Mapping Business-Peace Interactions: Five Assertions for How Businesses Create Peace

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Abstract: The conjunction of business and peace is a growing global phenomenon, but conducted and researched over a vast array of fields and contextual settings. This article provides theoretical order for this disparate material, illustrating cutting-edge research and highlighting the most urgent knowledge gaps to fill. Extracting findings from the business community, international organizations, and the academic community, this article maps these findings into five assertions about how businesses impact upon peace: economic engagement facilitates a peace dividend; encouraging local development facilitates local capacities for peace; importing international norms improves democratic accountability; firms can constrain the drivers or root causes of conflict; and undertaking direct diplomatic efforts with conflict actors builds and/or makes peace. These assertions provide a framework for categorizing and testing prominent business-peace arguments. They also support preliminary arguments that businesses cannot expect to be rewarded as peacebuilders just because they undertake peacebuilding activities, that economic opening only brings as much peace as a local regime will allow, and that truly courageous business-peace choices are rarely made in fragile contexts. This framework can encourage more coherent scholarly findings and more effective business engagements within the complex and challenging realm of peacebuilding.

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More information about the initiative can be found here:

http://cdacollaborative.org/cdaproject/business-and-peace/?src=mappingpaper







Introduction

The conjunction of business and peace is a growing global phenomenon. The belief that businesses should help build peace in their operational areas is expanding rapidly, through ventures like the United Nations Business for Peace (B4P) initiative and within firms themselves through Corporate Social Responsibility (CSR) tasks and the implementation of conflict-sensitive business practices. With donors increasingly fatigued by traditional mechanisms of aid delivery, both national and international corporations are being encouraged to take more active roles in framing new global peacebuilding and development agendas. Exemplifying the shift, United Nations Secretary General Ban Ki-Moon is "counting on the private sector" to help fulfill the Sustainable Development Goals (SDGs) (UNDP 2015), Norway launched a Business for Peace Foundation in 2007, and European firms formulated the Ypres Manifesto on Business for Peace in 2014.

Supported by the United Nations (UN), World Bank and most international development organizations, businesses in conflict zones and fragile states are now seen as active agents of peace, stability and long-term development. Pushes for deeper business engagement in peacebuilding (business-peace) come from shareholders who want more responsible firms, from governmental and inter-governmental bodies, from development aid organizations, and from developing country governments and communities imploring firms to contribute a greater share to societal improvements. However, as these activities are conducted over such a vast array of industries and local conflict contexts, and are discussed across such a wide variety of scholarly fields, it is difficult to decipher the state of the art and most valuable lessons learned. In addition, much existing material is case-based, exploring only limited types of business interactions in specific peacebuilding contexts that are hard to generalize.

This article provides theoretical order and an organizational home for this currently disparate material, highlighting cutting-edge research from the business, government, and academic communities. It builds upon previous efforts to survey business-peace interactions within and across fields (Oetzel et al. 2010; Andersson et al. 2011; Forrer et al. 2012; Forrer and Katsos 2015; Ford 2015b; Katsos 2016), and categorizes this material within existing theories of how business facilitate peace to refine where further study is most needed. This article begins with an overview of the expanding business-peace relationship, focusing on developments since 2010. It then briefly discusses how three key groups conceptualize business-peace today: the business community, international organizations, and the academic community. Five Assertions from this literature about how businesses impact upon peace are then proposed: economic engagement facilitates a peace dividend; encouraging local development facilitates local capacities for peace; importing international norms improves democratic accountability; firms can constrain the drivers or root causes of conflict; and undertaking direct diplomatic efforts with conflict actors builds and/or makes peace. Last, the article discusses how these Assertions inform three preliminary arguments: businesses cannot expect to be rewarded as peacebuilders just because they undertake peacebuilding activities; economic opening only brings as much peace as a local regime will allow; and truly courageous business-peace choices are rarely made in fragile contexts. Empirical study of these Assertions and trends is encouraged to support more coherent scholarly findings and more effective business engagements within the complex and challenging realm of peacebuilding.

An Overview of Business and Peace Today

The Cold War's 1990 conclusion presented a generational opportunity for international businesses to capitalize on a series of transformations described in positive terms as globalization and deepening of trade relations, or more critically as the erosion of state sovereignty through submission to market pressures. This was the decade in which the 'end of history' was proclaimed, from an optimist belief in the spread of free markets and democratic institutions. Global corporate expansion thrived, and extractive multinational corporations (MNCs) in particular entered countries that also saw a spike in civil conflict as Cold War support was withdrawn. These ventures brought scrutiny, as firms including Shell in Nigeria (Zalik 2004) and DeBeers in Angola and Liberia were criticized by governments, international non-governmental organizations (INGOs) and multilateral institutions for actions perceived to be conflict, but corporations were often slow to display a self-awareness as conflict-relevant actors.

Increasingly frustrated with stagnant outcomes of traditional peacebuilding in conflict zones, many INGOs and international governmental organizations (IGOs) began to involve businesses as stakeholders in new peace and development initiatives that saw firms as potential forces for good. With one billion people living in countries or regions affected by conflict or post-conflict violence (World Bank 2013), these "conflict-affected and high-risk areas" became the core focus of the international community's development agenda during the 2000s (UNGC 2010). Businesses were solicited by the World Bank and other international organizations to contribute to public-private partnerships that tried to stimulate peaceful development through poverty reduction, socio-economic growth, and security (Deitelhoff and Wolf 2010; UNGC 2013). As enshrined in the United Nations Global Compact (UNGC), firms were increasingly encouraged to commit to "peace" and incorporate conflict sensitivity into their day-today practices.

Today, national, regional, and transnational businesses operating in fragile environments are asked "to become full partners in broader peacemaking and peacebuilding assessment, planning and execution" (Ganson 2014:71), amid the belief that business-IGO/INGO tie-ups are not only mutually advantageous but in fact *necessary* for the success of peace operations in conflict zones (Ford 2015a). In 2013, the UNGC launched B4P, institutionalizing these developments. As perhaps the clearest articulation of the business-peace philosophy, B4P aims to "mobilize high-level corporate leadership to advance peaceful development through actions at the global and local levels in order to galvanize progress and scale up positive impacts, [a] leadership platform which will expand and deepen private sector action in support of peace" (UNGC 2013). The UNGC's goal is to create an "epistemic community" of development organizations and businesses to bring peace (Dahan et al. 2006; UNGC 2013).

Enthusiasm from private sector stakeholders is anchored in the argument that what they already do anyway—grow economies and expand markets—can be key ingredients to peace (Oetzel et al. 2010), and that "a quick influx of capital and know-how is essential to serve as a counterweight to recidivist violence" (Gerson 2001:106). Recognizing that economic underdevelopment can be conflict-generating, the UN Security Council included corporate stakeholders in the drive to attain the Millennium Development Goals, calling for more investment in fragile conflict areas to stimulate development (UNSC 2009). The UN's new Sustainable Development Goals further strengthen these ties

(UNDP 2015), which align with business motivations to gain access to new consumer markets in fragile developing states.

Three main groups of actors engage in significant business-peace discussions: the business community, international organizations, and academics. Each group forwards unique narratives about the structure, purpose, and value of business-peace engagements. However, these groups also find challenges in speaking to each other, and also often lack consensus within their own community. Even the terms 'peace' and 'peacebuilding' are notoriously difficult to define and can have varied meanings in different contexts. For purposes of this article, 'peace' is defined as the absence of physical and structural harms to both a state and its citizens; 'peacebuilding' activities are thus those that aim to either reduce the likelihood of violence or ameliorate perceived root causes of societal conflict. While more sophisticated definitions of both terms exist (and should rightly be used in other settings), broad characterizations are used here in order to draw from the entirety of the real and potential business-peace activities as defined by firms, governments and peace organizations, and because there is little empirical evidence guiding us as to which business activities are truly building peace in practice. A wide conceptual net is thus cast to lay our groundwork, and key sources and conceptual thrusts are presented to show where coherency and gaps lie between the main proponents. Claims presented herein are not formally tested or judged on their veracity, but presented neutrally so as to provide a more complete mapping.

The 'business community' as described herein includes local, national, and international firms headquartered in western and non-western states, and both large conglomerates and small and medium enterprises. MNCs carry outsize importance in our discussion, as they have typically expressed the most interest in those peacebuilding actions that drive business-peace arguments. This is quantified through annual reports, CSR and compliance documents, internal strategy memos and presence at business-peace events, among others. These engagements reflect evolving corporate philosophies that supporting societal values should be at least equally motivating as profit aims in a world of 'universal ethics' (Mele and Sanchez-Runde 2013; Hoskinson and Kurato 2015). Therefore, peace and peacebuilding are good for business – and vice versa (Killelea 2014). Recognizing that the 'business community' represents a diverse set of actors with competing motivations, institutional philosophies and understandings of what constitutes positive impact, the business case for business-peace engagement has nevertheless grown dramatically.

Businesses typically operationalize peacebuilding through CSR frameworks, which postulate that firms should engage in good corporate citizenship by making a positive governance contribution in operational areas (Carroll 1998). Beginning largely as public relations efforts, CSR projects are now ubiquitous in the developing world (Jamali 2016). Sometimes they even compete against development aid programs by NGOs and UN agencies, incentivizing the shift towards businesses as peace agents (Valor 2005). Due to CSR's increasing convergence of discourse with aid organizations (Avant and Haufler 2012), it has also become a promotional tool for local development and peacebuilding in conflict zones (Barbara 2006; JBE 2009; Jamali and Mirshak 2010). While 'CSR' can mean everything from philanthropy and corporate citizenship to long-term business strategy and risk mitigation, for the purposes of this article those CSR activities claimed to be peace-positive are of most interest. Early adopters have also worked to encourage (or drag) their peers into this space. For example, extractive firms have encouraged consumer goods companies to follow their conflict-sensitive lead, western

MNCs are encouraging their Global South counterparts to participate in peacebuilding and development activities, and large transnational firms are encouraging local businesses likewise (USIP 2012).

Deciphering what international organizations believe about business and peace is also complicated. While a striking degree of conformity has emerged amongst INGOs and IGOs about the value of engaging businesses as peace partners for everything from global development projects to the European refugee crisis (UNGC 2016a), there is little consensus about what *exactly* businesses should be doing, and where their comparative advantages lie. Some like the UN Business-Action Hub prefer public relations-style approaches (UN Business 2016). Others like the World Bank conflate business, peace and development to argue that business ventures stabilize fragile states by providing development in areas of poor or non-existent governance (WB 2004; WB 2014). Some INGOs want businesses working within conflicts to reduce the negative consequences of their operations (International Alert 2005), while others promote businesses-community 'partnerships' to better engage with local communities (Killick et al. 2005; Kolk and Lenfant 2015). However, these programs can be contentious within INGOs themselves, as many long-time peacebuilding practitioners remain skeptical of incorporating for-profit actors into local development projects.

Finally, the academic community is the most fractured of all. Economists, political scientists, anthropologists, business ethicists, human rights scholars, philosophers, and others have all tackled the thorny questions inherent in business-peace interactions, sometimes dating back centuries. One can distinguish between two contemporary avenues: those who see potential in business-peace interactions (coined here as 'potentialists'), and those critical of the wisdom of the entire venture. Potentialist philosophies can be seen as far back as the first issue of the Journal of World Business in 1966, which argued that peacebuilding roles for corporations would make an unmatched force for peace (Kolk 2016). Drawing on political risk analysis and business strategy, contemporary potentialist research studies how, when and why firms should engage in peacebuilding (Ford 2015a; Ford 2015b; Fort 2015; Oh and Oetzel 2016), how conflict lifecycles affect firm vulnerability and risk (Getz and Oetzel 2010), innovative strategies and norms firms adopt to address conflict (JBE 2009; Kolk and Lenfant 2015; Miklian and Hoelscher 2016), and how operating during conflicts can improve risk management and understanding of local populations (Avant and Haufler 2012; Aaron and Patrick 2013). Potentialists include those who are fundamentally optimistic about sustained business involvement in peacebuilding - and also those who see only certain limited circumstances for success. The field of business ethics has made extensive contributions, for example in exploring how companies can move beyond traditional CSR to Creating Shared Value platforms that improve conflict-sensitive interactions (Haski-Leventhal 2014), how ethical participative leadership can empower peace (Spreitzer 2007), in arguments for businesses to support 'hyper-goals' that incorporate short- and long-term building blocks for peace (Dunfee and Fort 2003), and exploring the lessons of 'gentle commerce' activities that can lie outside of traditional peacebuilding or conflict zones altogether (Fort 2014).

Conversely, critical studies give pause to the wisdom of expanding business-peace tie-ups. MNCs have harmed some vulnerable societies (Pugh 2005), and the international community has supported the expansion of foreign firms at the expense of their local business and government counterparts (Richmond and MacGinty 2015). Many scholars are skeptical of giving business a more central peace

role due to repeated field failures (Berdal and Mousavizadeh 2010; Idemudia 2010; Hönke 2014). Others question whether corporations should be involved in the operational side of peace at all. As Milton Friedman (1970) famously chided: "the social responsibility of business is to increase its profits" and no more,ⁱⁱ as private sector assistance to peace in *any* form constitutes a market distortion. While this idea has fallen out of favor in the business community, it has found new support from critical scholars, who argue that business-peace engagements are primarily a tool to defuse criticism of corporate expansion into conflict zones (Banerjee 2008). Critical scholars also tend to problematize the natures of peace and conflict in a more comprehensive and nuanced manner than businesses, international organizations, or potentialists.

Of course, these categories aren't as neatly drawn in practice as the above assessments imply. Proponents and detractors of business-peace activities can be found in all three realms, and there is often coherence across streams. For example, most consider the Nicosia Chamber of Commerce work in Cyprus's multi-decade peace process to be a peacebuilding activity. Further, few argue that participation in economic opening by itself should be called peacebuilding by business, although the end result may indeed be a more stable and peaceful society, such as is promised with foreign business engagement in Myanmar. A lack of coherence about the peace value of a given business activity does not necessarily signify disagreement, but as these different strands approach these topics in different ways in this still-emerging arena, conceptual gaps are commonplace. To move towards testability – and find out which business actions truly engender peace, and why - we must first provide a more complete taxonomy of the field.

Five Assertions on How Businesses Can Facilitate Peace

This article presents five Assertions that motivate businesses to contribute as peacebuilders. It collates leading propositions from the academic literature; claims from policy- and practice-oriented researchers; documented corporate approaches; and new governmental and institutional pushes, going beyond well-studied literature (e.g. businesses as conflict actors) to focus on the more aspirational business-peacebuilding studies. It also builds upon past works, in particular Oetzel et al.'s (2010:355) six Business Actions for Promoting Peace. The Assertions are again: economic engagement facilitates a peace dividend; encouraging local development facilitates local capacities for peace; importing international norms improves democratic accountability; firms can constrain the drivers or root causes of conflict; and undertaking direct diplomatic efforts with conflict actors builds and/or makes peace. The Assertions can be conceived as transiting from broad/macro impact on peace through traditional or conservative approaches to specific/micro peacebuilding initiatives with more progressive and interventionist frameworks.

Each Assertion contains two sections: a description of positive change claims by its proponents, and a presentation of the challenges given by its detractors. These example-richⁱⁱⁱ Assertions go beyond laudable recent analyses that explore similar literature gaps (e.g. Oetzel et al. 2010; Forrer and Katsos 2015; Ford 2015b; Miklian et al. 2016), incorporating new literature from more varied practitioner and peace research backgrounds, and also serves to more deeply define and contextualize major debates to help clarify how proponents and detractors view business contributions to peacebuilding in theory and practice.

Assertion 1: Businesses influence peace through economic engagement that facilitates a 'peace dividend'.

Description and proponents

The belief that businesses bring peace by growing and linking economies is a core paradigm of international political economy, rooted in liberal peace theory, economic integration theory and peace dividend theory. In this strand, business activities in and of themselves are considered to engender peace. Through trade, economic growth, and financial injections, businesses help provide the fundamental building blocks of development to fragile countries that in turn cement peace. The belief that economic entrepreneurship will lead to peace and development can be traced back to John Locke's *Second Treatise* (1689). The doctrine is also associated with Immanuel Kant, Joseph Schumpeter, and more recently Francis Fukuyama, scholars who combined elements of republican or democratic politics and the 'spirit of commerce' in different ways to argue that economically integrated democracies positively correlate with peaceful foreign policies (Doyle 1986).

Assertion 1 also incorporates debates over what policy roles governments should support in the pursuit of sustainable peace, pitting philosophies like those of the free market liberal economist Fredrich Hayek against the more interventionist-friendly John Maynard Keynes (Schneider and Gleditsch 2013).^{iv} While the empirical evidence and definitions remain contested, protagonists hold that "empirical confirmation of the liberal peace is exceptionally strong" for peaceful interdependence amongst market democracies (Doyle 2005:466; Gartzke 2007). The Washington Consensus of policy prescriptions supported by the World Bank and International Monetary Fund, through its agenda of dismantling state-led economies to foster peace and development in the Global South through deregulation, privatization and liberalization forms the most poignant contemporary enshrining of this agenda (Berdal and Mousavizadeh 2010).

The robust literatures tying economic integration and development to peaceful relations between states – and that infusions of economic development can mitigate intrastate conflict - provide straightforward templates for firms to consider corporate expansion as carrying a peacebuilding 'value-added'. These activities aim to broadly improve the conditions of peace without constituting specific peacebuilding activities. Examples include firms aiding the transition from war to peace economies by helping to normalize trade and provide essential revenue streams in fragile environments as in post-2011 Myanmar, moving into post-conflict or nearly post-conflict environments to solidify fragile economies like investment in Kurdistan and Afghanistan, and creating economic inter-dependence across geographic boundaries and social lines of division, as the European Economic Community/Union and Nicosia Chamber of Commerce have done.

Others propose that business can build peace by reducing poverty and generating local economic development through foreign investment or through local economic support, for example in facilitating post-conflict macroeconomic recovery (ILO 2010). It is therefore 'bad business' to engage in conflict, and a 'peace dividend' of increased prosperity will result. While policies to boost economies in an effort to create more stable societies can be traced back centuries – if not millennia - the belief that prosperity equals peace (and thus more prosperity is peacebuilding) is a more recent variation (Fort and Schipani

2004). Friedman's Dell Theory of Conflict Prevention (2005) highlights the potential of economic interdependence at the national level to reduce conflict risk, and the public-private partnership strand emphasizes that by providing services that a government can't (or won't), peaceful legitimacy is increased. In short, better services lead to more legitimate governments, which in turn leads to more satisfied and peaceful populaces (Tokuda 2014).

Challenges and challengers

Detractors argue that the empirical evidence in support of liberal peace theories is mixed (Barbieri and Schneider 1999), typified by the contested legacy of Washington Consensus-supported activities in fragile states (Szeftel 2000). Within-country empirical relationships between development, trade and peace are weak, especially for the main institutional components of the liberal peace in fragile and post-conflict environments: democratization, promotion of the rule of law and free markets (Richmond 2006). Some see deeper involvement of businesses into fragile conflict zones as neo-colonial exploitation (Hönke 2014), claiming "pacification through political and economic liberalization" (Paris 1997:56). But absent an alternative, liberal peacebuilding continues to be the frame around which contemporary peace action is organized (Paris 2010; Miklian 2014; Schouten and Miklian 2017), not least because it still promises peace and development through the agency of western actors, on the premise that 'we just need to get the conditions right'.

Business activity can also exacerbate generalized conflict drivers like inequality. In resource-poor societies, the introduction of new resources more often intensifies competition rather than eases it, questioning the argument that better services leads to more legitimate governance which subsequently leads to peace (Mazurana et al. 2014). Large investments can corrupt and calcify local elites, reducing space for civil society participation and risking new cycles of violence, as seen with oil investments in Nigeria (Zaum and Cheng 2012). Thus, the connections between economic growth and peacebuilding can be more complex than a simple input-output model can explain (Chigas and Woodrow 2009). Finally, the fact that a business conceivably needs to only conduct its standard operations to reap the benefits of providing a 'peaceful dividend' could mean that it warrants exclusion from discussion as a tangible strand of business facilitated peacebuilding.

Assertion 2: Businesses influence peace by encouraging local development and facilitating local capacities for peace

Description and proponents

Under Assertion 2 we find claims that businesses can and should build local development capacities in their operational areas, which will in turn facilitate local peace. Activities here are development-centric and generally at least one causal link removed from direct peacebuilding action. Projects focus on improving the building blocks of society through community engagement that 'gives back' resources to impoverished groups, cutting across a broad array of actions, sectors, and degrees of local business integration. They are supported by IGOs and NGOs in the belief that mitigation of harm is a conflict sensitive peacebuilding venture, and that addressing local societal needs (past, present or future) through development leads to broader societal peace (MercyCorps 2011; International Alert 2015).

Empirical evidence is limited but positive, including studies suggesting that higher-quality corporate engagement with local communities may lower the incidence of kidnappings, killings and protracted conflict (Aaron and Patrick 2013). CSR projects have effectively defused small-scale tensions between local communities, (re)built health and education infrastructures, and empowered disadvantaged communities, often prioritized by firms through 'win-win' profit and peace relationships. Examples include corporate support of local and regional peacebuilding organizations like Partners for Peace in the Niger Delta, strengthening voices of local government and civil society through the Tintaya dialogue table in Peru and the Business Partners for Development experiment, Newmont Gold's recognition of Ghana's Peace Councils in its own grievance resolution processes and Barrick Gold's support for municipal planning and service delivery capabilities in the Dominican Republic. Reviews of Chevron's community development projects in Nigeria found that empowering peacebuilders contributed to a dramatic reduction in violence - both against company facilities and amongst communities formerly fighting one another (Hoben et al. 2012). Recent studies argue for more direct political engagement that tackles local social issues and governance gaps in fragile states to generate both societal benefits and corporate profits (Valente and Crane 2010; Westermann-Beyhalo et al. 2015).^v</sup>

As a primary cog of local economic development, providing jobs is forwarded as a means to promote peace, especially in establishing inclusive and diverse workplaces or supporting collaboration between conflict actors to build social cohesion (Fearon et al. 2009). IGOs like the World Bank (2008) highlight the benefits of employment, and academics including Forrer et al. (2012) and Ozetel and Getz (2012) highlight the benefits of inclusive economies. One example is the 2015 Business for Peace award given to Merrill Fernando, the founder of Dilmah Tea in Sri Lanka. Fernando was awarded the prize for his emphasis on workplace diversity that "empowered differently able and under-privileged people in their communities with dignity and in a sustainable manner" (BfP 2015:1). Firms can also provide a neutral space for suppliers/sellers of different ethnicities and similar inclusivity characteristics (Khan and Ahmed 2014; Lugard 2014), believing that engaging in such activities will promote trust, reduce stereotypes and build inter-personal relationships, reducing participation in or support of violence. Motivation is essentially subjugated to effectiveness, or as Starbucks Coffee CEO Howard Schultz framed his firm's impressive CSR portfolio: "This is not altruistic; this is business. Values are a big part of both the balance sheet and the income statements of Starbucks" (Ripley 2016:1).

Challenges and challengers

The strongest critiques of local development by business focus upon the aims, scope and relevance of CSR as peacebuilding. CSR policies only carry limited influence over operational decision-making for businesses in fragile states (Yang and Rivers 2009), with a lack of accountability mechanisms and poor track records for those affected in conflict zones (Idemudia 2010; Prandi and Lozano 2011). Despite support from IGOs and INGOs, as the operations and CSR divisions of most large firms are different entities, such activities often merely project the appearance of participation but in practice dilute local impact and engagement (Guidi 2008). Further, intent does not necessarily translate into effective action, as declarations by senior management about their CSR programs correlate poorly to actual CSR impact (Van de ven and Graafland 2006). Attempts to link ethics, norms and responsibilities together – 'thick' CSR approaches – have been made to break this impasse, but 'thick' morality-based approaches are often too complicated to implement due to the competing needs of different in-house divisions

(O'Riordan and Fairbrass 2014). Despite efforts to guide corporate morality dating back to Adam Smith (Brown and Forster 2013), CSR is still viewed as a weak strategic platform. CSR reporting on conflict mitigation and peace impact also remains limited. If such reflections appear in annual reports, they are almost always generic in nature (Kolk and Lenfant 2010).

Further, while INGO-business partnerships for conflict-sensitive development can stimulate best practice agendas on conflict resolution (Haufler 2009), firms often view these partnerships as tools to manage political and reputational costs or to defend against encroachment by competitors – not as an avenue for constructive peace engagement (Poret 2014). International firms are wary of funding warring regimes, not least due to the reputational risks involved should the payouts (constituted as taxes or bribes) become public knowledge. This wariness is conceived internally as risk mitigation, but often construed publicly as an unwillingness to help the host community. Many corporate boards and host governments are skeptical of business interfering in contested issues like peace and local governance, and some firms curb local participation in CSR processes lest they lose control of their project's direction—and of their preferred framing of what constitutes 'peace'.

Last, what many businesses, IGOs and NGOs might call 'community empowerment' or 'inclusive' activities can be labeled by governments (especially repressive regimes) as enabling 'dangerous resistance movements' or 'anti-nationalist' support of political opposition. This is especially the case where deep ethnic divisions lie. Empowering one community may be viewed by others as a slight, and evidence for successful local peacebuilding 'trickling up' into power centers for durable change is weak (MacGinty and Richmond 2013). Further, business empowerment initiatives can trigger new fissures by creating 'haves' and 'have-nots', and firms can become targets of violent resistance. Well-meaning actions can erode local government capacity as its essential duties are subcontracted to foreign entities, making a firm so powerful that its presence rivals or exceeds that of the state (Zandvliet and Anderson 2009). This dynamic of corporate paternalism harkens back to early 20th century CSR practices (Husted 2015), played out to the extreme across the colonial world but also in the United States, as Company Towns asserted absolute control over goods, services and even governance of local populations (Green 2010).

Assertion 3: Businesses influence peace by importing international norms or other tools for democratic accountability

Description and proponents

Assertion 3 houses claims that foreign (typically western) firms can contribute to peace by importing international standards, norms and ethics that improve the structural conditions for peace and change corrupt local mindsets. These activities constitute specific actions that are derived from broad regional or global frameworks that explicitly call for direct engagement by the private sector (Rettberg 2016). Firms can reward good behavior by states as determined by international guidelines through additional investment, or punish bad behavior by withdrawing and removing the tax bases that such operations provide. Indirect initiatives include business compliance and risk mitigation strategies, under the belief that international firms leading by example through adherence to global best practice norms will trickle down to local society (Lisk et al. 2013). This approach encourages peacebuilding buy-ins in ways that

businesses find predictable and achievable as they promise a competitive playing field and stress engagement with governments to prevent abuses, as opposed to negotiating through rebel groups or other less predictable actors.

Accepting the notion that they cannot ethically dismiss the consequences of their presence, foreign firms increasingly support governance-positive peacebuilding activities in conflict zones. Such activities include business initiatives that empower civil society like opening formerly secret data to encourage popular accountability by the Extractive Industries Transparency Initiative, working with anti-corruption watchdogs in corrupt states like Transparency International's partnership with the Organisation for Economic Co-operation and Development on anti-bribery regulations, and supporting international attempts to jointly tackle global trends that are presumed to exacerbate conflict, such as the 2015 Caring For Climate initiative launched by a large business consortium and the concerted push for business involvement in the UN SDGs. Recognizing the wide array of potential guidance, efforts have been made to consolidate such standards to make it easier for firms to implement these principles (IDPS 2015).

More support is found in discussions on transparency. For example, if a firm complies with financial transparency initiatives like Publish What You Pay, then it is believed that citizens will use this information to hold the government accountable, thus constraining unscrupulous government behavior (Hamann et al. 2011). By refusing to engage in wrongdoing, say by paying (or receiving) bribes where such practices are pervasive, healthier societal relations are promoted, fostering a better groundwork for peace (Fort and Schipani 2007). Peace is thus intertwined with virtues such as justice and honesty, and to refuse bribes could require considerable courage, personal integrity and justification to boards or shareholders (Schminke et al. 2015). These actions presuppose transparency as both outward tool and internal check, and that promoting ethical problem-solving business behavior will promote peace. In short, more ethical business practices improve societal accountability, thus making democratic and non-violent means of redress more realistic and possible.

Challenges and challengers

Beyond the eyebrow-raising implied by eliciting foreign corporations to be the paragons of international morality, there remain large gaps between the ethics of 'do no harm' and 'do something!' for international firms in conflict settings. Fort and Schipani's (2004:348) maxim that "it is not any business that fosters peace; it is an *ethical* business that fosters peace" still holds. But we lack clear definitions of the meaning of ethical action, and more importantly how to mitigate unintended consequences. To wit, Talisman Oil was shamed out of the former Sudan after the Sudanese government was linked to crimes of genocide; this gap was filled by the Indian firm ONGC Videsh who was disinclined to consider this link as problematic or join western-led peace initiatives. Thus, even if business-peace paradigms contain compliance mechanisms, whether this creates peace dividends in practice is questionable as ethical withdrawal can leave voids for firms of lower standards to fill (Patey 2007). Further, defining accountability initiatives as peacebuilding may hold only limited benefit for local populations or local businesses (Killick et al. 2005).

As with the previous Assertions, empirical links between implementation of standards and the generation of peace are tenuous (Richmond 2013), and assume that peace action comes *after* the successful (and extremely difficult and time-consuming) re-engineering of society to a more transparent, western model (Roland 2004). Institutional reforms that attract investment may have little to do with broader societal or economic reform, and may reinforce neo-patrimonialism (Rodrik 2006). Others see international standards as simply a new generation of corporate window-dressing to operate in contentious areas (Chavkin et al. 2015). Even the UNGC (2010:np) has found that "conflict-sensitive practices have not been widely embraced and have not yielded a cumulative positive benefit to conflict-affected communities." And firms complain of the difficulty of implementing standards in the best of circumstances, let alone in conflict-affected areas (Hoffmann 2014).

Others critique a host of related assumptions: that local actors care about adhering to international standards; that clear links exist between norms, standards and the generation of peace; that corrupt societies are conflict-ridden (and vice-versa); that watchdog organizations have legitimate punitive capabilities; that justice and peace are synonymous in conflict-ridden societies; and that businesses are beacons of best practice on any of the above (Reimann 2006; Muller 2013). Moreover, there is no clear evidence that adopting international standards actually fosters peace. In fact, preliminary research has found an inverse relationship between tax compliance and CSR performance by MNCs in fragile and conflicted-affected states in certain situations (Hansen 2015). Also, most foreign firms operate on the basis of contracts with states, whose regulatory power can dictate aspects of firms' operations and limit their potential for – or desire for – advocating for societal change.

Assertion 4: Businesses influence peace by attempting to constrain the drivers or root causes of conflict

Description and proponents

Proponents here assume that there are specific actions that businesses can take to quell drivers of conflict. These drivers can be economic, political, or structural in nature, and the actions may or may not relate to core business operations. Assertion 4 houses specific initiatives that attempt to tackle root causes of conflict. Much existing business-peace literature studies the role of business in addressing, influencing and changing the material conditions of conflict environments. One common proposition is that if local conditions can be improved, the root causes of conflict are addressed and the incentives for conflict are reduced (Wenger and Mockli 2003; Ghimire and Upreti 2012). Although this overlaps with previous Assertions (particularly Assertion 3), debates here focus upon the multi-faceted causes of conflict gleaned from peace studies literature, including the motivations, opportunities and incentives for conflict and generalized violence.

For firms, this frequently means attempting to stop financial flows that fund conflict actors. Examples include the Kimberley Process for diamonds, Conflict Free Minerals Initiatives in central Africa, banning the sale of oil from ISIS-held areas, and preventing payment of royalties/taxes to oppressive regimes. Some organizations that normally lean critical (e.g. Global Witness, International Alert) advocate for business engagement here, arguing that tightening trade and finance regimes related to conflict resources will help stop wars. In support, many firms have elected to institute conflict-sensitive business

practices to attempt to ensure that they do not intentionally or unintentionally provide material support to conflict actors. Businesses and IGOs/NGOs see these initiatives as helping to prevent abuses while also reducing incentives to operate unethically (Ballentine and Haufler 2009). Actions are concrete, and can be clearly presented to shareholders, activists, and others. Results tend to be direct and accountable, particularly in linking business actions and contributions to peace and conflict equations.

Beyond Assertion 2's notion that any job (or any development) can build peace, firms can employ more targeted approaches to address grievances like hiring former rebels or other conflict actors, as Juan Valdez coffee in Colombia has done. Businesses have met basic needs in conflict areas through social contributions assumed to build more peaceful societies as with school and hospital construction by Heineken in the Congo, and business organizations have partnered with governments and international bodies to pressure regimes with discriminatory policies to achieve political change, as in boycotts of the South African apartheid policy. Businesses have also attempted to address root causes of insecurity that they risk contributing to, typified by the World Bank's Extractives Industry Review (EIR 2003:33) argument that "(m)any grievances from communities and especially from indigenous peoples...relate to their claims that their rights to participate in, influence, and share control over development initiatives, decisions, and resources are ignored."

Challenges and challengers

Assertion 4's harshest critiques argue that the fluid nature of complex inter-group grievances makes them exceptionally complicated to navigate, even for firms with the managerial capacity and willingness to correctly assess what the true local conflict drivers are (Ganson 2014). Business activity can also exacerbate conflict drivers like inequality and exclusion/marginalization as investment partners typically come from dominant ethnic or social groups. Further, actions like hiring ex-combatants are often not of sufficient scale to appreciably alter peacebuilding or peacemaking processes. Country-level linkages between development, trade and peace are unproven, and the privileging of business in the peace and development space pushes INGO agendas in fragile states towards corporate interests, which can in turn exacerbate grievances by further marginalizing excluded communities (Obenland 2014).

More broadly, there is an inherent difficulty in 'solving' root causes of political violence, and it is questionable whether businesses are the best actors to identify and implement solutions as their motivations can differ from or even contradict those of peace actors. Recognizing that reducing conflict alone is not necessarily peacebuilding (it can simply be suppression), business attempts to remake societal dynamics can create vacuums of power that push conflict actors into even more destructive activities. Global initiatives to eliminate market access for conflict actors are also hard to monitor and implement (Miller and Bardouille 2014). Politically-engaged firms must pick winners and losers in ongoing conflicts, and these tend to be pro-government, anti-insurgent in nature due to corporate desires for security, stability and uninterrupted market access. Finally, business can be an enabler of conflict in fragile developing countries, either through unintentional complicity (Ruggie 2003), or through intentional exploitation of conflict for profit (le Billon 2012).

Assertion 5: Businesses can effectively build and make peace by undertaking direct diplomatic efforts with conflict actors

Description and proponents

This is the clearest and most specific of the five Assertions, wherein businesses offer a vested direct stake in not simply peacebuilding but also peacemaking. This can mean working as peace process participants, as mediators, entering into partnerships with former conflict elites to encourage their mainstreaming or reintegration into society, or in leveraging their influence to urge recalcitrant actors to participate in peace talks. Business leaders who actively pursue peace are considered positive game changers in their companies and societies (BfP 2015), and their leadership prompts others to action (Oetzel and Breslauer 2015). As Petter Furberg, head of the Myanmar branch of Norwegian

telecom firm Telenor, said at the 2016 Oslo Business for Peace event: "We are nation-building through mobile services. I am personally negotiating with rebel leaders...in order to operate." These actions of corporate diplomacy engage in the social and political realms to extended governance in conflict-prone areas (Westermann-Beyhalo et al. 2015). Other examples include political negotiations by sponsors of prominent sporting events including the 2016 Formula 1 in Azerbaijan and the 2022 World Cup in Qatar to advocate for human rights issues when events are held in countries with poor rights records.

A firm can facilitate dialogue between warring parties, as Chevron did in Papua New Guinea by hiring mediators to ameliorate grievances through peaceful dialogue. While Chevrons' activities had little to do with the local dispute, they were incentivized to contribute toward its cessation as fighting made the business environment more fragile. In this sense, peacebuilding is also proactive risk and impact management. Other examples include the Bogota and Nicosia Chambers of Commerce in the Colombia and Cyprus peace processes, and the construction of dispute resolution mechanisms by South African and international firms during apartheid. At a more basic level, businesses can also provide logistical peacebuilding support for conflict actors looking to transit to peace, through meeting spaces, equipment, or the like.

Challenges and challengers

Most critiques of business engagement in formal diplomacy argue that these activities are both outside the realm of core business actions (Friedman 1970; Berdal and Mousavizadeh 2010; Hönke 2014), and carry significant reputational and political risk (Zandvliet and Anderson 2009). While firms can take part in peace talks (usually at the executive level), if negotiations break down it can leave the business open to blame or even retaliation by conflict actors (Bouillion 2004), reducing business interest in peace for years or even decades, as in Colombia (Rettberg 2013). Even celebrated efforts like the logistical support given by British businessman Tiny Rowland for the Mozambique peace process gloss over dirtier details; Rowland supported the liberation movement Renamo through protection payments, and was implicated in engineering conflict and commissioning violence for personal gain (Vines 1998).

There also remain gaps in our understandings of relationships between markets and local conflict economies. Even though sophisticated networks of conflict actors are embedded in many local social, political and economic fabrics, negotiating with rebels is not typically an operational activity that firms

admit to. Yet expanding to new markets means that they are inevitably confronted with ethical dilemmas like roadblock economies, where checkpoint payments can exacerbate local conflict through the very mechanisms necessary to secure local market access (Bennett 2002). Fragile regions are thus subject to a political economy of conflict (Ballentine 2005), with security forces and armed groups controlling access and extracting money from all transitors (le Billon 2008). Conflict actors also extort businesses, so firms become entrenched within local conflict economies (Scudder 2013). Evidence from Afghanistan (DuPee 2012), Nigeria (Idemudia 2010) and Colombia (US State 2013) indicates that business operations exacerbate conflict in such settings, notwithstanding explicit ambitions to instead bring a 'development dividend' to local populations. Deciphering how businesses navigate this landscape by continuing the direct engagements needed to operate while simultaneously minimizing risk accountability will constitute a core challenge for business-peace action.

Discussion

This model's primary proposed value lies in contextualizing business-peace activity for both business and peace scholars in the interest of improving empirical work. It can also serve to extract common themes from different fields of study, helping us better understand which Assertions may have the most forward value and why. Here we briefly explore three potential consequences and limitations of this emergent literature to show how such categorization can be beneficial in practice, and explore the ability of specific Assertion studies to better direct peace-positive business ventures.

First, businesses cannot *expect* to be rewarded as peacebuilders just because they undertake activities that are called 'peacebuilding' by external actors – and those firms that do so primarily as a public relations venture risk doing more harm than good to both local communities and their own brands. For example, Furberg's comments about Telenor's 'nation-building' in Myanmar were critically received, and helped to spur a six-month Norwegian investigation into Telenor's business practices throughout Asia, uncovering unethical and possibly illegal activities in several countries. Also, few individual firms have the capacity, internal expertise or political will engage in the types of long-term, expansive, institutional ventures that constitute engaged peacebuilding. Such ventures require engaging within complex grassroots political and societal entities – and then serving as a broker to power centers or local elites. Efforts by Shell and Chevron in the Niger delta are instructive, as they successfully built local peace for a period, but as their projects only assisted the immediate community, they was vulnerable to national and regional political trends towards conflict and ultimately collapsed.

For forward conceptual clarity, it will likely be valuable to remove those business actions that are peripheral to, but ultimately separate from, peacebuilding. Ganson (forthcoming) lists four categories of such, including 'doing good but not building peace' (generic health, education, or employment initiatives), 'small wins that don't add up to peace' (micro-community ventures that have no impact on broader societal peace), 'program failures' (well-intended ventures that fail due to local fragility), and 'perverse impacts' (well-intended ventures that create more harm than good by skewing local resource dynamics). It may also be a question of scale. A business-peace project that works on community reconciliation in 3 villages is unlikely to make a true peace contribution, while one that works in 3,000 villages, as was done by the Federacion Nacional de Cafeteros in Colombia through their 'Footprints of Peace' project, may indeed have significant long-term positive peace impacts (Miklian and Bickel 2017).

Linking business and management scholars more strongly with their peacebuilding counterparts will likely offer a wealth of cross-disciplinary guidance as concerns what is more (or less) likely to work in such realms.

Second, economic opening often only brings as much peace as a local regime will allow. Firms that enter fragile new markets should not overstate their positive peace and development contributions unless they are willing to also shoulder blame for political conflict events that may be outside their control or sphere of influence later. The lessons of Assertion 1 are instructive here, as participation in economic opening alone is often claimed by firms to provide a core peace-positive development benefit for local societies (and usually presented when starting new expansions to shareholders and the public), but it is rarely coupled with an engaged effort to improve local societies. Peacebuilders have problematized this space extensively, asking questions like 'development for whom?' and 'economic growth for whom?' when considering new engagements (Miklian et al. 2011). Also, there are significant business benefits to partnering with the 'best, most connected' partner to ensure project success, but such decisions may merely exacerbate local conflict dynamics by giving legitimacy and funding to a local conflict actor in the name of stability and growth (Miklian 2012).

Further, 'win-win' business logics can have deeper consequences than the benign buzzword suggests, especially if encouraging an econometric understanding of peace reduces peacebuilding to whatever numbers can express. This risks silencing voices whose perspectives might not be articulated within technocratic discourses, disfranchising those who should be the principal business-peace beneficiaries. Without a clear, locally-sourced definition of peace, it will be difficult to measure empirically if business-peace ventures truly succeed. The 5 Assertions intend to provide clarity and assist in forward guidance for this growing field, but if businesses are to become ethical peace actors, operationalizing peacebuilding must be contextualized through grounded fieldwork for each specific setting, making explicit the concrete outcomes associated with peace by different stakeholders. While this complicates business-peace tasks, it is much more likely that long-term results will be more robust for firms and of deeper value to the local communities who should always be regarded as the ultimate beneficiaries (Miklian and Hoelscher 2017).

Third, truly courageous business-peace choices are rarely made in fragile contexts. There exist only a handful of cases where a firm made a conscious decision to forego profit in the interest of ameliorating conflict drivers (as did Talisman), and even then such choices are usually due to external public pressure from human rights or advocacy groups. To give a counter example, since Myanmar's 2011 economic opening hundreds of MNCs have entered the country, and most require a government-affiliated joint venture partner by law. However, the government has since begun and expanded an ongoing ethnic cleansing program against one million ethnic-minority Rohingya people (BBC 2016). As of publication, no foreign firms have so much as issued a statement of concern about their partner's actions, let alone left the country because of it.

Why are firms in Myanmar silent on the ethnic cleansing, and where is the leadership from the dozens of firms operating there who are signatories to the UNGC, Business and Human Rights framework, and other similar business-peace ventures even as the UN confirms the atrocities? It speaks to the significant limitations of action that we can expect from corporations under the 5 Assertions, as well as the

recognition that large elements of this agenda remain deeply aspirational. It is unrealistic to hope that firms will unilaterally pull out of Myanmar precisely due to the "unprecedented opportunities for hypergrowth" (and corporate career-making) that exists for firms in just these sorts of settings around the world (Musacchio and Werker 2016:23; Miklian 2017), coupled by the fact that few firms have interest in engaging in the types of political interventions that are needed for peace action. However, the international community is arguing for just such an expansion, typified by John Ruggie's keynote argument at the UN Business and Human Rights council that "for business to maximize its contribution...it must put efforts to advance respect for human rights at the heart of the people part of sustainable development." (UNBHR 2016).

Directions for Further Research

To bridge this widening gulf, more exact calculations of how profit, risk, and sustainable peace and development promotion must be made (and metrics established for such) for firms that wish to justify lofty claims of working towards peace. Concurrently, claims by the international community of what businesses can and should do in the peacebuilding space should be tempered to the realm of the realistic and possible, drawing upon the strengths of business knowledge in conflict (like rule of law, systems thinking, risk mitigation and infrastructure development) instead of their weaknesses (like deep understanding of complex socio-political dynamics). Linking to business self-interest and offering firms a specific complementary (as opposed to primary) role in peace is also likely to be beneficial, and a key way in which business, management, and peace scholars can find common ground. Empirical research of and within the above Assertions can help to better define and frame research questions for such. Meanwhile, promoting peripheral good through CSR or philanthropy while ignoring active corporate harm through operations that support repressive regimes risks the business-peace community being used to simply 'peacewash' corporate activities in conflict zones, endangering the business-peace agenda while at this critical nascent stage.

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ⁱ Our discussion is most relevant for western multinationals, but many dynamics also hold for Global South firms and local businesses.

ⁱⁱ The morality of profitmaking has long been contentious. Friedman himself was supportive of CSR if it could be directly linked to profitable outcomes.

Selected examples only scratch the surface of business-peace interactions, and were chosen upon two criteria:best-fit, and 2) new examples are used where possible to further enrich our cumulative example base.

^{iv} While Hayek is often presented as an anti-intervention minimalist abhorring the concept of social justice, his repeated support of a social safety net could be considered as amenable to certain business-peace activities from an ethical standpoint.

^v One could consider 'political' to be a misnomer, as all CSR projects are inherently political in their efforts to change local societal dynamics.