

India moves one notch up to 136th place in Global Peace Index while Violence cost India's GDP over \$1 trillion in 2017; \$595 per person

According to the Institute for Economics and Peace's Global Peace Index, South Asia experienced the largest regional improvement in peacefulness with India moving one notch higher to 136th position on the 2018 Global Peace Index. The report which measures the level of Positive Peace in 163 countries covers over 99.7% of the world's population using 23 qualitative and quantitative indicators which measures the state of peace using three thematic domains; the extent of ongoing domestic and international conflicts, and the degree of militarisation.

South Asia experienced the largest regional improvement in peacefulness, with Bhutan, Sri Lanka, India, and Nepal all improving. Four of the five largest improvements in peacefulness occurred in sub-Saharan Africa, despite the region having a slight deterioration in its overall peacefulness. The single largest country improvement occurred in the Gambia, where improvements in political instability, perceptions of criminality, and relations with neighbouring countries saw it improve 35 places in the rankings, moving up to 76th.

Besides Iceland (ranked 1st), some of the most peaceful country in the world include New Zealand (ranked 2nd), Austria (3rd), Portugal (4th), Denmark (5th), Canada (6th), Czech Republic (7th), Singapore (8th), Japan (9th) and Ireland (10th).

2018 Global Peace Index

Rank	Country	Score
1	Iceland	1.096
2	New Zealand	1.192
3	Austria	1.274
4	Portugal	1.318
5	Denmark	1.353

Source: PHD Research Bureau, compiled from Global Peace Index Report 2018

Regional Rank	Country	Overall Score	Overall Rank
1	Bhutan	1.545	19
2	Sri Lanka	1.954	67
3	Nepal	2.053	84
4	Bangladesh	2.084	93
5	India	2.504	136
6	Pakistan	3.079	151
7	Afghanistan	3.585	162

Source: PHD Research Bureau, compiled from Global Peace Index Report 2018

The report mentions that Indian government's efforts to tackle violent crime have paid off with an improved score, and falling levels of military expenditure, particularly on weapons imports, resulted in a slight improvement in its Militarisation score.

Region wise, South Asia experienced the largest increase in peacefulness with Bhutan, Sri Lanka and India all improving. Meanwhile, Europe is still the most peaceful region in the world, but its position has deteriorated for the third successive year. As per the report that ranks 163 independent states and territories, Syria is the least peaceful country followed by Afghanistan, South Sudan, Iraq and Somalia.

The report also mentioned about the economic cost of violence. The estimates include the direct and indirect cost of violence as well as an economic multiplier. According to the report "The multiplier effect calculates the additional economic activity that would have accrued if the direct costs of violence had been avoided,". The economic impact of violence on the global economy was USD 14.76 trillion in 2017, in PPP terms. This is equivalent to 12.4% of global GDP, or USD 1,988 per person.

Violence cost the Indian economy a significant amount of USD 1.19 trillion, (over Rs 80 trillion) last year in constant purchasing power parity (PPP) terms, which amounts to roughly USD 595.4 per person. Violence impacted USD 1,190.51 billion to the Indian economy in 2017, 9% of the country's gross domestic product (GDP) or USD 595.4 (over Rs 40,000) per person.

Economic Cost of Violence

Economic cost of violence (Rank by % GDP)	Country	Economic impact of violence (millions, 2017 PPP)	Economic cost of violence (Millions, 2017 PPP)	Per Capita (2017, PPP)	As % of GDP
2	Afghanistan	67,811.1	42,662.6	1,172.9	63%
35	Pakistan	180,488.3	129,916.6	647.0	13%
59	India	1,190,509.6	806,236.9	595.4	9%
71	Sri Lanka	31,574.8	21,337.4	1,018.5	8%
76	Bhutan	853.3	536.7	656.9	8%
109	Nepal	7,287.5	4,293.3	144.9	6%
138	Bangladesh	39,728.3	24,278.2	145.9	4%

Source: PHD Research Bureau, compiled from Global Peace Index Report 2018

The report further noted that there has been a widening "prosperity gap" between less and more peaceful countries. Since 1960, the most peaceful countries have, on average, seen their per capita GDP grow by an annual rate of 2.8 per cent. On the other hand, less peaceful countries have experienced economic stagnation. Their annual per capita GDP has, on average, grown by just 1 per cent over the last seven decades.

Among emerging markets violence impacted USD 1,704.62 billion to the Chinese economy, Brazil (USD 511,364.9 million), Russia (USD 1,013.78 billion) and South Africa (USD 239,480.2 million). Among developed nations, for the US, the cost of violence in terms of PPP was

USD 2.67 trillion or 8 per cent of the GDP. For the UK, it was 312.27 billion, 7 per cent of GDP.

Please contact for any query related to this mail to Ms. Kriti Khurana, Research Associate at kriti.khurana@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in and Ms. Megha Kaul, Associate Economist, megha@phdcci.in, PHD Chamber of Commerce & Industry.

Warm regards,

Dr. S P Sharma
Chief Economist

PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016
Ph.: + 91-11-26863801-04, 49545454
Fax: +91- 26855450, 49545451
Email: spsharma@phdcci.in
Website: www.phdcci.in

"We Walk Our Talk"

PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454
Fax : +91-11-2685 5450 • E-mail : research@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP0

Connect with us:



