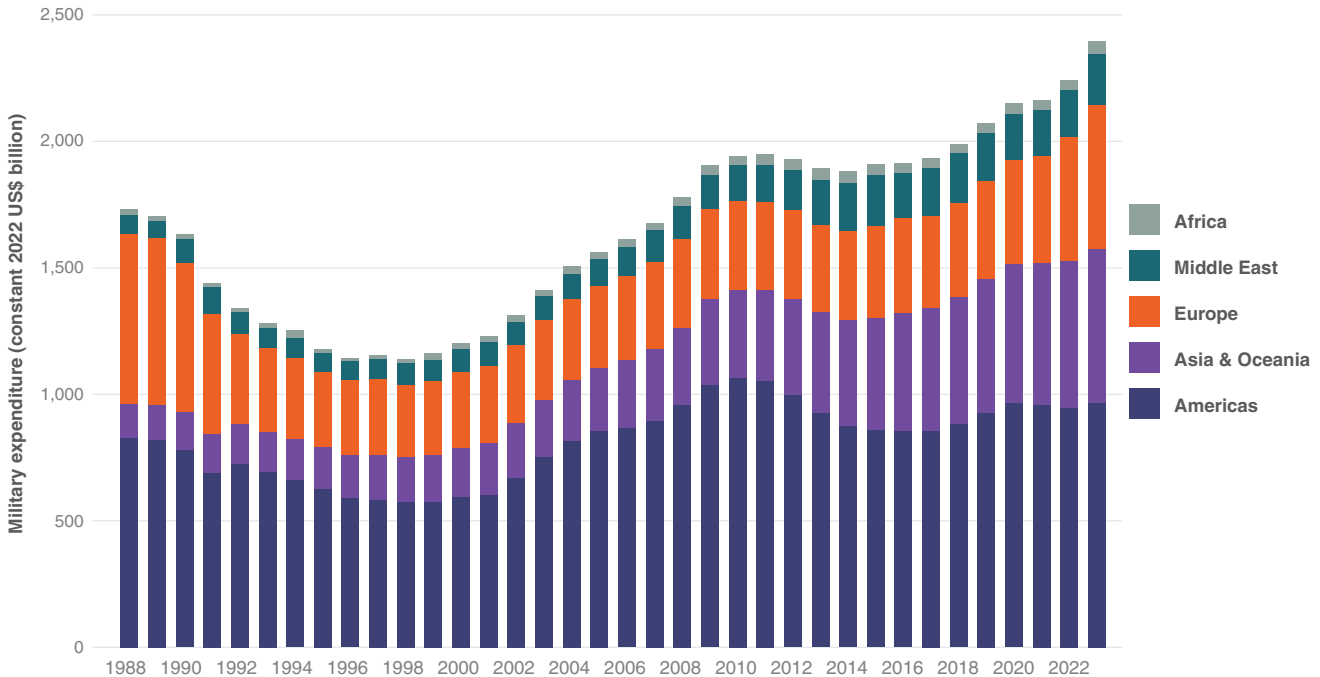
annexation of Crimea in 2014 and the invasion of Ukraine in 2022, have further polarised global alliances and prompted NATO to expand and reassert its role in European security. Simultaneously, ideological divides have deepened, with authoritarian regimes like China and Russia promoting alternative governance models in opposition to liberal democracies. These developments, coupled with the rise of strategic decoupling and a resurgence of proxy conflicts in regions like Africa and the Middle East, evoke parallels to the Cold War era of bipolar competition, though now in a more interconnected and multipolar global context.

While there are parallels to the Cold War, the contemporary international system differs significantly in key areas such as trade, interdependence, the rise of emerging powers, and global mega trends like climate change and cybersecurity. These shifts highlight the need for nuance in "new Cold War" debates, rather than absolute comparisons. Table 1 provides a high-level overview of these differences. While not exhaustive, this shows that the geopolitical landscape and risks have shifted since the Cold War period.

FIGURE 1

Military expenditure, since 1988

Military expenditure declined in the 1990s, before rising steadily from the 2000s and reaching an all-time high in 2024.



Source: SIPRI

TABLE 1

Changes in the international system from the Cold War to the present

Factor	Theme	Cold War (1947–1989)	Post Cold War (1990–2011)	2011–2024
Trade	Global Trade	Represents 40 per cent global GDP	Increases to 60 per cent	Remained at 60 per cent for the past decade
United Nations	Security Council Resolutions	High use of UNSC veto, few resolutions passed	Decline of veto use, increase of resolutions passed	Increase in use of veto, decline of successful resolutions
	Aid Disbursement	Increasing	Increasing	Shift toward bilateral vs multilateral disbursements
Emerging Nations	Number of Countries	76 (1947)	172 (1991)	195 (2011)
	Material Power of Countries	P5 account for 55 per cent of global material power	P5 reduces to 50 per cent of global material power	P5 reduces to 40 per cent of global material power
Nuclear Weapons	Number of Nuclear Powers	2 (1947)	8 (2005)	9 (2006)
	Stockpiles of Nuclear Weapons	Russia 40,000 US 23,000 Rest of the world 1,500 (1986)	Russia 12,000, US 10,000, Rest of the world 700 (1991)	Russia 5,600, US 5,000, Rest of the world 1,500 (2023)

Source: IEP

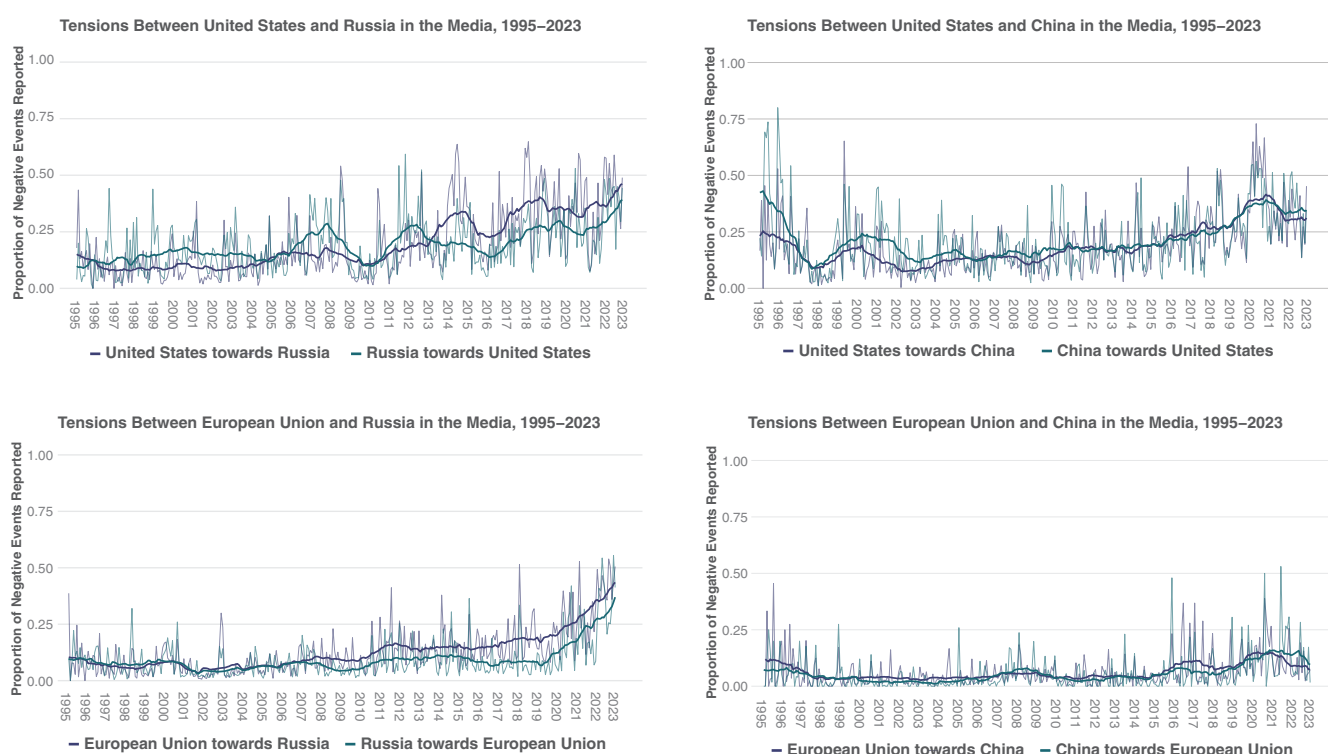
Relations between major powers

A trend of concern is the increased tensions between nuclear powers and expanding proliferation, is a significant threat to peace. Figure 2 shows that the sentiment of news articles that relate to the bilateral relationships between major powers have been deteriorating since 1995.

FIGURE 2

Bilateral sentiment between the US, Russia, China and the EU, since 1995

Since 1995, the lowest proportion of negative events was between the EU and China, while the highest was between the US and Russia.



Source: ICEWS

BOX 1

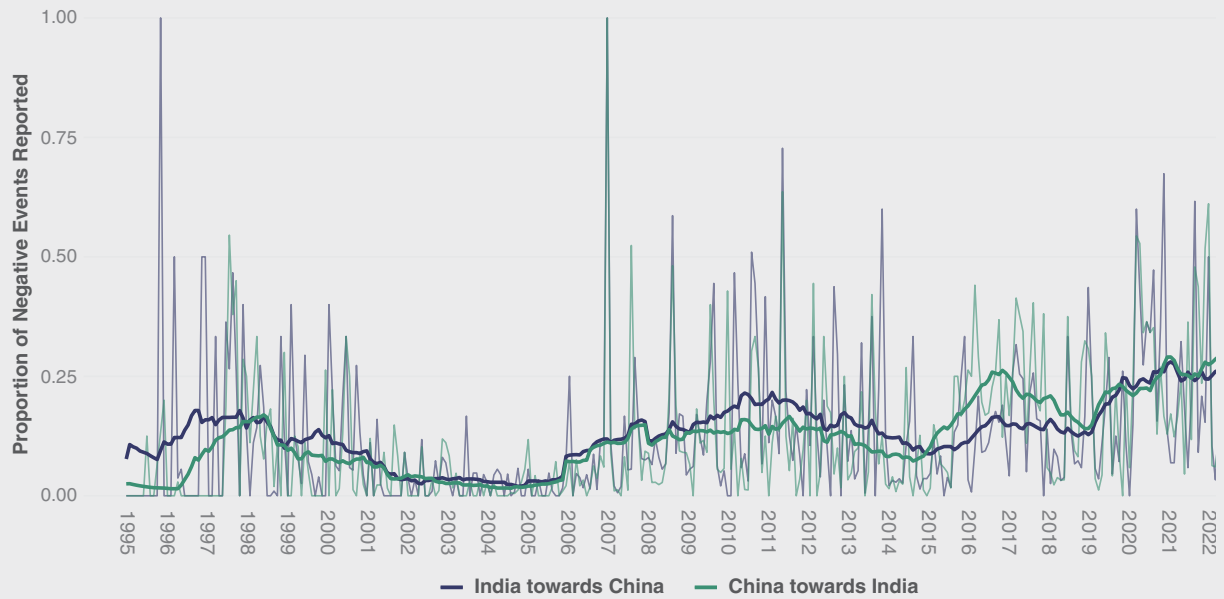
India-China relations

Figure 3 shows that tensions between China and India, the world's two largest countries by population and peer competitors for power and influence in Asia are at their highest point in decades. They have the second and fifth largest economies, representing just over 20 per cent of global GDP. Disputes over their shared border have escalated into literal hand to hand combat, and remains a critically important relationship for the future of Asia and the world more broadly. Both China and India seek to influence affairs in South and Southeast Asia, often competing for influence in states like Sri Lanka, Nepal and Myanmar. The relationship will continue to shape the futures of both states and the region at large.

FIGURE 3

Bilateral sentiment between India and China, since 1995

India and China- Asia's two great powers show rising negative sentiment amidst border tensions and growing regional competition.

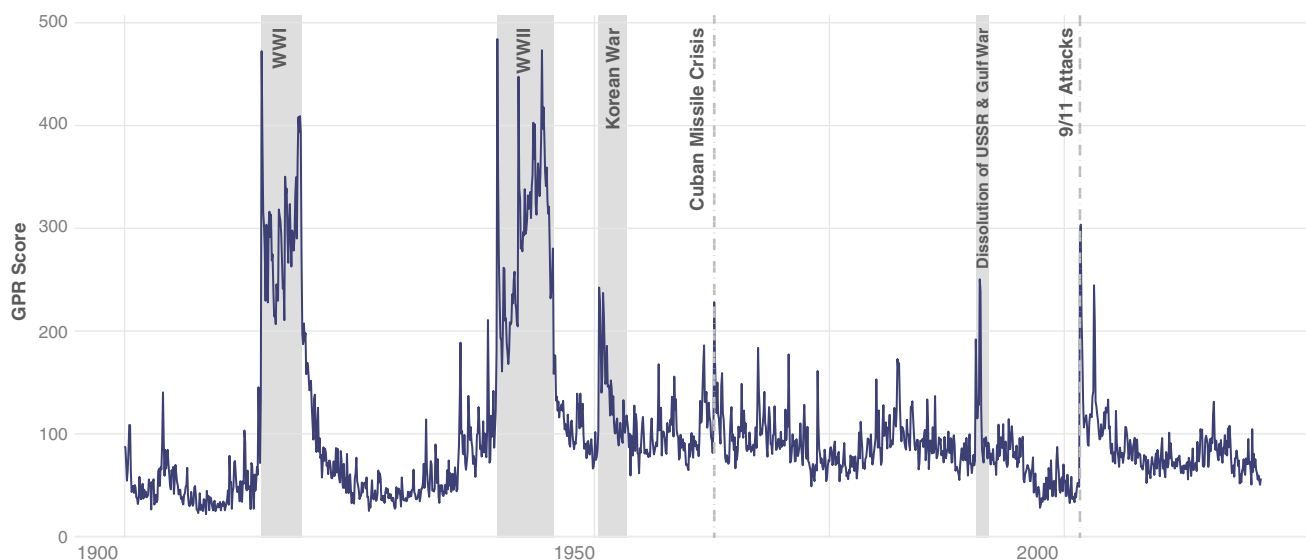


Source: ICEWS

FIGURE 4

Geopolitical risk level, since 1900

Since 1900, the highest levels of geopolitical risk were during World War I and World War II.



Source: Caldara, Dario and Matteo Iacoviello (2022)

Taking into account such dynamics, Figure 4 displays the levels of geopolitical risk as calculated by the Geopolitical Risk Index. This is a measure that considers the proportion of articles in three newspapers that concern conflict indicators (Beginning of War, Escalation of War, and Terror Acts) and conflict aggressors (War Threats, Peace Threats, Military Buildup, Nuclear Threats, and Terror Threats).¹ This indicates that current tensions are higher than during the Cold War, but remain below the levels seen in the aftermath of the 9/11 terror attacks.

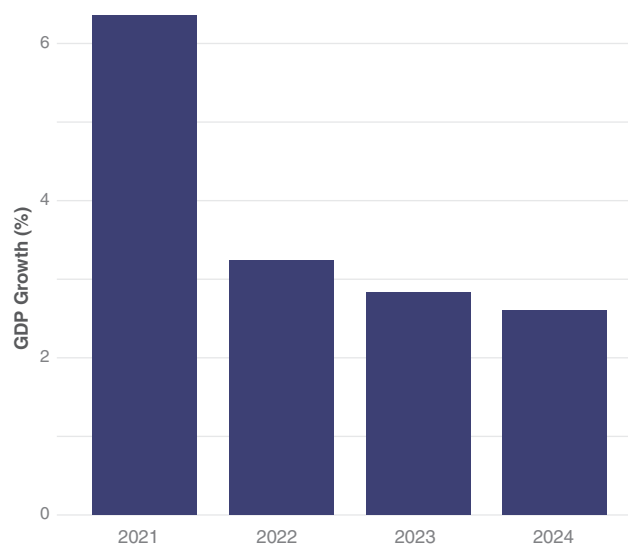
Economic slowdown and increasing debt

Global economic growth has slowed since the temporary resurgence following the pandemic induced recessions of 2020. Contemporary global economic stagnation, marked by slow or stagnant growth across major economies, is a key factor shaping geopolitics in the 21st century. Rising inflation, uneven recovery from the COVID-19 pandemic, and the economic fallout from geopolitical tensions, such as the Russia-Ukraine war, have strained international trade, disrupted supply chains, and exacerbated debt vulnerabilities in developing nations. These economic pressures have fuelled domestic instability in many countries, heightened competition for resources, and amplified protectionist policies. For geopolitics, this stagnation influences power dynamics, as nations with resilient economies leverage their stability to expand influence, while weaker economies face greater susceptibility to external pressures and internal discontent. As global cooperation becomes increasingly fragmented, addressing economic stagnation has emerged as a critical task for sustaining international peace and stability.

FIGURE 5

Global GDP growth, 2021–2024

Global GDP is stagnant, with growth having fallen from its post-COVID resurgence in 2021.



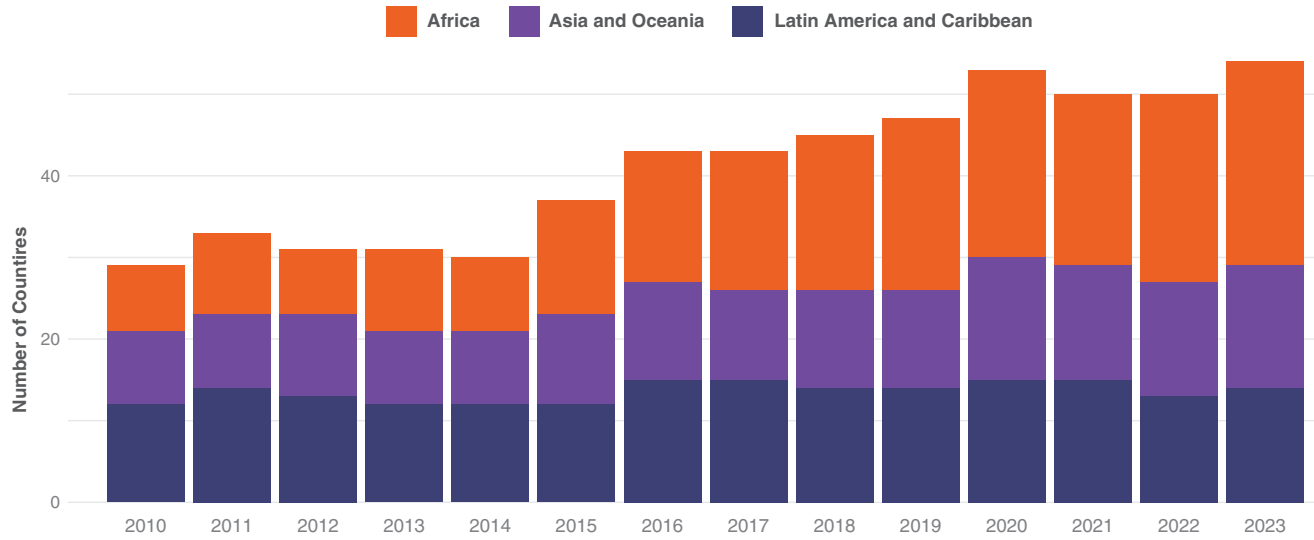
Source: World Bank

Rising debt levels are another economic dynamic of growing importance, compounded by low global economic growth. In 2023, global public debt reached a record high of \$97 trillion. The growth of debt has been particularly pronounced in developing countries, which outpaced debt growth of developed nations by a factor of two since 2010.² Figure 6 shows a record number of developing economies now spending over 10 per cent of their annual revenue on interest payments for existing loans.

FIGURE 6

Developing countries with net interest payments exceeding 10 per cent of revenue, 2010–2023

The number of developing countries that spend heavily on interest has increased since 2011.



Source: UNCTAD

Developing countries spending over 10 per cent of their annual revenue on servicing interest on debt face significant challenges that directly impact global peace and security. This financial burden limits their ability to invest in critical sectors such as healthcare, education, and infrastructure, exacerbating poverty and inequality. The strain also undermines state capacity to address grievances, fuelling public dissatisfaction and creating fertile ground for social unrest, political instability, and violent conflict. Furthermore, these fiscal constraints often force reliance on external creditors, increasing geopolitical dependencies that can heighten tensions and erode national sovereignty. The inability of these countries to achieve sustainable development amidst such financial pressure not only destabilises their regions but also has spillover effects, including migration crises and the spread of transnational threats, making this issue a priority for maintaining global stability.

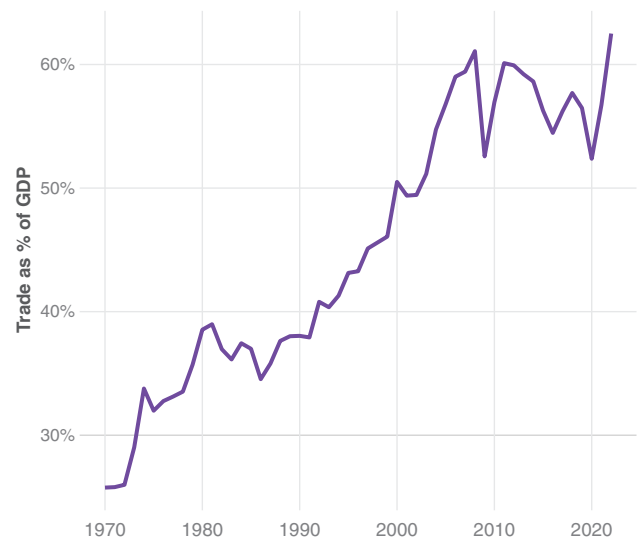
Trade

As shown in Figure 7, the world is more connected economically through trade than it was during the Cold War, with deep economic interdependence between the US and China, contrasting sharply with the dynamics of the isolated blocs of the Cold War. Economic ties and interdependence, long seen as stabilising forces for international relations, grew sharply after 1990. However, the level of trade as a percentage of world GDP has plateaued over the past decade, suggesting further growth may be unlikely, particularly if countries increasingly rely on tariffs.

FIGURE 7

Trade as percentage of GDP, since 1970

Since 1970, trade as a percentage of GDP has increased, plateauing since 2010.

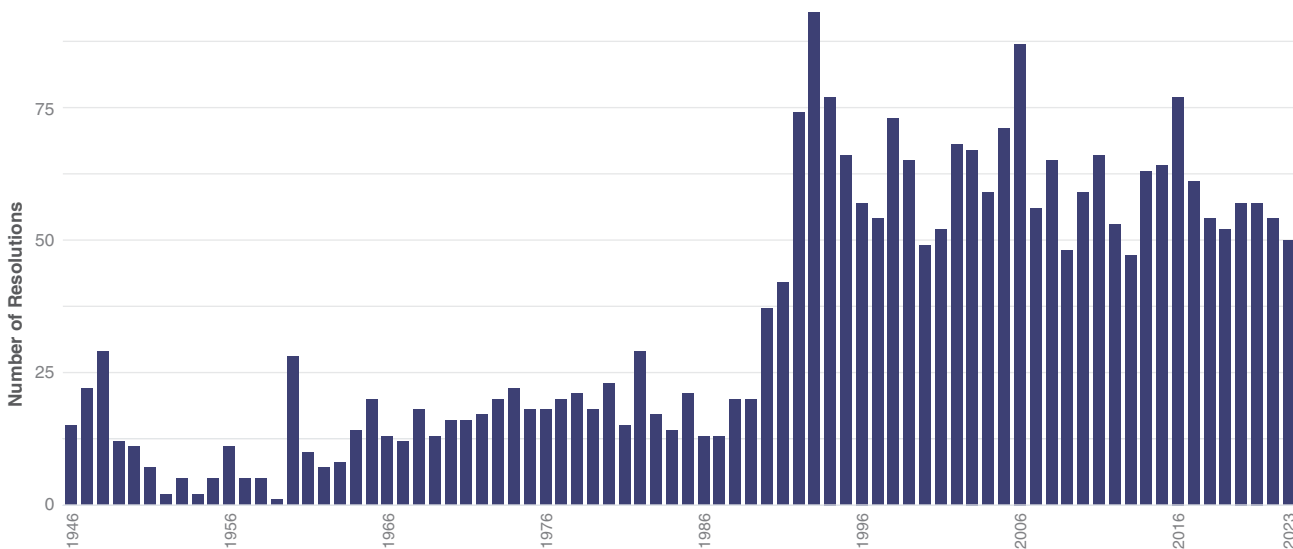


Source: World Bank

FIGURE 8

UN Security Council resolutions passed, since 1945

After a large increase in Security Council resolutions in the 1990s, the number in the past decade has decreased.



Source: UN; IEP

The United Nations and the multilateral system

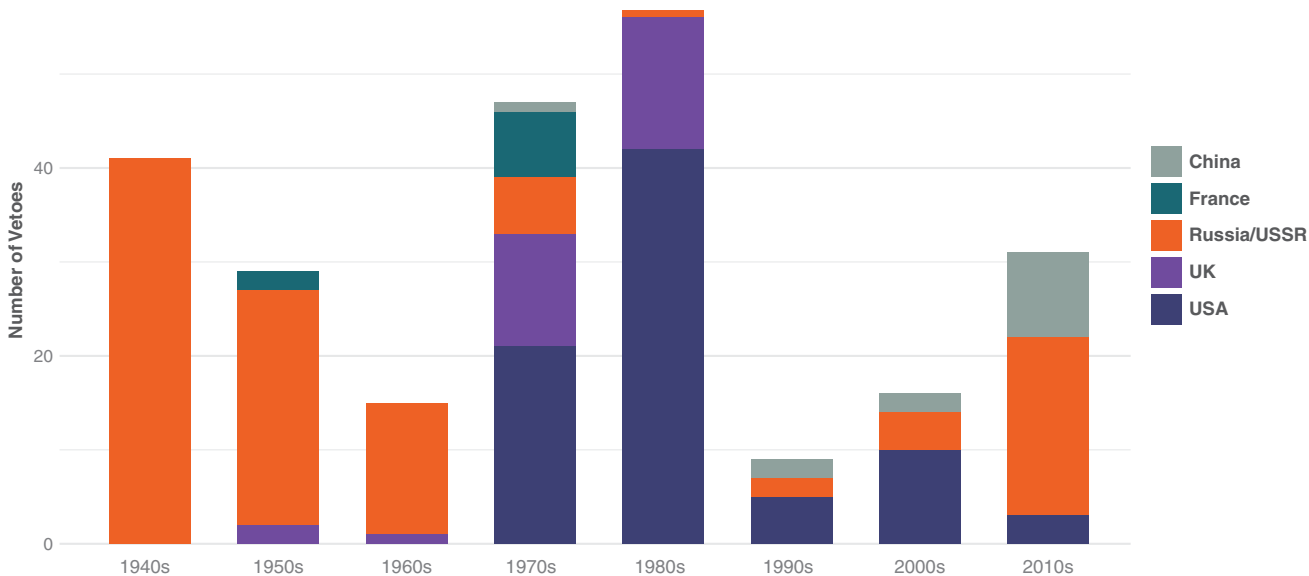
The United Nations (UN), founded in the aftermath of World War II, was created to address global challenges and uphold the principles of dignity, justice, and equality among nations. Figure 9 highlights how the UN Security Council (UNSC) activity has fluctuated over time. During the Cold War, the Council rarely passed more than 25 resolutions a year. After the Cold War, consensus became easier to achieve, with annual resolutions frequently exceeding 50 and peaking at 93. However, this trend reversed in the 2010s, with resolution rates declining once again.

While the number of resolutions remains much higher than during the Cold War, the recent decline in their passage has coincided with an increase in the use of vetoes. Between the 1940s and 1960s, the Soviet Union issued the most vetoes, while the United States dominated in the 1970s and 1980s. Veto usage declined in the 1990s and 2000s but rose again in the 2010s, driven primarily by Russia and China.

FIGURE 9

UN Security Council vetoes by decade, since the 1940s

The number of vetoes issued in the 2010s was higher than in the 1990s and 2000s combined.



Source: UN; IEP

A key function of multilateral agencies such as the UN, the World Bank, and regional development banks is the pooling of resources from donor countries to address global development challenges through the disbursement of Official Development Assistance (ODA). Bilateral ODA on the other hand is given directly from one country to another, allowing the donor country more control over the allocation and use of funds. While both forms play crucial roles in supporting development, multilateral ODA tends to focus on broad, global initiatives, whereas bilateral aid can be more targeted to specific bilateral relationships or countries of strategic importance.

As shown in Figure 10, recent trends indicate that while multilateral aid has remained essential for addressing global issues, such as climate change and pandemics, bilateral aid has seen a rise as countries prioritise targeted assistance to regions or partners that align with their foreign policy goals and national interests. Thus, countries are opting to select their own disbursements rather than use the UN system.

Emerging nations

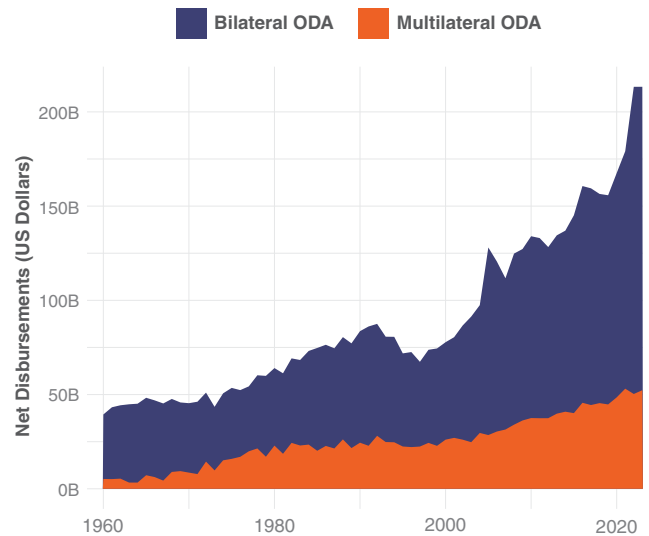
Figure 11 shows the distribution of global power from 1816 onward, using the National Material Capabilities Index (NMCI). This Index averages the NMCI scores of the United States, the United Kingdom, France, China, and Russia, the five permanent members of the UNSC (P5), in comparison to the rest of the world. The NMCI measures relative national power by evaluating six key factors: military expenditure, military personnel, energy consumption, iron and steel production, urban population, and total population.

These countries trajectories provide insights into the shifting balance of influence in the global system over time. From the 18th century up until the 1970s, the P5 countries collectively held most global material capabilities. This dominance peaked by the end of the World War II, with the P5 nations accounting for over 80 per cent of all global material capabilities. However, by the 1970s,

FIGURE 10

Foreign aid (ODA), given bilaterally and multilaterally, from OECD countries, 1960–2023

Since the 1960s, foreign aid has increased significantly, with bilateral ODA experiencing much larger growth compared to multilateral ODA.



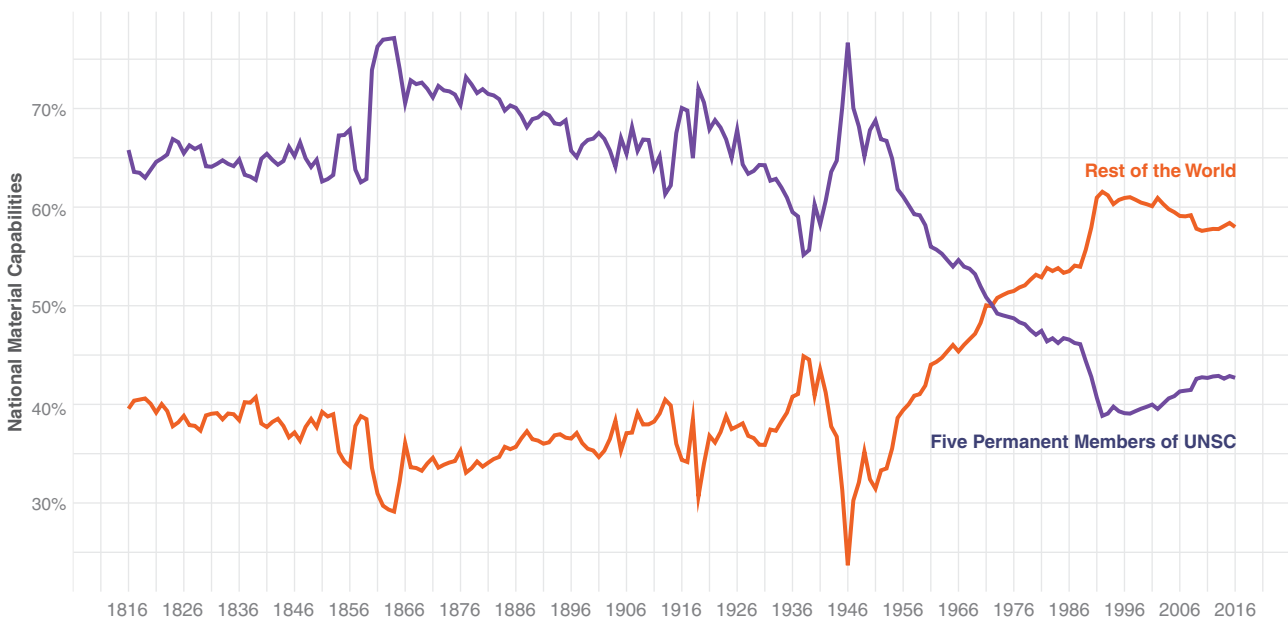
Source: OECD

the rest of the world collectively surpassed the P5. While the gap has been narrowing in recent years, the rest of the world continues to maintain a higher shared of material capabilities than the UNSC nations. These shifts are likely driven by shifts in capabilities of the P5 and the rest of the world following decolonisation. Another significant shift occurred with the dissolution of the Soviet Union as its constituent states gained independence.

FIGURE 11

Material capabilities, since 1816

The UN Security Council's five permanent members dominated material capabilities until the late 20th century, after which global dominance shifted to other nations.



Source: COW; IEP Calculations

Nuclear weapons

During the Cold War and continuing to this day, the United States and the USSR/Russia have held the majority of the world's nuclear weapons. However, they were not the only nations with access to nuclear arms in the mid-20th century. The United Kingdom acquired nuclear weapons just four years after the Soviet Union, followed in the 1960s by China, France, and Israel. India became a nuclear power after conducting its first successful test in 1974, and South Africa developed a small number of nuclear weapons in the late 1980s. However, South Africa dismantled its weapons before the apartheid regime ended in the early 1990s, becoming the first nation to do so voluntarily. In 1998, Pakistan joined the ranks of nuclear powers during a period of heightened tensions with India. The most recent known country to develop nuclear weapons was North Korea in 2006.

Figure 12 shows the weapons stocks of known nuclear powers. The US and Russia continue to possess the majority of warheads. The early nuclear proliferation saw the US, the USSR and the UK develop nuclear weapon stockpiles. Slow moves towards disarmament began with the Intermediate-Range Nuclear Forces Treaty (INF), in 1987.³ In the past three years, every country with nuclear capabilities has either increased or maintained their current stock, potentially marking increased tension between nuclear powers. In 2019, President Trump withdrew the US from the INF, followed by Russia hours later.⁴

Nuclear geopolitics continues to augment international relations. Iran's pursuit of nuclear capability has influenced Middle Eastern geopolitics over the past two decades. The 2015 Joint Comprehensive Plan of Action was designed to ensure Iran did not develop nuclear weapons. The US withdrew from the deal in 2018 and Iran has continued to enrich small amounts of uranium.

The direct confrontation between Israel and Iran in 2024 has at points threatened new escalation of conflict with reports of Israeli plans to bomb Iranian nuclear facilities, though this is yet to come to pass. The febrile nature of Middle Eastern geopolitics could be made more unstable with further moves towards proliferation.

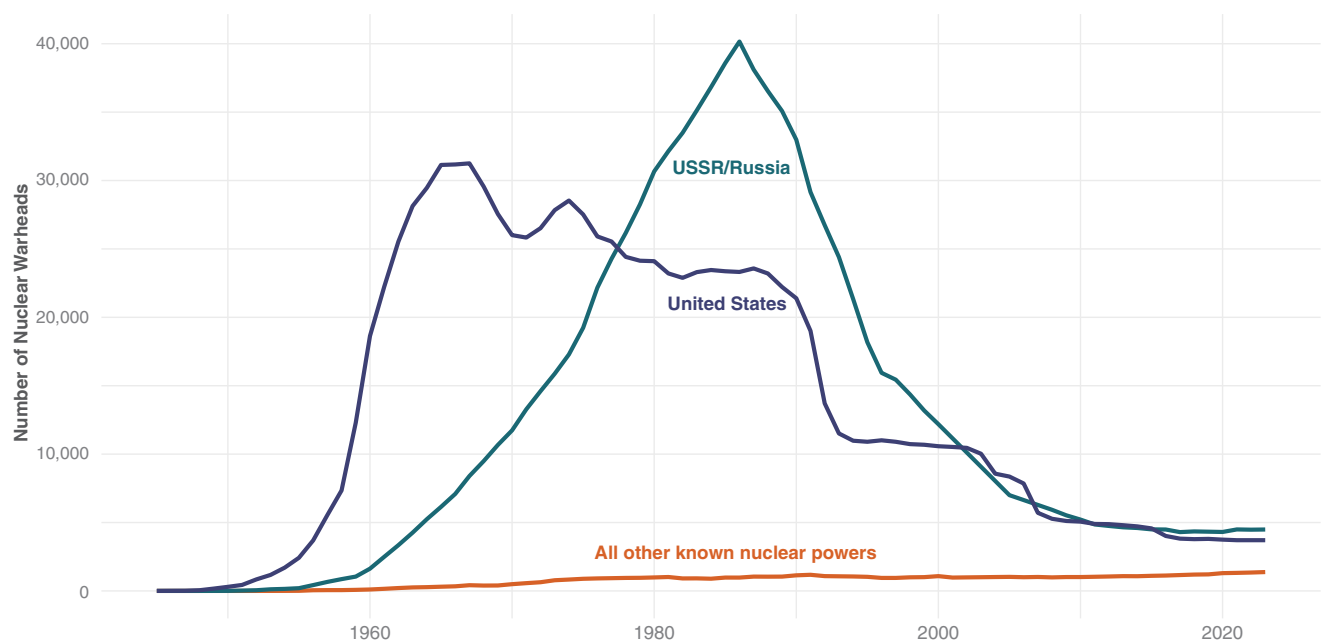
The Effects of Major Power Competition on the Rest of the World

High military spending globally, and increased competition for influence between major powers, have ripple effects on the rest of the world, as nations compete for influence within their immediate regions and in some cases, well beyond. This report examines the potential material impacts of this increased competition in developing countries and its implications for peace. While estimates vary significantly, the wars fought that were either proxy wars or driven by Cold War geopolitics killed between 10 and 25 million people. As the world faces the possibility of a new Cold War, it is crucial to assess its effect on developing countries, which often bear the brunt of geopolitical tensions despite not being central players. These regions risk similar entanglement amid intensifying global power struggles. Economic pressures, disrupted trade, and competition for influence could undermine development priorities, diverting focus from critical issues like climate change and peacebuilding. Understanding these dynamics is essential to ensure low- and middle-income countries (LMICs) remain empowered to achieve long-term stability and growth.

FIGURE 12

Nuclear proliferation, since 1940

The US and Russia continue to possess the most nuclear warheads, with little recent progress made on disarmament.



Source: FAS; IEP

Competition between states largely revolves around material and strategic concerns with little variation over time. Powerful states seek to increase, maintain or avoid losses of their power manifesting in influence. Where this power is fuelled by resources like oil and gas influence in areas that are resource rich is important. Powerful states prize maintaining high levels of influence in their immediate region. Finally, states often place great importance on influence in geopolitically significant states or regions that are significant for either security or trade. Ideology is an important factor but remains one that augments the choice of actor within the influenced state to support more so than choosing which states are most valuable.

Afghanistan is an important example of shifting parameters with similar themes of competition. Afghanistan's geopolitical importance is rooted in both strategic and resource-based factors. Strategically, its location at the heart of Asia makes it a critical land bridge connecting Central Asia, South Asia, and the Middle East. During the Cold War, this position allowed it to serve as a buffer state between rival superpowers, particularly the Soviet Union to the north and Western-aligned Pakistan to the south. Post-Cold War, Afghanistan became central to global security dynamics, as controlling it was essential to curbing terrorism and securing regional stability. Presently, its location situates it as a key node in China's Belt and Road Initiative and as a potential transit hub for trade and energy pipelines linking resource-rich Central Asia with energy-hungry South Asia.

At its extreme, competition between major powers can escalate into internationalised wars or proxy wars. Figure 13 shows that there has been an increase in internationalised wars over the past decade, with 59 conflicts in 2022 where at least one actor involved was a state. This number rises even higher when including non-state conflicts and instances of one-sided violence, with a further 84 and 49 conflicts, respectively.

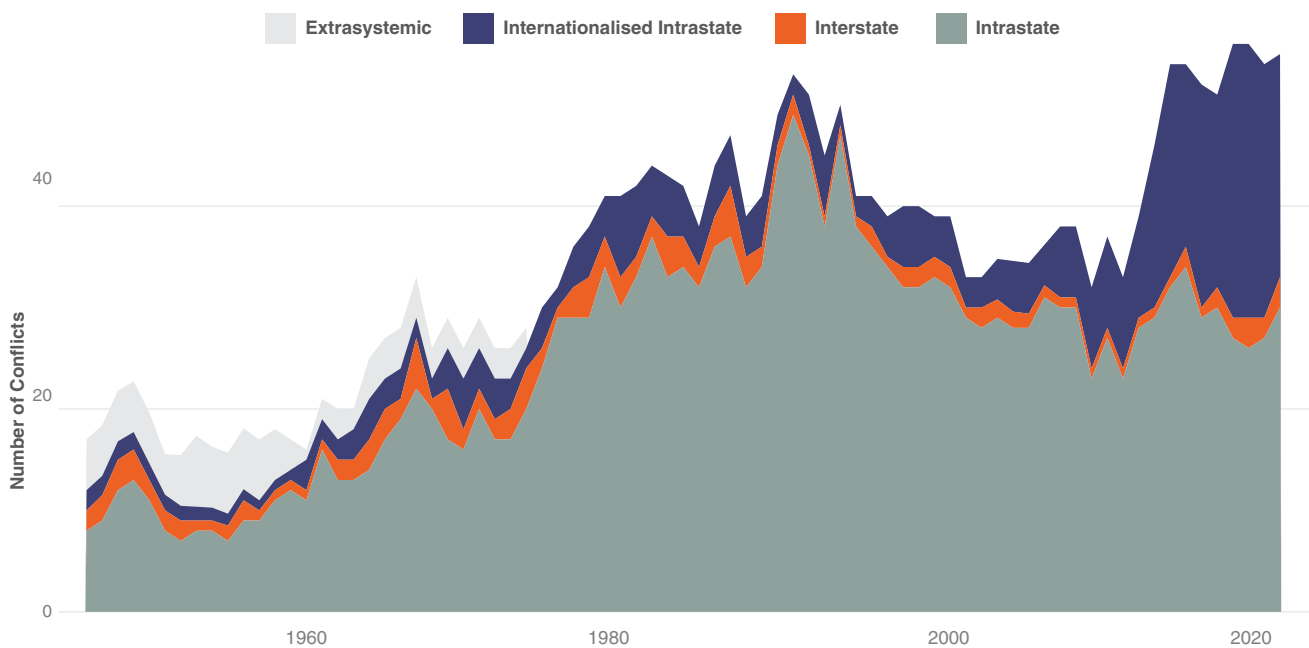
There was very little change in the number of interstate and non-internationalised intrastate conflicts between 2010 and 2022. However, over the same period, the number of internationalised intrastate conflicts increased near threefold. Many of these conflicts involve large regional or international coalitions involved in peacekeeping or stabilisation operations. In 2022, there were 92 countries that were involved in at least one internationalised intrastate conflict, up from 59 in 2008.

The conflict in Sudan, which erupted in April 2023, highlights the internationalisation of contemporary warfare, where both diffusion and distraction have hindered international resolution efforts. Stemming from decades of civil war, the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) have divided the country, fighting for control, and supported by other ethnopolitical militias and factions.

Sudan is now facing the world's worst refugee crisis, with over 10 million people displaced and credible reports of atrocities by both the SAF and the RSF. UN estimates of up to 15,000 killed in two RSF massacres in El Geneina in Darfur suggest catastrophically large death tolls.⁵ In January 2025, the US made an official determination that the RSF was committing genocide in Sudan. External actors are significantly influencing the conflict by supporting competing sides. The SAF has the backing of China, Russia, Iran, and Egypt, while the RSF has nearly matched military capabilities by capturing SAF bases and receiving support from the UAE, Chad, Russian PMSC Africa Corps (formerly known as the Wagner Group), and the Libyan general Khalifa Haftar.⁶ The RSF's access to weapons and logistics, including Man-Portable Air-Defence Systems (MANPADS) that challenge the SAF's air superiority, further complicates the conflict.

FIGURE 13
Number of conflicts by type, 1946–2022

The total number of conflicts is now higher than at any point since WWII.



Source: UCDP/PRIO Armed Conflict Dataset

BOX 2

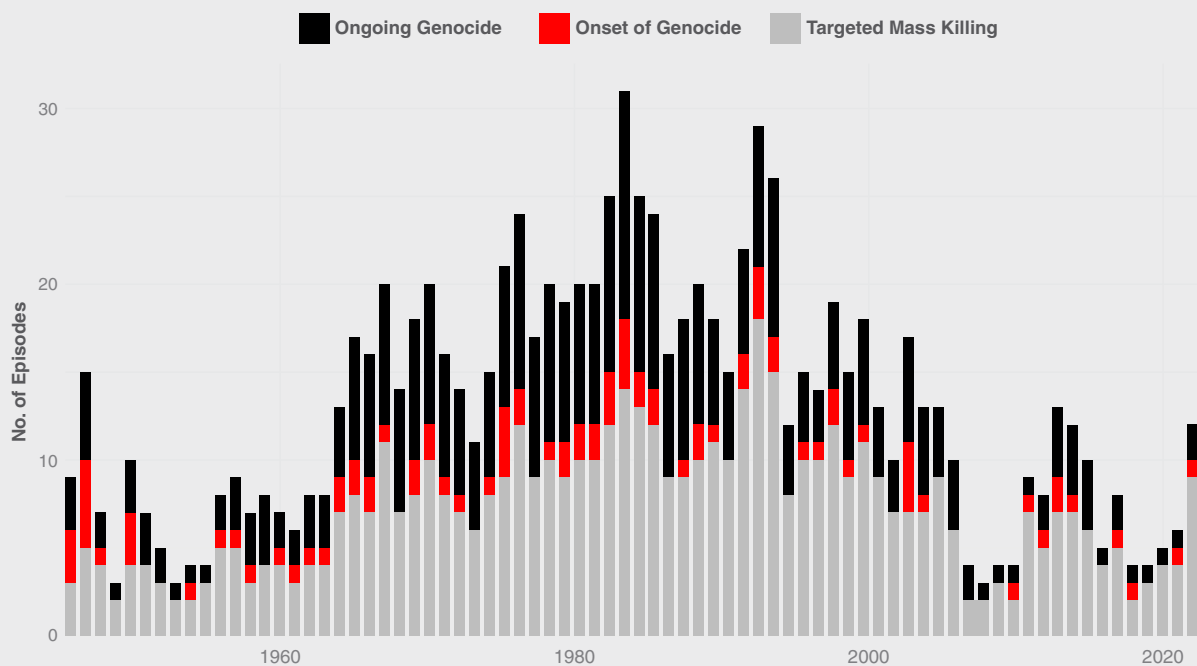
The effect of proxy wars on mass atrocities

The purported effects of a new Cold War could elevate the overall risk of great power conflict to levels comparable to those during the Cold War. The material realities of the Cold War, including nuclear deterrence and the economic implications of a catastrophic war, continue to be among several factors that reduce the overall risk of direct conflict between great powers. If the risk of direct conflict remains low, a cold war still carries major implications for global peace and security, as for much of the world, referring to the US-Soviet conflict as “cold” was a misnomer. Proxy conflicts or conflicts fuelled by external support from different great powers, defined many of the Cold War’s most deadly conflicts, from Korea, Vietnam and Cambodia to Ethiopia, Guatemala and Angola. Figure 14 shows that the episodes of genocide, politicide, and targeted mass killings of civilians, often connected to but also distinct from wars, peaked during the Cold War.⁷ While less subject to great power competition, a willingness to allow mass atrocities in furtherance of attaining or protecting geopolitical influence is key to many wars and could remain so into the future.⁸

FIGURE 14

Targeted mass killing events, since 1946

The number of mass killing events peaked during the Cold War.



Source: Butcher et al., IEP

Competing for influence

Powerful states compete for influence in smaller countries. In cases of countries in conflict, this can manifest through competitive interventions in civil war. In most cases, however, this can be through increased aid, trade, or defence agreements.

Understanding contemporary geopolitics becomes more accessible with datasets like Foreign Bilateral Influence Capacity (FBIC), which measure the level of competition for influence (see Box 3). The FBIC dataset quantifies bilateral relationships by assessing a country's capacity to project influence through economic, political, and military indicators to identify power dynamics, detect shifts in influence patterns, and understand the

nuanced competition between states.⁹ For instance, the data highlights which nations are gaining or losing leverage in regions critical to global stability, offering insights into ongoing geopolitical rivalries.

Not all states or regions are subject to competition for influence. Most great powers or even regional powers dominate in their own immediate zone of influence. Even in regions one would expect there to be higher levels of competition, defined as two or more influencing states with high and close levels of proximate influence capability, regional powers can still dominate.

BOX 3

Foreign bilateral influence capability measure

The Foreign Bilateral Influence Capability (FBIC) dataset, from the Pardee Institute for International Futures at University of Denver, is designed to measure the extent of one country's influence over another in bilateral relationships. It focuses on capturing economic, political, and military dimensions of influence.¹⁰

The scores in the FBIC dataset are constructed using a combination of quantitative indicators, such as trade flows, foreign direct investment, military agreements, and diplomatic engagements. These indicators are weighted and aggregated to create an influence score for each country pair, reflecting the ability of one nation to shape the decisions or behaviour of the other. In addition to measuring absolute levels of an indicator, FBIC also creates a measure of dependency by quantifying the extent to which one country relies on another for economic, political, or security needs. It incorporates indicators such as trade volume, foreign direct investment inflows, and development aid to reflect economic dependency. Political dependency is assessed through factors like voting alignment in international organisations and the frequency of diplomatic interactions. Security dependency is captured through metrics such as military assistance, defence agreements, and arms transfers.

IEP uses this measure to calculate a country-level Herfindahl-Hirschman Index (HHI), which assesses the concentration of external influence sources within each state. The HHI scores are grouped into three levels: higher scores indicate a more concentrated environment where one or a few dominant actors exert substantial control, representing 'low competition.' Conversely, lower scores reflect a more balanced distribution of influence among multiple actors, indicating 'high competition.' Notably, 'high competition' does not imply weaker overall influence but rather a scenario where several actors hold significant and competing influence within the same country.

Shifting levels of influence competition can also be observed on a global scale. Figures 15, 16 and 18 use FBIC data to show relative levels of influence competition between the top 20 economies in low- and middle-income countries. Analysis of LMICs highlights the dynamics of great power competition in regions where strategic influence is most intensely contested.

Increases or decreases in competition can show changing dynamics in global influence. In Central Africa, rising levels of competition are primarily driven by heightened foreign involvement driven by the region's valuable natural resources, including minerals and oil. The competition has intensified as international actors, such as China and Russia seek to secure access to these resources. Additionally, the region's ongoing political instability has contributed to a heightened sense of urgency among external powers, further driving competition for influence in the region.

Countries such as Iraq, Iran, Afghanistan, and Tajikistan are experiencing an increase in external competition. This is largely driven by the strategic importance of these countries in terms of

energy resources, security concerns, and regional political dynamics. Global powers like China, Russia, and the US are engaged in a complex competition for influence, exacerbated by regional instability and shifting alliances. The intensification of external competition in these countries reflects broader geopolitical trends and the continuing importance of the region to global stability.

In South America, countries such as Bolivia, Paraguay, and Argentina are increasingly influenced by China, as the country seeks to expand its economic presence through investments in infrastructure, energy, and resource extraction. This increasing influence from China is occurring alongside the ongoing influence of the United States in the region. As a result, these countries are caught in a competitive dynamic between major global powers, with potential implications for their political and economic trajectories.

Competition during the Cold War in low- and middle-income countries

During the Cold War, global influence was majorly shaped by the rivalry between the United States and the Soviet Union, with significant impacts observed in regions critical to their strategic interests. High levels of competition are evident in the Middle East and North Africa (MENA) and across parts of South and Southeast Asia, specifically in India, Myanmar, and Indonesia, largely due to geopolitical and military positioning, as well as their control of key trade routes. MENA, with its vast oil reserves, became a key arena for superpower involvement, where both the US and the Soviet Union sought to influence political transitions and control resource-rich territories. Similarly, Southeast Asia saw the US and Soviet Union exerting influence to sway political outcomes, often supporting opposing factions in countries that were of strategic importance for military and trade purposes.

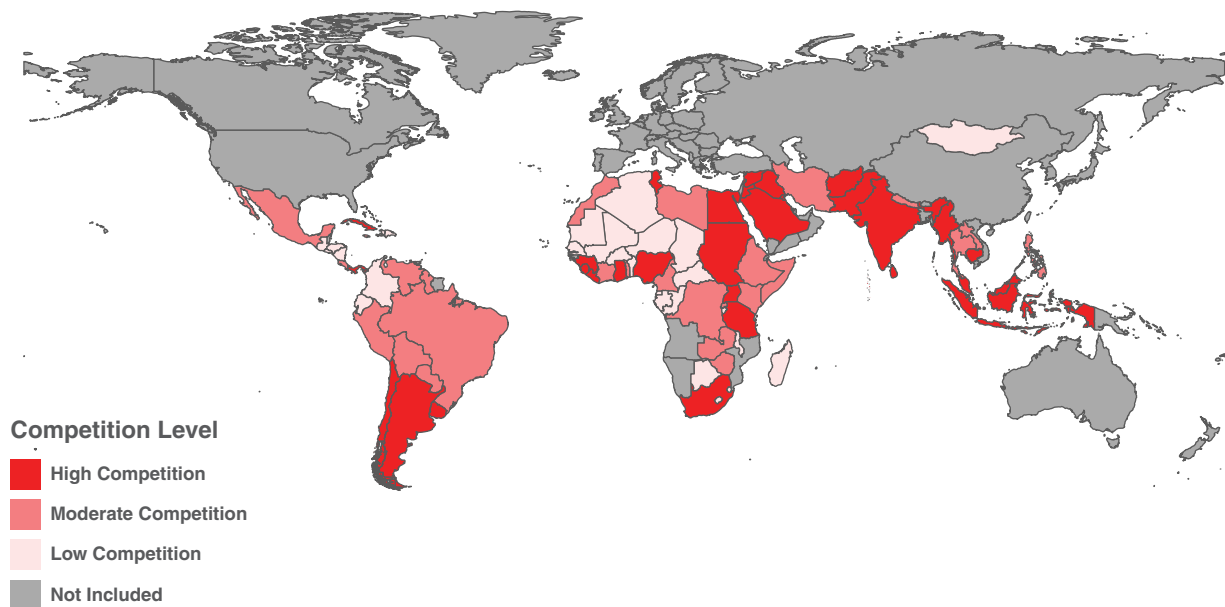
Competition in the post-Cold War period in low- and middle-income countries

During the post-Cold War period, the global landscape of geopolitical competition shifted significantly, as depicted in Figure 16. Sub-Saharan Africa, particularly the East and Southern regions, emerged as a key region of high competition, driven by the reduced bipolar structure of the Cold War and the increased involvement of a range of external actors. After the dissolution of the Soviet Union, a unipolar moment emerged with the US as the predominant power. Over time, new players including China, regional powers, and multinational organisations began competing for influence, while traditional powers like France worked to maintain their standing. This competition was fuelled by efforts to secure access to natural resources, such as oil and minerals, and to shape political outcomes in the wake of internal conflicts and state fragility across the region. The resulting environment saw multiple powers actively engaged in providing aid, investment, and military support, marking a departure from the Cold War's concentrated rivalries and illustrating a more competitive global order.

FIGURE 15

Foreign influence competition in low- and middle-income countries, 1960–1970

During the Cold War, there was high competition in MENA, and South Asia.

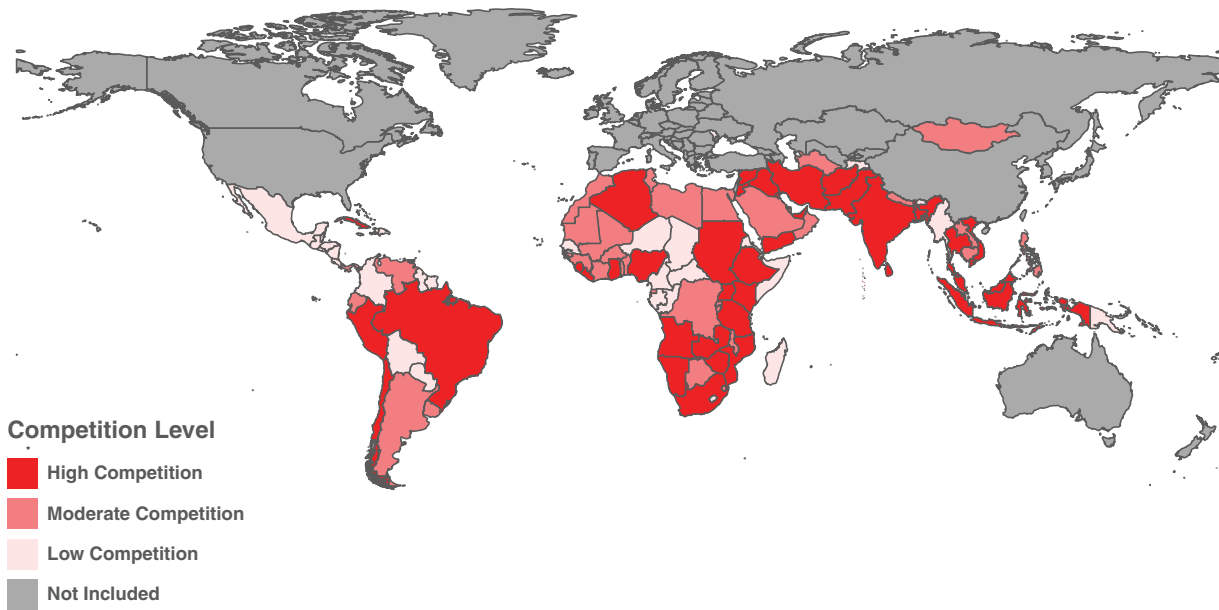


Source: University of Denver; IEP

FIGURE 16

Foreign influence competition in low- and middle-income countries, 1993–2001

Following the Cold War, high levels of competition increased sub-Saharan Africa.



Source: University of Denver; IEP

BOX 4

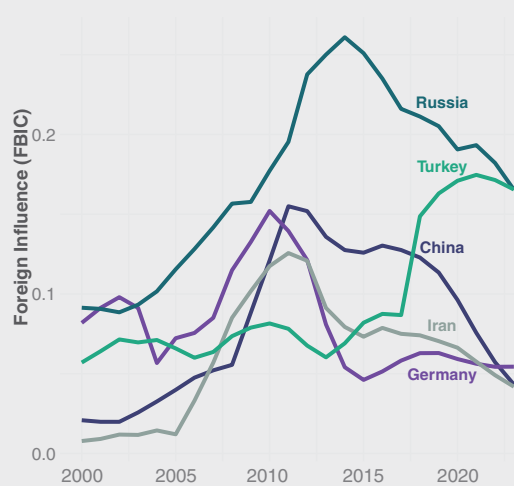
Syria in context

External competition significantly impacted the Syrian Civil War. Support from Russia and Iran allowed the Assad regime to survive and achieve victory before its dramatic collapse in December 2024. Figure 17 illustrates that Russia and Türkiye solidified their positions as the most influential states in Syria as of 2024. Meanwhile, countries unwilling to support the Assad regime, such as Germany, lost what was once significant influence. Syria also shows the unstable nature that external influence competition can have on conflict. Russia’s invasion of Ukraine, along with Iran’s and Hezbollah’s conflicts with Israel, made both parties hesitant to increase their support for the Assad regime. This reluctance coincided with multiple rebel offensives that eroded the regime’s previously stable control over much of the country. The absence of external actors had a knock-on effect, with many regime forces, faced with no foreign backing, surrendering or simply fleeing in the face of the offensive. Türkiye, meanwhile, is likely to build on its influence given its support to several of the more powerful factions now ascendent in Syria.

FIGURE 17

Foreign influence in Syria, since 2000

Russia and Türkiye maintained the greatest influence in Syria over the past three years.



Source: University of Denver, IEP

Competition today in low- and middle-income countries

In the past decade, the landscape of geopolitical competition has continued to evolve, with high levels of competition emerging in the Sahel. The Sahel's high competition arises from external and regional actors vying for influence in a context marked by instability and resource scarcity. Foreign powers, local governments, and non-state actors all strive to shape political and security outcomes through military interventions, development aid, and political alliances, contributing to a complex and contested environment.

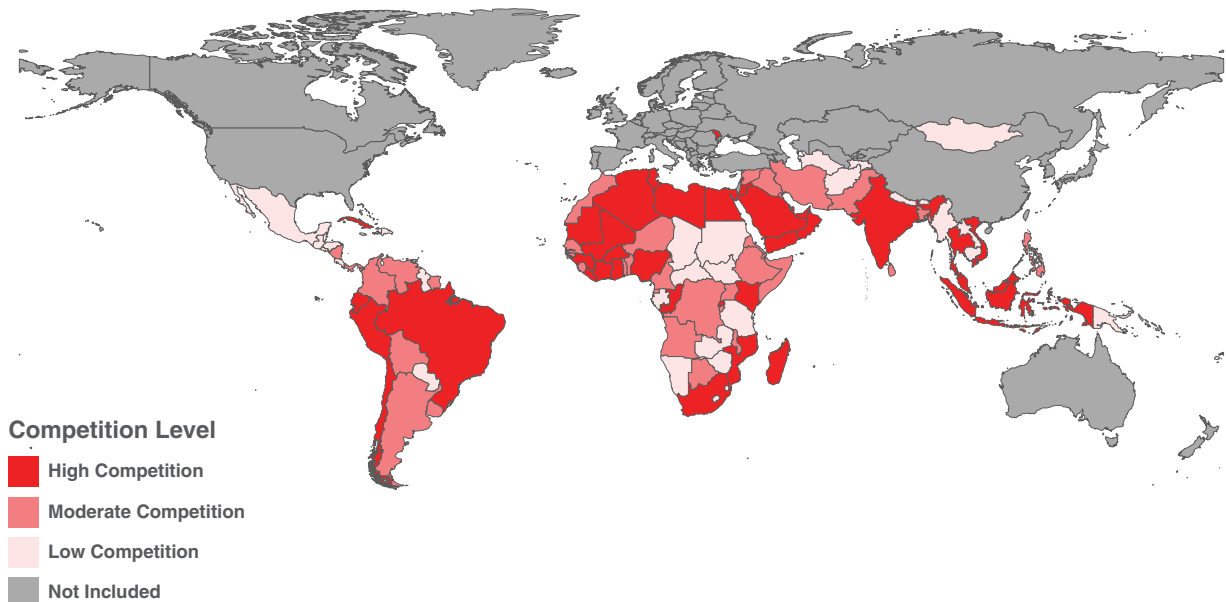
There is also significant competition in Peru, Brazil, India and Southeast Asia. In India, growing economic and military power has positioned it as a key player in the Indo-Pacific, balancing relationships with the US and China. As India strengthens ties

with the US and its allies, particularly through frameworks like the Quad, it faces competition from China, which seeks to expand its influence, especially through the Belt and Road Initiative and in the Indian Ocean. In Brazil, regional competition is driven by its leadership in Latin America, economic power, and strategic role in global institutions like BRICS. Its growing influence, particularly with China and other emerging economies, has heightened rivalry with the US and other Western powers over economic and political alignments. Peru's competition arises from its rich natural resources, especially in mining and energy sectors, making it a focus for external actors, particularly China.

FIGURE 18

Foreign influence competition in low- and middle-income countries, since 2011

Currently, there are high levels of competition in West Africa, South Asia, Southeast Asia.

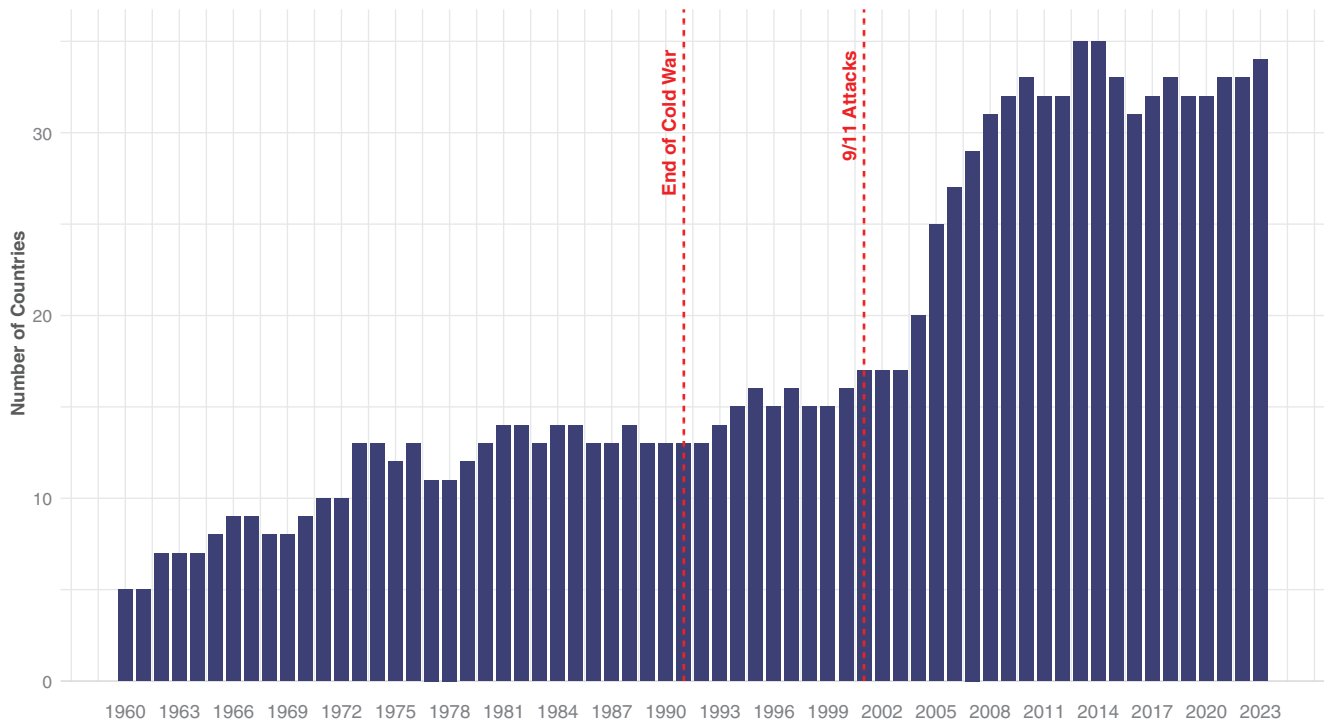


Source: University of Denver; IEP

FIGURE 19

More influential states over time

The number of countries with more than 10 per cent influence in more than five countries since 1960 has significantly increased.



Source: University of Denver; IEP

Figure 19 shows that more states are now exerting higher levels of influence in more countries than at any other point in history. The number of countries exerting more than 10 per cent influence in five or more countries has increased significantly over time. In 1960, only five countries reached this level, but today there are 34. This trend reflects the overall rise of middle powers, though some of the increase is likely attributable to European Union enlargement rounds in 2004 and 2007.

Changes in influence for G20 countries by region

Table 2 outlines changes in FBIC influence levels for G20 economies, including the US, China, and India, between 2013 and 2023 across the Global South and internationally. It highlights where these states have gained or lost influence over the past decade. The table displays the number of countries in each region where the external state holds more than 10 per cent influence. Regions marked with an asterisk indicate that the influencing state does not exceed 10 per cent influence in any country within that region.

The table offers a more nuanced picture on the actual levels and changes of influence for the most powerful states across low- and middle-income countries. Overall, where one powerful state gains influence in one region it is offset by losses elsewhere. This reflects the absolute levels of power and influence any one powerful state can project and the limitations of even powerful or rising states. The two largest powers, the US and China, are dominant, but with different zones of largest influence. The US has above 10 per cent influence in 74 LMICs countries while China has it in 65. While both states have similar levels of

influence in the Asia-Pacific, there are significant deltas in influence elsewhere, with China holding influence in 27 sub-Saharan African states compared to nine for the US, and the US dominating Latin America with 32 states compared to China's seven. In this metric at least there is also relative stability with the status quo being a very common result. Across all regions, the largest increase for a single country influencer was a six-state gain by China, and the largest loss of influence was eight states for Russia.

The table indicates that, apart from the two largest powers, most major economies tend to concentrate their influence on a single region or focus predominantly on one area. Brazil, Australia, Mexico, Canada, Indonesia, Türkiye, and Switzerland only hold influence in one region, and with the exception of Canada and Switzerland, that influence is exerted within its own region. It illustrates that absolute levels of influence also provide a perspective that extends beyond headlines about particular countries gaining influence, such as through arms distribution. It also likely points towards growing influence beyond the top 20 economies and likely less dependency for most states on one or several powerful allies.

TABLE 2

Number of developing countries that G20 members significantly influence, by region, 2023

In the past ten years, China increased its share of influence across the most regions, including Asia-Pacific, Sub-Saharan Africa and Latin America.

Country	Asia- Pacific	South Asia	Sub-Saharan Africa	Middle East and North Africa	Latin America
United States	15 (0)	5 (0)	9 (-3)	13 (-3)	32 (0)
China	19 (+1)	4 (0)	27 (+3)	8 (-3)	7 (+2)
Germany	6 (-1)	2 (0)	2 (0)	8 (+2)	5 (-1)
Japan	13 (+4)	*	1 (0)	1 (-2)	1 (0)
India	3 (0)	4 (+1)	4 (+2)	4 (0)	*
United Kingdom	2 (0)	2 (0)	1 (-1)	3 (+1)	3 (+1)
France	3 (+1)	*	15 (-3)	8 (-1)	5 (0)
Brazil	*	*	*	*	5 (-4)
Italy	*	*	0 (-1)	9 (+3)	1 (-1)
Canada	*	*	*	*	2 (0)
Russia	3 (-4)	1 (-1)	1 (0)	4 (-2)	1 (-1)
Mexico	*	*	*	*	5 (0)
Australia	13 (+4)	*	*	*	*
South Korea	8 (0)	*	0 (-1)	1 (0)	2 (+1)
Spain	*	*	0 (-2)	1 (-2)	4 (-2)
Indonesia	3 (-1)	*	*	*	*
Netherlands	2 (+1)	*	2 (+1)	2 (0)	4 (+2)
Türkiye	*	*	*	3 (+2)	*
Saudi Arabia	*	*	1 (-1)	7 (-1)	*
Switzerland	*	*	*	1 (0)	*

NOTE: Changes in the number of countries influenced since 2013 are shown in parentheses.

BOX 5

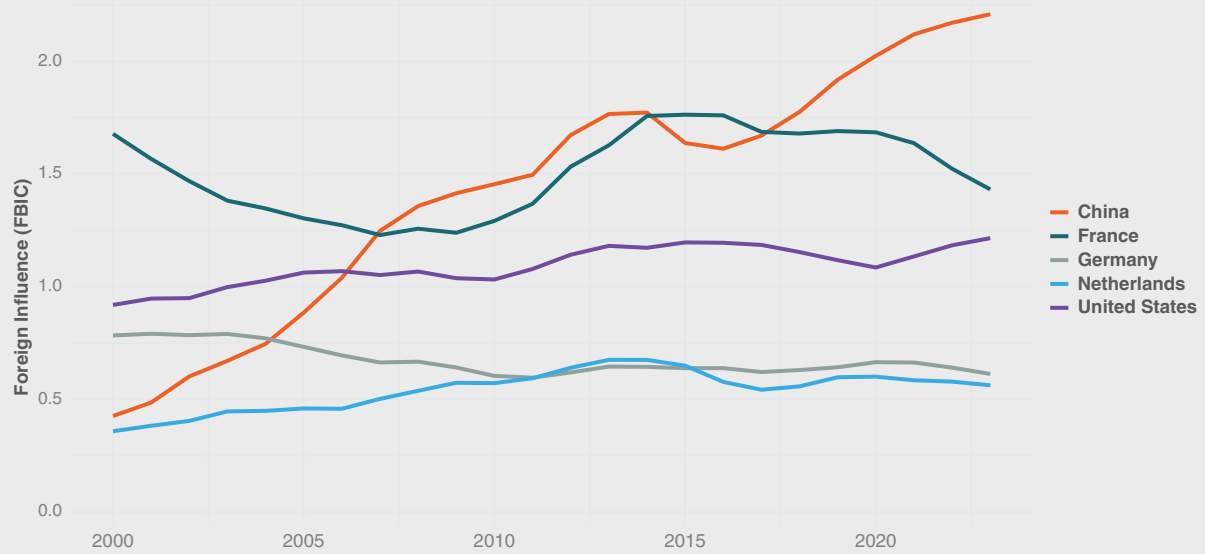
China’s growing influence in West Africa and South Asia

Observing regional level trends can offer valuable insights into long term shifts and patterns of influence changes. Examining two distinct regions, West Africa and South Asia, reveals contrasting dynamics. While China’s rise is evident in both, West Africa has seen China emerge as the dominant external state actor with minimal competition. In contrast, South Asia has experienced significantly greater competition for influence. Since 2000, French influence in West Africa has fluctuated significantly, with sharp spikes and declines, while China has shown steady growth, becoming the dominant power. Around 2011, China overtook the United States, whose influence has declined sharply since. China’s growing dominance is driven primarily by economic interests, including substantial investments in mining, agriculture, and telecommunications.

FIGURE 20

Most influential states in West Africa, since 2000

In 2023, China had the largest share of influence in West Africa having grown significantly over the past 20 years.



Source: University of Denver, IEP

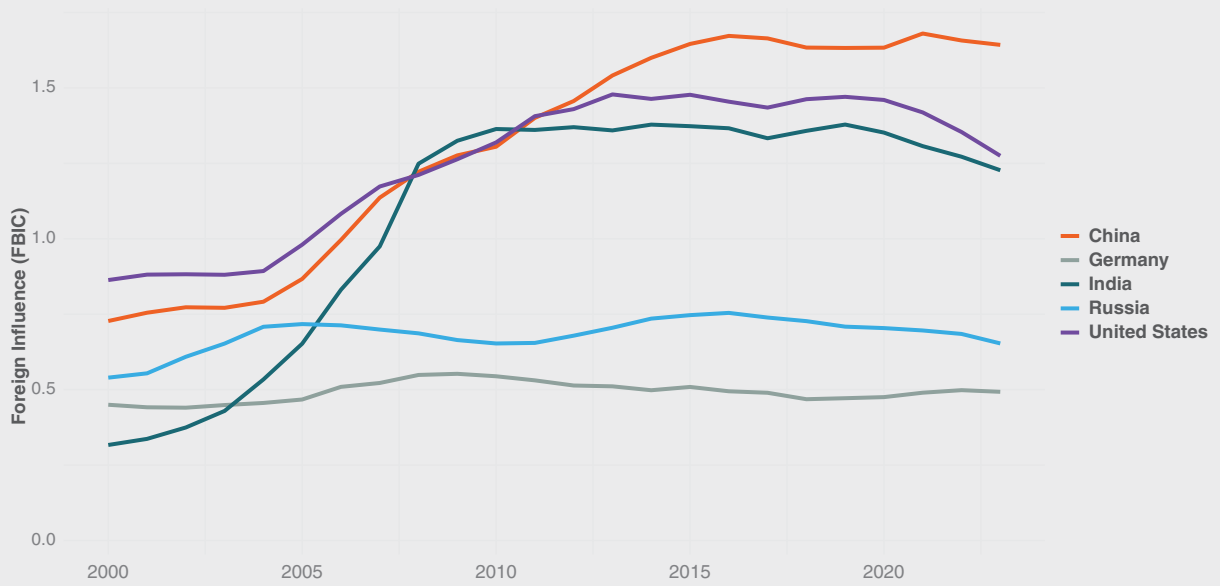
Since 2000, South Asia has seen significant increases in the proportion of influence held by regional and global powers India, China and the United States. The region is subject to significant geopolitical competition, with China's growing influence manifesting in initiatives like the China-Pakistan Economic Corridor (CPEC).

Under the Belt and Road Initiative, China has financed ports, highways, and energy infrastructure, securing access to the Arabian Sea. Partnerships with countries like Nepal, Sri Lanka, and Bangladesh have further expanded. India and the United States have both increased investment and strategic interest in South Asia, with India often in direct competition with China and Pakistan and the US also seeking to counter Chinese influence.

FIGURE 20

Most influential states in South Asia, since 2000

US, India and China all hold the highest levels of influence in South Asia.



Source: University of Denver; IEP

Endnotes

1. Caldara, Dario and Matteo Iacoviello (2022), "Measuring Geopolitical Risk," *American Economic Review*, April, 112(4), pp.1194-1225
2. 'A World of Debt 2024 | UN Trade and Development (UNCTAD)'. Accessed 23 December 2024. <https://unctad.org/publication/world-of-debt>.
3. BBC News (2019) "INF nuclear treaty: US pulls out of Cold War-era pact with Russia." BBC News. 2 August <https://www.bbc.com/news/world-us-canada-49198565>
4. Pifer, Steven. "The End of an Era? The INF Treaty, New START, and the Future of Strategic Stability." Brookings, February 4, 2019. <https://www.brookings.edu/articles/the-end-of-an-era-the-inf-treaty-new-start-and-the-future-of-strategic-stability/>.
5. Ochab, Ewelina U. "Darfur: Another Genocide 20 Years Later?" *Forbes*. Accessed April 12, 2024. <https://www.forbes.com/sites/ewelinaochab/2023/11/30/darfur-another-genocide-20-years-later/>.
6. "Sudan's Calamitous Civil War: A Chance to Draw Back from the Abyss | Crisis Group," January 9, 2024. <https://www.crisisgroup.org/africa/horn-africa/sudan/sudans-calamitous-civil-war-chance-draw-back-abyss>.
7. Butcher, Charles, Benjamin E. Goldsmith, Sascha Nanlohy, Ashok Sowmya, and David Muchlinski, "Introducing the Targeted Mass Killing Data Set for the Study and Forecasting of Mass Atrocities," *Journal of Conflict Resolution* 64, no. 7-8 (2020): 1524–1547, <https://doi.org/10.1177/0022002719896405>.
8. Nanlohy, Sascha, Geopolitics and Genocide: Patron Interests, Client Crises, and Realpolitik, *Journal of Global Security Studies*, Volume 9, Issue 1, March 2024, ogad023, <https://doi.org/10.1093/jogss/ogad023>
9. Moyer, Jonathan D., Collin J. Meisel, Austin S. Matthews, David K. Bohl, and Mathew J. Burrows, "China-US Competition: Measuring Global Influence," The Atlantic Council and Frederick S. Pardee Center for International Futures at the University of Denver's Josef Korbel School of International Studies, Denver, CO, May 2021, <https://www.atlanticcouncil.org/wp-content/uploads/2021/06/China-US-Competition-Report-2021.pdf>
10. Moyer, Jonathan D., Collin J. Meisel, Austin S. Matthews, David K. Bohl, and Mathew J. Burrows, "China-US Competition: Measuring Global Influence," The Atlantic Council and Frederick S. Pardee Center for International Futures at the University of Denver's Josef Korbel School of International Studies, Denver, CO, May 2021, <https://www.atlanticcouncil.org/wp-content/uploads/2021/06/China-US-Competition-Report-2021.pdf>.

Our research analyses peace and its economic value.



We develop global and national indices, calculate the economic impact of violence, analyse country level risk and have developed an empirical framework for Positive Peace that provides a roadmap to overcome adversity and conflict, helping to build and sustain lasting peace.

Download our latest reports and research briefs for free at:
[visionofhumanity.org/resources](https://www.visionofhumanity.org/resources)





FOR MORE INFORMATION
INFO@ECONOMICSANDPEACE.ORG
EXPLORE OUR WORK
WWW.ECONOMICSANDPEACE.ORG AND
WWW.VISIONOFHUMANITY.ORG



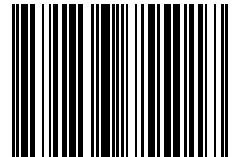
IEP is an independent, non-partisan, non-profit think tank dedicated to shifting the world's focus to peace as a positive, achievable, and tangible measure of human well-being and progress.

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

The Institute for Economics & Peace is a registered charitable research institute in Australia as a Deductible Gift Recipient. IEP USA is a 501(c)(3) tax exempt organization.

JANUARY 2025 / IEP REPORT 100

ISBN 978-1-7637550-1-7



9 781763 755017 >