What can national level indices tell us about Shared Societies?

A look at the Global Peace Index

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INTRODUCTION: SHARED SOCIETIES AND PEACE

The purpose of the Club De Madrid's *Shared Societies Agenda* is to promote social inclusion and inclusive, sustainable societies in the long run. The benefit of further acceptance of social inclusion would be two-fold: Not only are Shared Societies intrinsically valuable, they are also more likely to have stronger, sustainable economic growth in the long run.[1] The Institute for Economics and Peace (IEP) seeks to promote peacefulness in an analogous fashion: IEP's research has found that peacefulness is immediately beneficial to any society, but also has a tremendous positive economic impact in the long run. Underpinning both the Club De Madrid and IEP's approaches is the recognition that peaceful and inclusive cooperation, both within and between societies, is necessary in order to solve the most difficult problems facing humanity in the 21st century.

Conceptually it's clear how social inclusion and peacefulness are related, and in many respects overlap. Societies with harmonious relations between different groups are less likely to erupt into civil conflict. Conversely, societies with low levels of violence are more likely to be able to dedicate the necessary resources to building social inclusion. In practise, clearly delineating between inclusiveness and peacefulness, and disentangling the direction of causation between the two concepts is not possible, nor is it necessary to have a hard and fast distinction. Rather, what follows is an attempt to show how the Shared Societies agenda can draw on the research of IEP in order to highlight why social inclusion should be just as strong a priority for policy makers as financial stability and economic growth.

## PEACE AND DEVELOPMENT: WHY MEASURING PEACE AT THE NATIONAL LEVEL IS NECESSARY

> *"Freedom from violence, conflict, and oppression is essential to human existence, and the foundation for building peaceful and prosperous societies. We are calling for a fundamental shift – to recognise peace and good governance as a core element of wellbeing, not an optional extra."*

> **- The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda[2]**

In assessing peacefulness, development, social inclusion, or any related concept, outcomes within a single country can give a sense of progress over time, but comparing outcomes and approaches between countries allows for a comparison of approaches and trends, notwithstanding the difficulties involved in making fair comparisons between countries of different geographical and population sizes, histories, natural resources, and so on. Furthermore, wide ranging and well-resourced policy decisions are more likely to be implemented at the national level, making it the most appropriate level to assess the impact of policy decisions related to peace and social inclusion. Whilst looking at peace or social inclusion as a national aggregate cannot and should not replace analysis which focuses on the local or regional level, it does provide a clearer picture of the broader, long term institutional factors associated with peacefulness and social inclusion.

There is also a growing recognition that peacefulness is not only a positive outcome of increasing development and sustained economic growth, but also a necessary prerequisite for creating the environment where strong institutions can flourish and development and growth targets can be achieved. Figure 1 illustrates this by showing the correlation between the level of peacefulness in 2008 (as measured by the Global Peace Index) and the progress that developing countries had made in 2011 towards achieving the Millennium Development Goals (MDGs). Countries which were more peaceful in 2008 were more likely to have come closer to achieving the MDGS in 2011.

Figure 1: 2008 GPI Score vs 2010-2011 MDG Progress Score
Countries which were more peaceful in 2008 performed much better on the
MDG indicators
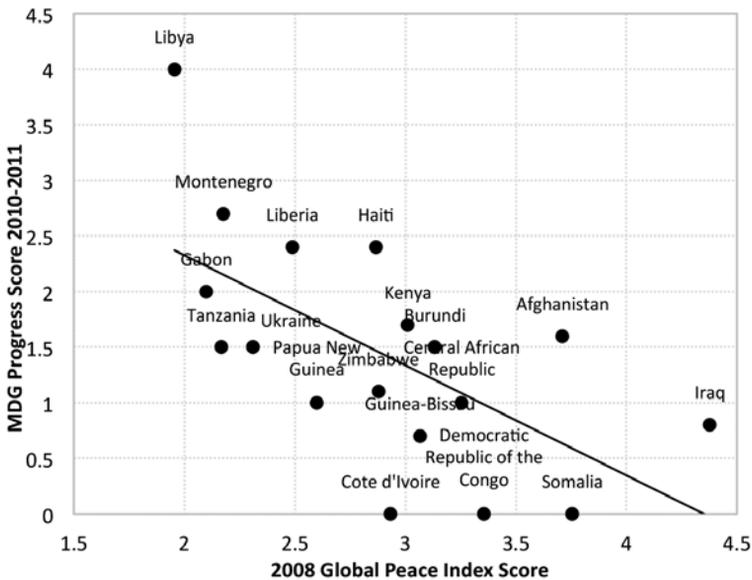
THE DEFINITION OF PEACE

Peace is a seemingly unquantifiable concept; a word with a myriad of connotations and interpretations, but also a concept which is universally recognized as being of the utmost importance. Given these varying interpretations, arriving at a definition of peace which is both simple and quantifiable would seem like a daunting task. In order to accomplish this, IEP divides peace into two separate but complementary spheres: negative peace and positive peace.

Negative peace is defined as the absence of violence and the absence of the fear of violence. This definition is straightforward, but it encompasses much more than the presence or absence of war. Defining negative peace in this way allows for a large number of quantitative indicators of violence or the fear of violence to be combined into a composite index of peacefulness.

The concept of positive peace is more difficult to define, as it is usually thought of as being those intangible qualities (justice, fairness, equality etc.) that go beyond simple measures of direct violence. This makes sense intuitively, as it

allows for a broader understanding of peace, which if otherwise ignored would mean that societies which prevent conflict and violence only through the use of state repression would be considered 'peaceful'. However, the problem with defining positive peace in this manner is that considerations of such intangible matters are necessarily normative, making it more difficult to universalize indicators of positive peace whilst still taking different cultural perceptions of justice, fairness etc. into account.

IEP's definition of positive peace sidesteps this problem by explicitly linking positive peace to negative peace. IEP's Positive Peace Index (PPI) is comprised of eight *Pillars of Peace*. Each of the indicators that comprise these pillars is strongly correlated with the GPI, which serves as the baseline measure of negative peace against which positive peace is measured. Thus, IEP's definition of positive peace is 'those attitudes, institutions, and structures which are associated with peaceful environments'. Even though this definition does not exactly match the original definition of positive peace, the Positive Peace Index itself is an excellent proxy for measuring those intangible qualities like justice, fairness, and so on.

CREATING A COMPOSITE INDEX

As outlined above, peace is a complex, multidimensional concept, which cannot be directly observed, measured, or captured by a single indicator. Whilst the various dimensions, facets, and indicators of peacefulness are often closely conceptually related, and in many cases strongly correlated with each other, no single measure or indicator is sufficiently broad to be considered an adequate measure of peace. For example, many different types of violence (interpersonal, communal, state repression, war, terrorism et al.) fall under the rubric of negative peace, each of which can be measured in multiple ways (homicide rate, battle deaths, number of riots, size of the army, military expenditure etc.) Failing to include any of these dimensions or indicators would give an incomplete picture of negative peace. Furthermore, data for each indicator may be incomplete, infrequently collected, or have different definitions across different countries which do not overlap. Combining multiple indicators into a single composite index helps to partially ameliorate these problems, and give a truer, fuller picture of the underlying concept. A composite index which provides a single score for a complex issue also helps policymakers and other stakeholders to grasp quickly relative differences between countries, and trends over time. The index can then be used as a springboard for further, more detailed analysis of the underlying concept, rather than being an end in itself. Whilst a composite index is necessary to capture and summarize a multidimensional concept like peacefulness or social inclusion, this does not

mean that any indicators or measures can be assembled in any configuration. The proliferation of composite indices (a UN review conducted in 2008 listed 172 national level indices, although many more have been created since then, whilst many others have been discontinued) has led to a spotlight being cast on their consistency and efficacy.[3] Broadly speaking, a good composite index should have conceptual clarity (*What is it measuring?*), should have a sensible or defensible connection between changes in indicator scores and changes in the overall index score (*What are the tradeoffs between indicators?*) and should produce country scores and rankings that do not fluctuate too strongly or unpredictably when the indicator weightings are changed (*How robust is the index?*). An index without conceptual clarity is not relevant as a policy tool, an index with strange tradeoffs between indicators can be manipulated by governments focusing on changing only certain indicators, and an index that is insufficiently robust will give a distorted picture of the actual relative differences between countries.[4]

THE GLOBAL PEACE INDEX

IEP's measure of Negative Peace is called the Global Peace Index (GPI). In attempting to gauge peacefulness, the GPI investigates the extent to which countries are involved in ongoing domestic and international conflicts. It also seeks to evaluate the level of harmony or discord within a nation; ten indicators broadly assess what might be described as safety and security in society. The assertion is that low crime rates, minimal terrorist activity and violent demonstrations, harmonious relations with neighbouring countries, a stable political scene and a small proportion of the population being internally displaced or made refugees can be equated with peacefulness.

Seven further indicators are related to a country's military build-up—reflecting the assertion that the level of militarisation and access to weapons is directly linked to how peaceful a country feels, both domestically and internationally. Comparable data on military expenditure as a percentage of GDP and the number of armed service officers per head are gauged, as are financial contributions to UN peacekeeping missions.

In total, the GPI is comprised of 22 indicators (listed in table 1) of the existence or absence of violence or fear of violence. The indicators were originally selected with the assistance of an international panel of independent experts in 2007 and have been reviewed by the expert panel on an annual basis. All scores for each indicator are normalised on a scale of 1-5, whereby qualitative indicators are banded into five groupings and quantitative ones are either banded into ten groupings or rounded to the first decimal point. The Economist

Intelligence Unit's team of country analysts has scored seven of the eight qualitative indicators and also provided estimates where there have been gaps in the quantitative data. For both the Global Peace Index and the Positive Peace Index (described below), a lower score indicates greater levels of peacefulness, whilst a higher score indicates a lack of peacefulness.

Table 1: Global Peace Index Indicators
There are thirteen internal and nine external indicators

INTERNAL PEACE	EXTERNAL PEACE
Perceptions of Criminality in Society	Military Expenditure (% GDP)
Police Officers per 100,000 people	Armed Services Personnel per 100,000 people
Homicide Rate	Funding for UN Peacekeeping operations
Incarceration Rate	Heavy and Nuclear Weapons
Small Arms and Light Weapons	Weapons Exports Rate
Level of Organised Conflict (Internal)	Displaced People (% Population)
Likelihood of Violent Demonstrations	Relations with Neighbouring Countries
Violent Crime	Number of External and Internal Conflicts Fought
Political Instability	Deaths from Organised Conflict (External)
Political Terror Scale	
Weapons Imports Rate	
Terrorist Acts	
Deaths from Organised Conflict (Internal)	

When the GPI was launched in 2007 the advisory panel of independent experts apportioned scores based on the relative importance of each of the indicators on a scale 1-5. Two sub-component weighted indices were then calculated from the GPI group of indicators:

1) A measure of how at peace internally a country is;

2) A measure of how at peace externally a country is (its state of peace beyond its borders).

The overall composite score and index was then formulated by applying a weighting of 60% to the measure of internal peace and 40% for external peace. The heavier weighting applied to internal peace was agreed upon by

the advisory panel, following robust debate. The decision was based on the innovative notion that a greater level of internal peace is likely to lead to, or at least correlate with, lower external conflict. The weightings have been reviewed by the advisory panel prior to the compilation of each edition of the GPI.

The EIU's Country Analysis team plays an important role in producing the GPI by scoring seven qualitative indicators and filling in data gaps on quantitative indicators when official data is missing. The EIU employs more than 100 full-time country experts and economists, supported by 650 in-country contributors. Analysts generally focus on two or three countries and, in conjunction with local contributors, develop a deep knowledge of a nation's political scene, the performance of its economy and the society in general.

THE POSITIVE PEACE INDEX

The Positive Peace Index is similar to the GPI in that it is a composite index attempting to measure an unobserved multidimensional concept. The PPI is the first known attempt to build an empirically derived index aiming to measure the latent variable of positive peace from the definition of "the set of attitudes, institutions and structures which when strengthened, lead to a more peaceful society."

The starting point for developing the PPI was to correlate the GPI against over 800 cross country harmonised datasets measuring a variety of economic, governance, social, attitudinal and political factors. This aggregation of data attempted to cover every known quantitative and qualitative data set measuring factors at the nation-state level. Each dataset which was significantly correlated was then organised under eight distinct headings or factors (listed in table 2), which became eight domains of the PPI. These structures were derived by empirical inspection and from the large body of qualitative and quantitative economic, development studies and peace and conflict literature highlighting the importance of these factors. Rather than attempting to isolate singular factors associated with peace, this approach is focused on identifying the broad and complex associations that exist between the drivers of violence and a multitude of formal and informal cultural, economic, and political variables. Under each of the eight domains, the data sources most closely correlated with the GPI were then aggregated for each country.

Table 2: The Eight Pillars of Peace
Each of the pillars is closely correlated with negative peace

The Pillars of Peace
Well-Functioning Government
Sound Business Environment
Low Levels of Corruption
High Levels of Human Capital
Equitable Distribution of Resources
Acceptance of the Rights of Others
Good Relations with Neighbours
Free Flow of Information

Whilst each of the pillars is closely correlated with negative peace, the way in which conflict or violence might be triggered differs from pillar to pillar. Weaknesses in some pillars will lead to a direct and immediate increase in violence, whilst others will lead to increases in violence in a more indirect manner over a long time period. This section provides a brief overview of the research on how weaknesses in the pillars leads to violence, with a particular focus on the characteristics which may make conflict more likely and the trigger factors which are commonly associated with its inception.

In the 2011 World Development report the World Bank suggested trigger factors and characteristics which are associated with conflict to be chiefly related to security, justice and the economy. Although it is likely that the drivers of conflict are particular to a given conflict, the factors which have been generally accepted as being associated with a greater risk of conflict include low average income, a country's size and whether conflict has recently been experienced by a nation.

External economic stresses such as sudden price increases or decreases may provide an impetus for conflict. An example of this might be a sudden increase in the price of food in a community which, when combined with limited social safety nets or alternative sources of subsistence, will heighten community tensions. Alternatively, a fall in the price of a good may have negative impacts for communities which rely upon it for their income. This was confirmed in a study of the impact of prices shocks in Colombia, which found that conflict intensified in regions that were more reliant on goods which experienced a sudden change in prices.

Internal factors which have been associated with higher conflict risk include rapid urbanisation, corruption, the concentration and level of natural resource wealth, and unemployment. Because a stable business environment provides individuals with a means of attaining a livelihood through employment it has often been suggested as a key driver for reducing the risk of conflict. By offering an alternative means of attaining a livelihood, a stable business environment decreases the attractiveness of joining organised criminal networks or rebel groups. This is also supported by the Pillars of Peace analyses, as a range of factors relating to a sound business environment are linked to a country's level of peace.

The actual and perceived justice in a community may also increase the risk of conflict; this might include internal factors such as ethnic, religious or regional competition or marginalisation. Marginalised groups such as specific indigenous, religious or ethnic groups, may find conflict to be a viable option, particularly if there are no peaceful alternatives for resolving grievances. Similarly, the risk of conflict may arise where the tensions exist between nations, or specific groups within nations, as opposed to within a particular state. Research also suggests that the risk of conflict is higher in countries where the government tends to infringe on the fundamental rights of its citizens. For this reason, pillars such as acceptance of the rights of others and well-functioning government are vital in ensuring social cohesion, justice, and the prevention and mitigation of community tensions. Research by IEP has also found a strong link between corruption within the police, military and judiciary and levels of peace. Furthermore, there appears to exist a 'tipping point' such that when corruption increases beyond a certain point, the likelihood of large increases of violence or the outbreak of civil conflict dramatically increases.

Both internal and external security concerns may also increase the prospect of conflict. These might include a history of conflict, the presence of foreign troops, conflicts in adjacent countries or the existence of transnational terrorism. Adjacent conflicts may also encourage the emergence of conflict through the creation of tensions through criminal activity and violence spilling over national borders. Crucially, the impact of this occurring may extend beyond that of a nation's security with research suggesting an impact on the economies of bordering states. The *Pillars of Peace* analysis also supports this, with better relationships within and between states being consistently associated with greater peace. Although better relationships are expected to emerge as a result of greater peace, it is suggested that the causality runs in both directions, such that better community relationships will tend to encourage greater levels of peace by discouraging the formation of tensions and reducing the chance of tensions devolving into conflict.

THE PEACE GAP

The construction of the GPI and PPI not only allow for both negative and positive peace to be measured, but also to be directly compared. By construction the correlation between the GPI and PPI should be high. Figure 2 shows the rank correlation between the GPI and PPI.

Figure 2: Global Peace Index vs Positive Peace Index
Countries with relatively strong institutions but high levels of violence have a positive peace surplus
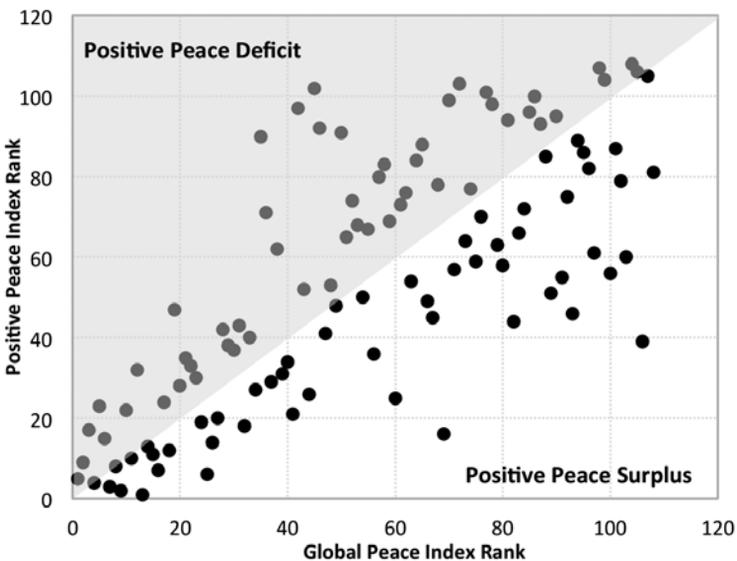
As expected, countries with high levels of negative peace tend to have high levels of positive peace, and vice versa. However, there are some countries that are relatively violent and conflict prone given their institutional strength but score better on PPI than would be expected. From this analysis we can identify those countries with a positive peace 'surplus', and those with a positive peace 'deficit'. If the eight *Pillars of Peace* are, in fact, responsible for creating and sustaining peace in the long run, we would expect to see countries with a surplus become more peaceful over time, and countries with a deficit to have a higher risk of breaking out into conflict, or of having increases in the levels of violence and the fear of violence in the long run.

CONCLUSION: IMPLICATIONS FOR SHARED SOCIETIES

The Shared Societies agenda dovetails with peacefulness in many ways. Whilst it might be tempting to reduce the Shared Societies approach to a single pillar within the *Pillars of Peace* framework (acceptance of the rights of others), this would be doing a disservice to the notion of social inclusion, which has implications for every one of the eight Pillars of Peace. Instead, the Shared Societies approach can draw on IEP's positive and negative peace framework in order to more strongly make the case for social inclusion, by not only showing how social inclusion is correlated with peacefulness (both as a cause and consequence), but also how social inclusion can be used to bolster each of the eight pillars in turn. Social inclusiveness need not just be aimed at society as a broad, undifferentiated whole; instead, it could be targeted at specific institutions in turn. The *Pillars of Peace* framework shows where social inclusion efforts could be best targeted. A Shared Society would not only have, on average, low inequality between different groups, but high levels of inclusion within those institutions most closely associated with peacefulness. National level analysis, using complex, multidimensional indices of peace, development, or related concerns, is not a substitute for the development of local and regional programs that focus on building social inclusion. Rather, by quantifying and linking negative and positive peace between countries and over the long run, it provides a metric against which the progression of social inclusion can be measured.

Notes

[1] Institute for Economics and Peace, *Pillars of Peace: Understanding the Key Attitudes and Institutions that Underpin Peaceful Societies*, 2013

[2] UN, *The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda* 2013, p. 29

[3] Bandura, R "A Survey of Composite Indices Measuring Country Performance: 2008 Update", UNDP/ODS Working Paper, 2008

[4] This does not mean, however, that a perfectly robust index (one where rankings do not change for any combination of indicator weights) is desirable. A perfectly robust composite index could remove all but one indicator and produce the same result, which suggests that the underlying concept or variable is not actually conceptually valuable. Any composite index will have to balance conceptual broadness and robustness, and there is no objective test or measure that can determine how these two factors should be balanced.