“This edited volume is a very welcome contribution to the interdisciplinary theme of business, peace and development. With both theoretical and empirical chapters that cover different parts of the world and various topics, it offers food for thought and insights relevant to a range of audiences, including researchers, policy-makers, activists, managers, investors and staff of international (non-)governmental organizations. I hope it will draw further attention to this topic that is so important for business and society, and for local populations in particular, and that deserves more dedicated and in-depth investigation.”

Professor Ans Kolk, University of Amsterdam

“If PEACE coins the optimal environment for the human potential to flourish, business surely has an instrumental role to play. But, as this important book sets out, business “doing good” or avoiding doing harm, does not necessarily add up to peace. Business does not exist in a vacuum, but in an interlinked symbiosis with society, conditioned on trust and public confidence. This supports well the broadened mindset now evolving in sophisticated business leadership. We call it businessworthy leadership. As business seeks to adjust to the complexity, volatility and risks of conflicts deriving from the simultaneous acceleration of technology, globalization and climate change, we must bring the front lines of academic thinking and business together to inform mindsets and action that enhance peace. This book is an important contribution. This book demonstrates the need for system thinking, analysis, strategic engagement and a longer-term approach. It presents some strong corporate perspectives and empirical reflections.”

Per Saxegaard, Founder, Business for Peace Foundation

“Though war and peace are matters of state, business cannot adopt a disinterested posture when it comes to operating or investing in conflict zones. Armed conflict is a business risk. But beyond the immediate financial implications, it raises fundamental issues of corporate citizenship: when is a company complicit in conflict or its causes? Could it alleviate the ills of war? Should it withdraw from a conflict zone or stay put, for what reasons and under what kind of operating guidelines? Rarely are there clear-cut answers, but rather difficult dilemmas requiring well-informed decision-making and a firm moral compass calibrated by the limits of what is possible. Conducting business in a war situation puts the spotlight on the boundary between realism and idealism. This book is an intellectual tool for CEOs and investors facing armed conflict or situations where they can help prevent conflict.”

Carlos Joly, Co-Chair of Expert Group on the UN Principles of Responsible Investment and fellow, Cambridge Institute for Sustainability Leadership

“The role of business in peacebuilding has been the subject of active discussion (and some controversy) over the past two decades. The adoption of SDG 16 has further fueled this issue. However, much of the discussion and analysis has been at the theoretical and (arguably) rhetorical level. The contributions in this book cast a critical eye to this body of work and bring to life real-world examples of where business has contributed to peace and where real challenges still lay.”

Reg Manhas, Senior Vice President, External Affairs, Kosmos Energy
BUSINESS, PEACEBUILDING AND SUSTAINABLE DEVELOPMENT

The intersection of business, peace and sustainable development is becoming an increasingly powerful space, and is already beginning to show the capability to drive major global change. This book deciphers how different forms of corporate engagement in the pursuit of peace and development have different impacts and outcomes. It looks specifically at how the private sector can better deliver peace contributions in fragile, violent and conflict settings and then at the deeper consequences of this agenda upon businesses, governments, international institutions and not least the local communities that are presumed to be the beneficiaries of such actions. It is the first book to compile the state-of-the-field in one place and is therefore an essential guide for students, researchers, policy-makers and practitioners on the role of business in peace.

Without cross-disciplinary engagement, it is hard to identify where the cutting edge truly lies, and how to take the topic forward in a more systematic manner. This edited book brings together thought leaders in the field and pulls disparate strands together from business ethics, management, international relations, peace and conflict studies in order to better understand how businesses can contribute to peacebuilding and sustainable development.

Before businesses take a deeper role in the most complicated and risky elements of sustainable development, we need to be able to better explain what works, why it works, and what effective business efforts for peace and development mean for the multilateral institutional frameworks. This book does just that.

Jason Miklian is a Senior Researcher at the Peace Research Institute Oslo and a postdoctoral fellow in business and peacebuilding at the Centre for Development and the Environment (SUM), University of Oslo.

Rina M. Alluri is Senior Researcher at the University of Zurich Geography Department and co-founder and consultant at the World Habitat Research and Creativity Network (WHRC).

John E. Katsos is an Associate Professor of Management at the American University of Sharjah, UAE.
BUSINESS AND PEACEBUILDING

The Business and Peacebuilding series seeks to deliver applied and theoretical knowledge of the complex and shifting role of the private, corporate and civil-society sectors in enhancing peacebuilding. This series is designed to encourage cross-disciplinary approaches and to break down research silos, showcasing perspectives on business and peacebuilding through a broad array of strategies and delivery mechanisms. These may include: corporate social responsibility, business and human rights, socially responsible investment, participation in the United Nations Sustainable Development Goals, environmental, social and corporate governance guidelines, leadership studies, supply chain management, conflict-sensitive business practice, and indigenous studies.

Recognizing that effective peace action is contingent upon comprehensive understanding of local context, Business and Peacebuilding also encourages exploration of bottom-up approaches including topics such as: entrepreneurship and innovation, indigenous perspectives, area and comparative studies, community and inequality impacts, Small and Medium Enterprises (SMEs), private-public partnerships and business-civil society partnerships for peacebuilding.

Editors:

Jason Miklian  
Edwina Pio  
Eric Schockman

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*Editors: Jason Miklian, Rina M. Alluri and John E. Katsos*
BUSINESS, PEACEBUILDING AND SUSTAINABLE DEVELOPMENT

Edited by Jason Miklian, Rina M. Alluri and John E. Katsos
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FOREWORD

In 1999, as I was starting my first writing on business and peace, there were not many sources to rely upon. To be sure, the notions that trade and economic development fostered peace were echoed by leaders of most liberal democracies and further traced back to philosophers such as Kant, Montesquieu, and (as this volume’s Introduction suggests) even Hobbes. Yet, there was very little about how these engines of trade and economic development – businesses – contribute to peace.

Of course, some organizations, such as Rotary International have advocated for a role for business in fostering peace for a century. At the turn of the century, the United Nations was just announcing its Global Compact, which put it on a path to recognize the role of business in a positive, problem-solving direction, culminating in the Sustainable Development Goals. In 1999, however, I was left to examine anthropological studies (such as David Fabbro’s 1978 Peaceful Societies) or primatological research, (such as Frans de Waal’s 1989 Peacemaking Among Primates) and cobble together a very interdisciplinary (albeit unusual) argument from those sources along with Hawaiian history to argue for a “corporate makahiki:” a time for business to focus on peace. To put it mildly, some of integrations I attempted were a stretch.

In 2000, Jane Nelson’s The Business of Peace, Raymond Kelly’s anthropological study Warless Societies and Virginia Haufler’s A Public Role for the Public Sector added more to chew upon so that, with my University of Michigan colleague, Cindy Schipani, we decided to host a conference with the unwieldy title: Corporate Governance, Stakeholder Accountability, and Sustainable Peace. Many of our colleagues thought we had lost our minds and warned us that we risked destroying our careers by pursuing such an oddball topic. We couldn’t even find speakers who would even experiment with the ideas to fill out the schedule for our November 2001 event.

Then 9–11 happened and everything changed. People wanted to respond in some way – any way – to the idea that there might be something people – in our case, at a business school – could do to lessen violence. Our conference was not
about terrorism, but that really didn’t matter. What mattered was that issues of peace and violence became very important. For us, that led to articles, a book, special issues of law journals, more conferences and a growing body of scholarship that found itself meeting similarly minded scholars and practitioners alike who were experimenting with these ideas around the world.

In our 2003 book, *The Role of Business in Fostering Peace*, we formulated a simple set of practices businesses could do to foster peace:

1. provide economic development,
2. support rule of law,
3. contribute to a sense of internal and external community, and
4. track-two diplomacy.

In looking in this volume, one can see these themes continue to have currency, which is gratifying. What is more gratifying, however, is the sophistication of the arguments being presented by a new generation of scholars who have taken to this field. Back in 2001, Cindy and I (two legal scholars) were clear that while we were presenting a *prima facie* case (a legal term denoting that there was enough evidence to force a trial on a topic, but not necessarily decide the merits of the case), we did not ourselves believe that we had proven that business could really impact peace by a preponderance of the evidence, let alone beyond a reasonable doubt. We challenged – and often begged – other scholars to contribute their expertise to meet these evidentiary challenges.

The scholars in this volume have met that burden. Throughout this book, by case studies, empirical analysis, integration with other fields of studies, and augmentation of theories that business can make a positive contribution to peace.

The theoretical part of this volume provides very helpful integrations with other peace-related fields. This has always been at the core of business and peace research and my expectation will always need to be augmented. Peace, after all, is a complex subject. So too is business. Those affected (and who affect) each of these are numerous leading to multiple approaches to the topic. One of the hallmarks of this field to date is how willing scholars from different disciplines have been to drop their guard to explore new ways of thinking. This section of the book is very much in keeping with that exemplary tradition, providing new ways to “sync” theoretical approaches to business and peace with disciplines that have something to say about the topic.

Similarly, this field will continually need insights as to practical developments and activities. Times change. What might be a business strategy in 1970 might look very different in an Internet Age. Given the multiple variables impacting peace in a given region, case studies, investigative research, and comparative assessments provide examples for practice and also provide the foundation for future theoretical development. Here again, this volume features such real-world insight essential for the field.

Finally, untethered businesses will not create peace by itself. There must be policy dimensions. That includes policies that businesses themselves develop and it also includes public policies that thwart violent-risking conduct and nudge businesses toward more peaceful interactions. These aspects are also helpfully explored in this volume.
All of this amounts to a pleasing and fitting set of affairs, 20 years on, and indeed, this field of business and peace continues to grow and develop around the world. I have many hopes for this field and, indeed, for these scholars, some of whom have been my students. I believe that this field, led by these scholars and other organization’s such as (but not limited to) Per Saxegaard’s Business for Peace Foundation, will be able to further the activities of business fostering peace so that it is embraced as an accepted way of life such as environmental sustainability is today.

Twenty-five years ago, as I was starting my first tenure-track job, I winced at the reality that environmental scholars were widely unwelcomed in business schools, frequently derided, and rarely supported. Today, it is impossible to walk down the corridor of any business school in the world without seeing the school’s touting of its environmental awareness and commitment. My sense is that the field of business and peace may be another 15 years away from this level of acceptance and integration, but I think it will happen, especially given the quality of scholarship in this volume.

If this does come to fruition, then my challenge and hope will be for scholars in this field to show how an ambivalent social construct can find its normative compass to direct itself toward peace and away from violence and apply those lessons to other such institutions. Music, sports, film, religion, and other cultural forces as well are, like business, ambivalent. An easy out when talking about any of them is to note that, well, it (music, sports, film, religion, business etc.) acts in violent or at least problematic ways. While this is true, the observation contributes little other than to make others aware that these social constructs have a dark side.

The question is normative: how do we identify those traits that lead to a positive good and what can any social construct (again, music, sports, film, religion, business, etc.) do to orient itself toward the admirable? This is a normative task, yet it need not become bogged down in philosophical disputation. If we agree that peace (albeit not in a Carthaginian style) is good, then identifying those practices that lead to it suggests they have normative content. In that sense, the contributions to this volume may not be explicitly normative in a philosophical sense, but they are so in a thoroughgoing way. It is important to bear this in mind, both for business and peace studies, as well as for the ways in which studies like this can contribute to the peacebuilding actions of other social constructs.

Leaving those future possibilities to the side, I welcome this volume and the fine scholars who have contributed to it and I express my admiration to those scholars and to the editors for taking on this effort to advance not just the field of business and peace, but more importantly, the well-being of humanity.

Timothy L. Fort, PhD, JD
Eveleigh Professor of Business Ethics
Professor of Business Law and Ethics
Kelley School of Business
Indiana University
In [war] there is no place for industry, because the fruit thereof is uncertain, and consequently no culture of the earth, no navigation nor use of the commodities that may be imported by sea, no commodious building, no instruments of moving and removing such things as require much force, no knowledge of the face of the earth; no account of time, no arts, no letters, no society, and, which is worst of all, continual fear and danger of violent death, the life of man solitary, poor, nasty, brutish, and short. (Thomas Hobbes, The Leviathan)

In the face of war, life is hell. Nearly 400 years ago, Hobbes considered it reduced to one that is “solitary, poor, nasty, brutish and short,” and one could argue that little has changed since. Most of us have come across the final line of this quote before, but Hobbes also advocated for the clear role of industry – or as we might say today, business – in the creation and maintenance of a stable and functional society. Just as war can lead to economic and societal breakdown, business and peace are intertwined and can be mutually supportive of each other in a healthy society, creating the joint space, opportunity and potential to grow and develop.

From the days of the British East India Company, the integral yet complex role of business in society is well-worn scholarly ground. Business can grow societies, and they can exploit them. Trade can bring states together, and it can trigger wars. Firms can use either peace or conflict as a window to profit. But beyond the time when eminent scholars thought that the only true social responsibility of a business was to grow its profits (Friedman 1970), today the sheer power and scale of businesses in fragile parts of the world combined with a growing societal demand for them to be positive, socially aware actors has opened new paths to peace.

Thus, the field of business and peace has emerged, exploring components of the assertion that businesses have a role to play in maintaining and promoting peace and societal development in conflict-affected or otherwise fragile parts of the world. This
vision promises that businesses can flourish alongside society, and that this relationship is both reciprocal and mutually beneficial. Beyond contributing to academic debates on issues such as corporate governance, conflict sensitivity or the role of business in peacebuilding, business and peace research also tries to offer practical solutions to companies and investors on how to enhance peace in a pragmatic, justifiable and perhaps even replicable way.

The shared corpus of work across disciplines that has been published over the past 15 years is now becoming recognizable as a field distinct from the current ‘home’ fields such as political science, sustainability, economics, sociology, international business, law, and philosophy. But while empirical and theoretical reflections on business and peace have proliferated over the past decade, this has often taken place within research silos that are not in sync with one another. The lack of research continuity is partly due to a dearth of central texts that serve as reference points for the field. This book seeks to be such a reference point.

This book is a multi-disciplinary and cross-disciplinary exploration of business and peace, and intends to be a guiding reference point for future work on the topic. It has three sections that intend to contribute to this aim: theoretical advances, business and peace in practice, and emerging peace policy. The volume brings together top scholars and practitioners across the fields of business ethics, management, peacebuilding, philosophy, human rights, international law, development studies, and international relations. Perhaps more importantly, the contributions aim to not only speak to one field or the other but across them, showing how scholarship on business and peace can and should cut across disciplines to maximize its power and value. The chapters in this book retain the interdisciplinary essence that is so vital to the development of the field.

Two overarching questions that drive this volume are: How can the private sector better deliver peace contributions in fragile, violent and/or conflict settings? And what are the deeper consequences of this agenda for businesses, governments, international institutions and not least local communities that are presumed to be the beneficiaries of such actions? This volume also explores relationships between political stability/fragility, ethical business activity and economic opportunity through research-supported good practices by business for sustainable peace. Further, business-related issues for international relations practitioners are explored, including management and policy frameworks in the context of the limitations for peace promotion by businesses in post-conflict zones. To show how businesses function as development actors, this volume deciphers how different forms of corporate engagement in the pursuit of peace and development have different impacts and outcomes. In the process, we bridge the intersection of peace and sustainable development means for businesses in practice, and how international organizations like the United Nations are helping frame business action and opportunity in conflict-affected areas.

In this introductory chapter, we sketch out major theories on business and peace before introducing the book’s structure and contributions. First, the main research-based business and peace assertions are examined, highlighting three
forces that drive these assertions: motivation, integration, and effectiveness. Next, we explore recent developments and critiques of these prevailing theories, with emphasis on business efforts for peace through the United Nations Sustainable Development Goals (SDGs). We then outline the structure of the book, uniting the main themes of the field through our thematic sections. Business leaders, peace practitioners, researchers and scholars, and students will all find value in these pages.

State of the art in business and peace

Business and peace scholarship can to date largely be housed within three approaches: 1) theoretical perspectives and debates on the ‘potential’ of business to contribute to peace; 2) business-perspective approaches that look at the impacts of conflict upon business and the rationales for how and why businesses engage in peacebuilding; and 3) practitioner perspectives of how business has contributed to peacebuilding in a practical way.

First, much theoretical literature has sought to craft theories of change related to private sector enhancement of peace and to properly categorize the types of activities that might – based on prevailing theories in fields such as economics, political science, management, and psychology – help to enhance peace (Oetzel et al. 2009; Forrer and Katsos 2015; Westermann-Behaylo et al. 2015; Iff and Alluri 2016b; Miklian 2017). This is supported by guiding policy documents that have proposed roles and responsibilities of business-conflict affected contexts (UN Global Compact 2010; OECD 2011). This literature is the core of the business and peace field, where scholars, practitioners and policymakers are engaging with and building upon one another’s work. One fundamental challenge throughout the literature lies in the attempts to define ‘peace’ itself, a multi-faceted and deeply complex concept whose definitional slipperiness has made building theory on this topic an onerous endeavor. For our purposes, we consider ‘peacebuilding’ to include strategies, processes and activities that aim to reduce and prevent the recurrence of violence by addressing the root causes of conflict (Boutros-Ghali 1992; Lederach 1997) through, for example, reconciliation and justice, socio-economic foundations, security and political framework. Thus, peacebuilding by business incorporates those sets of activities explicitly designed to forward such aims.

‘Peacemaking’ and ‘peacekeeping’ are often conceived of as straight-forward concepts, but the boundaries of ‘peacebuilding’ – especially in its interactions with development – are more fluid. Here, businesses can set out intentionally to make peace more likely in society by, for example, helping parties settle disputes and helping maintain peace after a peace accord. Corporate culture and operations are considered peacebuilding when they model non-violence (Forrer and Fort 2016), and most firms see peacebuilding as a long-term and incremental endeavor. This approach shares much with the idea of being ‘businessworthy’ (Business for Peace Foundation n.d.), but practitioners often find this incremental approach to be reductive in nature as peace cannot be reduced to the sum of its parts (e.g. Ganson,
Chapter 1). Peacebuilding also need not be in a conflict zone. Ethical business conduct could occur anywhere and still be labeled peacebuilding insofar as it incrementally enhances peace through culture and operations (Fort 2015).

Rooted in Fort and Schipani’s (2004) seminal work, Oetzel et al.’s (2009) review of the business and peace literature reviews the four ways that business can promote peace: promoting economic development, engaging in track-two diplomacy, enhancing rule of law, and promoting a sense of community. The notion that business promotes economic development is a basic tenant that can be traced to Adam Smith, and economic development in this context is business doing what it does naturally: creating value for shareholders (Friedman 2009), employing local workers (Milliken et al. 2015), transferring valuable technology (Spencer 2008), and making foreign direct investments (Buckley 2014; Getz and Oetzel 2009). By focusing on its core business, business helps reduce prospects for violent conflicts. Multinational companies increasingly enter developing and conflict-affected economies to deliver greater global growth gains (Haufler 1997; Borensztein et al. 1998). But as developing countries have a 40 per cent risk of returning to violence whereas others have only a 9 per cent risk (Collier et al. 2008), such environments necessitate a greater level of engagement with peace and conflict dynamics. Still, even modest increases in economic growth can reduce the likelihood of reversion to conflict (Collier 2007), especially when accompanied by peace-positive management practices (Milliken et al. 2015).

The broader ‘liberal economic peace’ argument – that increased trade between states raises the likelihood for peaceful interaction – remains a robust point of assessment in relations between bordering states and for global trade openness (Pyun and Lee 2016). However, this positive connection is conditional. Several studies (e.g. Midtgard et al. 2017; Chisadza and Bittencourt 2016; Sorens and Ruger 2015) find that the relationship between economic opening and reduction of intrastate conflict is null at best and potentially negative, meaning that rapidly opening states might find themselves more susceptible to internal conflict (Miklian 2019). Rapid economic opening can also serve to entrench conflict elites and encourage conflict against minority groups (Barkemeyer and Miklian 2019). Studies have yet to show a clear peace benefit from economic opening alone, even as it retains its popularity in business and international financial institutional circles as a rationale for rapidly entering new markets.

Businesses are also assumed to help deliver peace by promoting rule of law through third-party standards such as international codes of conduct (Emmelhainz and Adams 1999; Kolk and Tuldere 2002) and engaging in conflict risk assessments before entering and while operating within conflict countries (Anderson et al. 2010; Iff et al. 2010; Guaqueta 2008; O’Neill 2008). By adopting principles of external valuation, companies can advance the rule of law within countries by binding themselves to more stable international norms. This is often called ‘hard trust,’ indicating the need for stakeholders to know that companies are bound by legally enforceable mechanisms that compel them to follow rules of operations (Bies et al. 2007). Examples of external valuations include International Organization for Standardization (ISO) 26000, the UN Global Compact, the UN Guiding Principles
on Business and Human Rights (sometimes referred to as the Ruggie Principles), and the International Labor Organization’s labor standards. Principles of external valuation not only set a model of behavior that engenders social and economic justice but also are a way for business to contribute to peace (by setting examples of good citizenship).

Business-peace legal arguments often center in discussions of nonbinding (or lightly binding) multilateral regulation of business. One example is the Responsibility to Protect (R2P) doctrine, covered extensively in an edited volume by Forrer and Seyle (2016). R2P and other such frameworks include arguments for firms to understand why they should be involved, arguments to the international community for why firms should be incorporated, and arguments to the scholarly and practitioner communities about why this is an important and emerging area worthy of deeper study. Underpinning such frameworks are normative elements that can be considered to be relatively stable within the Global North and its promoted multilateral institutions; but the application and prioritization of norms is shifting. This process will accelerate as new actors like China begin to assert more influence over international and multilateral bodies at the expense of those like the United States and United Kingdom that have taken a more inward turn. To illustrate, we can see how the twinned notions of risk of and engagement with local communities is being reframed by Global South firms in conflict and crisis regions (cf. Dittgen 2015) encouraging more local peace engagement by those firms in an effort to build operational security. Another way forward is to follow the conclusion of Fort (2007): business engagement is unlikely to enhance peace unless it is ethical.

Recently, scholars have brought expansions and nuance to Oetzel et al. (2009), but without challenging its core (e.g. Westermann-Behaylo et al. 2015; Forrer and Katsos 2015; Miklian 2017). For instance, Forrer and Katsos (2015) noted that it was precisely in grey areas between formal war and peace where businesses (and indeed any actors) may have the greatest impact on peace. In response, they develop a triadic construct that presents countries as existing in three basic conditions – war, buffer condition, and peace – that has several advantages for businesses to understand how they can best promote peace. The buffer condition also allows businesses to better integrate addressing structural violence (Galtung 2006) in their peacebuilding operations, even as such settings retain many of the traits of violence and the war economy even after war or limited war has ceased (Ballentine and Nitzschke 2005), in particular in levels of informal and black-market activity. Buffer economies, for instance, often have high levels of black economic output because the government monopolizes the formal economy, forcing anti-government groups to use the informal and black economies to fund their activities (Fearon 2004; Winer and Roule 2003). In such settings, consumption and investment decline and there is mass movement of people as either refugees or internally displaced persons (IEP 2014). Social, political, and economic processes are hindered, and prospects for sustainable growth and development are reduced. All of these factors prevent business from operating efficiently.
In sum, cutting-edge research over the previous decade has improved our understandings of on the complex relationships between business, peace and development, and we know significantly more about several key tenants of the potential for private sector contributions to peace and development (e.g. Ganson and Wennmann 2016; Iff and Alluri 2016b; Miklian 2017a). National firms are more likely to be successful than multinationals in local peace and development (Miklian and Bickel 2017), firms can enjoy reputational rewards for peacebuilding action in fragile local communities that can be just as valuable as traditional mitigation of reputational risk measures (Oetzel and Breslaurer 2015), business-development partnerships show significant promise in specific circumstances (Miklian and Bickel 2017), and the investment community is an interested but underutilized asset for peacebuilding and development aims (Reichberg and Syse, Chapter 10).

The business-perspective literature views how businesses conceptualize and operationalize societal issues of peace and development, most typically for their direct areas of operation. These studies tend to coalesce around a core question: Why do firms want to develop a peacebuilding presence? Beyond strategic motivations, firms are encouraged to become peace actors through internal and external incentives. Internal factors include aspirations for pro-peace actions to project positive corporate cultures and the impression of a virtuous firm; the belief that corporations can go beyond ‘responsibilities’ to personally sponsor peace action; and the mindset amongst leadership of international firms in particular that profit motivations alone are insufficient and firms must also try to make a positive difference to society. These aspirational thrusts can come from shareholders, boards, or management training, and mandate action to attempt to facilitate peace. Beyond idealistic motivations alone, the emerging mindset that business should serve a higher purpose than profit generation is driving political engagement and local policy advocacy as peacebuilding.

Most business-oriented literature has sought to ascertain the perceptions of managers – primarily at multinational enterprises (MNEs) – operating in conflict (Darendeli and Hill 2015; Oetzel and Getz 2012). These approaches are generally underpinned in either the corporate social responsibility or risk literatures, and attempt to understand how firms navigate through conflict, and in some cases make active attempts to build peace in a way mutually beneficial to themselves and local societies. Other major theories study why companies and their leaders pursue peace promotion (Fort 2015). Companies can contribute to peace using one of three aims: peacemaking, peacekeeping, and peacebuilding (Fort 2015). Companies promoting peace fall into one of three categories: peace entrepreneurs, instrumental businesses, and unintentional contributors to peace. (Fort 2015).

Other business-oriented perspectives explore how business ‘fits’ into local society in conflict contexts, particularly in how business can contribute to a sense of community and enhance social cohesion (Dworkin and Schipani 2007; Fort and Schipani 2004). Management theorists are perhaps most familiar with the notion of contributing to a sense of community as it is embedded within the literature on corporate social responsibility (CSR) (Aguilera and Rupp 2005; Davies et al. 2003; Freeman and McVea 2001). By taking all stakeholders into account, rather than
just owners of the firm (Freeman 1984), businesses can obtain their ‘social license’ to operate in a foreign country (Gunningham et al. 2003). This is especially important for reducing operational risks in conflict-sensitive regions (Oetzel and Getz 2012). Milliken et al. (2015) also note the importance of incorporating employee voice into management of companies in conflict-affected regions as an important way to enhance the sense of community.

For firms with active peacebuilding portfolios, the role of ‘who’ is usually filled by the CEO, typically a founder with an activist mindset (Fort 2015), and the role of the CEO is essential in business-peace success (Fort 2015). Gender, tenure, and education of the CEO influence the degree of peace action (Huang 2013), as CEO-led peacebuilding initiatives are often presented through individual ethics or ‘moral leadership’ (Skubinn and Herzog 2016; Liu and Baker 2016). Preliminary evidence shows that firms who pay CEOs for CSR activities have more robust CSR mandates (Hong et al. 2016), and it is plausible that the same holds for incentivizing peacebuilding if business leaders also see themselves as transformed into ‘peace leaders’ in conflict settings of operation (Lededbetter 2016; Miller 2016). Following, Golan-Nadir and Cohen (2016) explore the notion of businesspersons as ‘policy entrepreneurs’ for peace in the Israel-Palestine conflict, highlighting the incremental successes of such initiatives at a time of political deadlock.

How businesses integrate peacebuilding within their corporate structures is more complicated. Beyond compartmentalizing the CSR sphere or allowing for an activist CEO to see peacebuilding as a pet project, institutional change is harder to implement. While most firms that engage in conflict areas recognize the need to engage in ‘peace,’ few see their role as integral to peacebuilding, and most see peacebuilding as the primary responsibility of the state. For example, Rettberg (2016) defines the multiple strategic goals of security, social change philosophy, and profit-making that business leaders confront as tripartite elements of ‘need, creed, and greed’ that can institutionalize deeper corporate peace involvement.

Different kinds of businesses can also be peace enhancing. Peace entrepreneurs are those companies and leaders who set out to make some intentional contribution to peace. It is an essential aspect of the firm’s DNA and they seek ways to use their operations to contribute to peace. Peace instrumentalists are more likely to use corporate diplomacy (Fort 2015; Westermann-Behaylo et al. 2015). Instrumentalists make a rational calculation that companies perform better in peacetime, and take action that align the firm’s strategic interests with society’s peace interests. The investment community is increasingly aware of negative business impact, and is increasingly developing social development and conflict-sensitive markers in investment decisions. Finally, ‘unconscious peacebuilders’ contribute to peace without awareness of it by using self-perceived ethical business conduct that also happens to correlate with peace contribution (Joras 2009).

External encouragement for businesses to become peacebuilders has also grown. International non-governmental organizations (NGO) increasingly facilitate space for business-peace ventures, and the UN encourages firms to help vulnerable societies. Epitomizing the shift is the UN Guiding Principles on Business and
Human Rights (UNGP) initiative, the first global standard on how businesses should protect universal human rights. The belief is that if companies comply with this and other (often sector-specific) international human rights standards (e.g. the UN Voluntary Principles on Security and Human Rights and the Extractive Industry Transparency Initiative), they will ipso facto contribute to peace – even though such initiatives fall outside the scope of what most academics and practitioners consider ‘peacebuilding.’ It may also have punitive components, as ongoing UN Human Rights Council sessions are working to draft a “legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises” (UNHRC 2016: 1). Thus, a failure to sign on may constitute a future reputational and even legal risk for engaged firms. While the UNGPs can be considered a cutting-edge business-peace framework, the progressive push for deeper business-peace activities is ultimately defined by political will.

While peacebuilding scholars have been debating the lessons of the last conceptual wave, the corporate sector itself has been exploring new ideas, including Political CSR, conscious capitalism, Creating Shared Value initiatives and corporate citizenship (Carroll 2015). The debate has even entered the virtual realm, exploring how businesses can promote “cyber peace” (Shackelford 2016) or use social media for societal benefit (Martin-Shields 2016). Technology and innovation might also improve the incorporation of peace into existing sustainable development initiatives (Miklian and Hoelscher 2018). Examples include green energy and biogas along the Israel/Palestine border (Teller 2016); mobile peacebuilding apps in Rwanda (Spillane 2015) and Afghanistan (Lindberg and Torjesen 2013); the Souktel digital alert systems to improve school safety in Gaza (CDAC Network 2012); information and communication technology infrastructures in developing countries (Martin-Shields 2016); and violence monitoring and mapping apps in Kenya (Ríos and Espiau 2011). Similarly, start-up cultures may also improve prospects for peace and security (Koltai 2016), particularly in base-of-the-pyramid (Prahalad and Hart 2002) or entrepreneurship (Mair and Marti 2006) frameworks.

Third, the practitioner perspective studies how business has contributed to peacebuilding in a practical way. This subfield is growing rapidly, focusing on empirical cases of private sector actors in conflict zones (e.g. Katsos and Forrer 2014; Berdal and Wennmann 2013; Guaqueta 2008; Nelson 2000). It is rarely rooted in or in reference to business and peace theory, as perhaps expected given the practitioner approach and focus upon better guidance and best practices. Rather, it often is derived from other disciplines such as political science or development studies with a tangential link to business and peace.

Most practitioner studies attempt to contribute to an overarching question of: What is effective business-peace action, and how can it complement our understandings of effective peacebuilding? Of course, effectiveness is itself contextual and multi-faceted, influencing future risk/reward calculations of these actions for businesses. As one example, business can engage in track-two diplomacy. Track-two diplomacy is usually defined as informal, nonbinding negotiations that are explicitly intended to reduce conflict through face-to-face meetings (Diamond and
McDonald 1996; Westermann-Behaylo et al. 2015), but it also refers to any time corporations act as brokers between sides in a conflict with explicit engagement in the political process (Galtung 1996; Ramsbotham et al. 2011; Montville 1991; Oetzel et al. 2009). Business can engage in conflict resolution through NGO partnerships that help to alleviate the causes of conflict (Kolk and Lenfant 2015; Oetzel and Doh 2009; Westley and Vredenburg 1991), participation in global multilateral agreements (Oetzel et al. 2007), and direct informal negotiations between the two sides engaged in active conflict (Lieberfeld 2002). Westermann-Behaylo et al. (2015) have further suggested that multinationals could have greater influence on peace through the pursuit of corporate diplomacy.

There is growing evidence that the presence of business actors in mediation and negotiation positively correlates with peace progress (Iff and Alluri 2016a). What is less clear is if the business community provides a unique ‘value added’ in such negotiations, or if their presence is merely a side effect of the establishment of more inclusive peace processes, which may be the true determining factor for peace durability (Paffenholz 2015). For example, the business community has been involved to some degree over the past 20 years in Colombia’s peace negotiations with the FARC insurgency, for reasons of both self-interest and national altruism, with their degree of involvement often based upon a calculation of reputational risk and opportunity as likelihood for a deal ebbed and flowed (Rettberg et al. 2019). Here, business was involved in an ultimately successful peace process, but we still do not know the strength of relationships between business participation and peace negotiation success.

A rapidly growing set of qualitative studies have also attempted to explain how businesses can promote local peace. Of particular mention is Local Business, Local Peace (International Alert 2006), which showcased examples from the world over. Other ethnographic-based research shows how entrepreneurial tourism in Rwanda (Alluri 2009), community development in Fiji, Papua New Guinea, and South Africa (McEwan et al. 2017), sports (Collison et al. 2016), and community projects in Colombia (Miklian and Bickel 2017) have developed distinctive programs, practices, and partnerships that enhance peace. These and other studies tend to show a positive relationship between community engagement by business and the impact (or the perception of impact) of that engagement on peace, but with varied metrics for ‘impact’ and varied actors assessed for such, and no meta-studies yet done, no firm conclusions can yet be drawn.

Several emerging issues also temper the broadest claims of the literature. First, development and peacebuilding projects are highly dependent upon local governments for success. Second, local development initiatives may have little measurable or immediate peace impact. Impact itself is also conditional on local political dynamics (Lujala et al. 2016). What then are ‘legitimate’ business-development contributions to peace? Researchers and scholars have spent the past decade trying to answer this question. Practitioners and consultants have often ignored the question of legitimacy entirely. In addition, development scholars disagree about which development actions generate sustainable peace. Despite attempts to provide clarity (e.g. Mueller-Hirth 2017), many firms continue to avoid engagement on peace issues for this reason.
Businesses can also unintentionally generate conflict through missteps created through poor understanding of the consequences of their policies and practices (Westermann-Beyhalo et al. 2015). More problematically, conflicts and insecurity events that spur firms to societal improvement in their operational areas often generate only development initiatives like building schools or hospitals, which do not inherently generate peace or mitigate root causes of conflict (CDA 2014). Attempts to address root causes of conflict can also meet substantial resistance from national stakeholders, who often hold divergent views on what ‘peace’ and ‘development’ mean (McNulty 2014). There are also considerable variations in peacebuilding practice across different business sectors, in different conflict settings, and within different divisions or country offices of firms themselves. Thus, guidance documents such as “Conflict-Sensitive Business Practice” (International Alert 2006) and the “Guidance on Responsible Business in Conflict-Affected and High-Risk Areas” (UN 2010) are two examples of resources available to firms to assess and manage risk when negotiating complex peace issues in conflict regions of operation.

Conflict-sensitive business practices (CSBP) have thus emerged as a key business-peace research arena (Ford 2015; Handschin et al. 2016), providing some of the richest engagement between researchers and businesses. Legal obligations, especially ‘do no harm’ principles, figure robustly into this knowledge stream. This is largely due to corporate budgets committed to due diligence. CSBPs also constrain conflict drivers, while not necessarily promoting peace. CSBPs allow firms to recognize opportunities and adapt activities toward peace promotion without necessarily promising peace as a result. While CSBPs may constrain conflict drivers, their focus on security and stability might perpetuate the status quo. Melin (2016) argues that the private sector must be more engaged in conflict resolution because of its political role in society. Alternatively, Widger (2017) argues that firms most interested in corporate ‘good governance’ are unlikely to challenge governments on core national identity issues. Larger firms are aware of the value of incorporating sustainable development into their strategy (e.g. Oyevaar et al. 2016). Peacebuilding and conflict resolution are often seen as too political or too complicated to warrant deeper engagement. Research can make a larger impact by showing the ‘business case’ for peace promotion. This may help firms justify incorporating peace into their sustainable development initiatives.

Engaging in each of these research streams is fundamental to the furtherance of business and peace as an interdisciplinary field. What has been missing thus far, and what this book addresses, is a perspective that unites these streams yet is rooted firmly in the established business and peace literature. We feel that the most promising thematic forward avenue would be to explore an agenda that businesses, peace practitioners, and academics are all assigning high priority: the United Nations SDGs.

**Business, peace and the SDGs**

The UN SDGs are perhaps the most ambitious multilateral undertaking ever attempted – an effort to reconstruct the bottom of global society by eliminating the world’s worst inequalities and injustices. The UN considers the private sector to be
an essential partner in this agenda. In 2015, UN Secretary General Ban Ki-Moon said, “we are counting on the private sector to drive success in the SDGs, (and) we call upon all businesses to apply their creativity and innovation to solving sustainable development challenges” (Ban 2015). Today, over USD 2 trillion in projects and investments is benchmarked to sustainable social investments (including the Government Pension Fund Global in Norway), and another USD 20 trillion is directed to do the same through guiding language within large pension funds. These figures are growing rapidly, driven by a new generation of investor that demands more socially responsible companies to invest in. They incorporate over 20,000 companies that are formal signatories to peace and sustainable development initiatives around the world. In short, corporate engagement in the SDGs represents a mind-bogglingly large and powerful undertaking, but we still know little about what actually works regarding how the private sector can help build peace and sustainable development in fragile and conflict contexts.

In fact, the question of if businesses should be peace actors is increasingly considered regressive, as typified by arguments for business to be an agent of world benefit (Haski-Leventhal 2015). Related research has suggested that changing corporate structures can help integrate peace in corporate sustainable development initiatives (e.g. Banks 2016; Franca et al. 2017). A key argument is that private sector intervention is preferable to government inaction, especially as regards SDG Goal 16: Peace, Justice and Strong Institutions (Sharma 2015). Goal 16 aims to “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels,” but even those most inclined to support the SDGs warn that it is “hard to quantify” peace and justice goals, and regarding the how, “the challenges seem overwhelming” for businesses to help the most fragile and in need states (DNV-GL 2016: 74).

New findings also question whether business initiatives for peace and development are an unqualified good. For example, economic opening after conflict or repression can be as likely to generate conflict as peace (Oetzel and Miklian 2017), business engagement in human rights is often undermined by its non-punitive ‘checklist’ or ‘guideline’ reporting nature (O’Connor and Labowitz 2017), philanthropic efforts like building schools or hospitals can lead to conflict as businesses usurp local government roles and bodies like the UN that try to engage business often offer little more than ‘bluewashing’ as initiatives like Business for Peace are based only in corporate self-reporting that is not independently verified (e.g. Miklian and Bickel 2017). Most businesses (and their managements) are skittish about direct peace action, viewing it as the provenance of government (Ganson and Wennmann 2016).

As an example of this volume’s thematic value, Business and Human Rights (BHR) frameworks are an emerging set of initiatives for engendering business compliance with human rights standards to reduce conflict drivers and/or enhance peacebuilding efforts. Decisions and actions by businesses that have an adverse human rights impact may, especially where violations are systematic, also affect
peace dynamics (IHRB 2011; Ford 2015). This is so both in terms of failure to prevent business-sourced violations (including through supply chains), and the lack of avenues for resolving associated grievances. Following, normative frameworks on human rights impact are well established relative to efforts to measure impacts on ‘peace’ and ‘inclusivity’ (and associated institution-building). A poor human rights culture is presumed to inhibit peacebuilding and development as framed by the SDGs, so mapping business performance against human rights standards might help address our problems in isolating whether and when business actors or actions help or hinder peacebuilding (Bailey et al. 2015).

The question, then, is whether existing BHR initiatives are adapted both to the wider challenge of helping achieve relevant business and peace targets, and to the research challenge of knowing whether and how business (or business-oriented) actions and initiatives may be contributing to those achievements. This volume thus presents new scholarship on which BHR initiatives are the most viable, well-subscribed, effective and legitimate in generating human rights outcomes that are SDG-positive. Prevailing studies also tend to rely on assumptions about whether formal compliance or engagement with BHR initiatives in fact contributes to more peaceful, inclusive investment or business activity. Meanwhile, an under-studied area in design and evaluation of BHR initiatives is whether these initiatives might strengthen generic state and other institutional capacity or responsiveness.

With firms increasingly realizing that they cannot remove themselves from the political contexts in which they operate, actors like the World Bank and UN are pushing the private sector to engage in local peace and development as a duty. Following, the private sector itself has made a massive commitment to the SDGs in mission statements and through the investment community. The SDGs are thus the most important framework for firms today to present and operationalize their social works. They provide a multitude of avenues for positive change, and directly target the private sector’s role in peace and development. Goal 16, speaking to peace, justice and strong institutions, is of particular interest due to its cross-cutting nature: other Goals are presumed to be peace-positive, and unfulfilled Goals are assumed to generate injustice, conflict, and repression as socio-economic conditions in conflict and crisis regions correlate strongly with SDG priority targets. Moreover, in these areas, businesses can have the most direct impact on local livelihoods, far above that of government. In conjunction with Goal 8 (Work and Economic Growth) and Goal 9 (Industry, Innovation and Infrastructure), Goal 16 envisions a specific role for the private sector as a potential foundational engine for peace and development – but only if it acts in a ‘responsible’ and ‘sustainable’ way.

A common critique of Goal 16 is that it incorporates lofty targets that are idealistic yet complicated to implement. There are few metrics for success (or corporate promotion of such), little guidance on implementation of targets, and a lack of engagement with the business community on the integral yet undefined role that they are presumed to play in ensuring the success of Goal 16 in practice on key issues including corruption, bribery, human rights and global governance. More concerning is the fact that many of Goal 16’s 12 Targets rest upon ‘common sense’
but lightly tested (or even untested) assumptions of the relationships between economic development and peace, and promote activity that has generated conflict under certain conditions. In this sense, the SDGs are a meaningful advancement in business-peace study and practice, providing the first workable framework for business engagement in peace and sustainable development.

However, any work that wishes to explore the deeper mechanisms that underpin such interactions must go beyond the sum of these parts. An astute reader may already see a fundamental missing piece to the above: applications of sound theory to provide more effective policy guidance to businesses, practitioners and policymakers regarding how the private sector can make a meaningful and durable contribution to peace and sustainable development. Such guidance is already being sought out by companies and social impact investors – but aside from a loose set of ‘best practice’ documents, nothing exists to help contextualize individual corporate actions for peace, or to help scholars across disciplines to place business and peace scholarship in a meaningful way that encourages forward engagement.

Structure of the book and contributors

This book aims to fill precisely these gaps, and is thus structured in three complementary sections: Theoretical advances in business and peace; Business, peace and development in practice; and Emerging policy for peace and sustainable development by business. Each section brings together works by senior scholars on business, peace and development dynamics, and each chapter specifically aims to provide cross-disciplinary value.

Part I: Theoretical underpinnings

This section explores several existing theoretical gaps in the relationships between peace and violence, political stability/fragility, ethical business activity and economic opportunity. While the emerging literature on business and peace is growing, we see several key areas where new contributions are needed: in more critical perspectives of this new literature stream; in taking the literature beyond existing component- and categorization-driven approaches, and better incorporating ethics and human rights into the core of the business-peace approach, across fields. The four works in this section attempt to contribute to such gaps, offering research-supported cutting-edge theoretical studies in business roles for the purpose of sustainable peace.

First, Head of the Africa Centre for Dispute Settlement at the University of Stellenbosch Business School Brian Ganson dives deep into the nature of business-peace scholarship in “Business and peace: a need for new questions and systems perspectives,” showing how there is likely no one set of business activities that can be characterized as unambiguously peace-positive. Instead, the manner of peace action by business and the context in which their actions unfold that may be more determinative of their impact. Ganson unites business-peace literature with that of the peacebuilding community to highlight this schism, showing how decades of
work by peacebuilders and development practitioners in conflict zones to achieve at this understanding should be utilized by business-peace actors. Beyond a ‘state of play’ analysis, this chapter explores gaps between these communities to invite and guide further research and strategic thinking across fields that use systems approaches of analysis.

Florian Wettstein is Director of the Institute for Business Ethics at the University of St. Gallen and Judith Schrempf-Stirling is Associate Professor of Responsible Management at the University of Geneva. Their chapter “Business, peace, and human rights: a political responsibility perspective” brings the deep body of work on BHR to the business management literature, where there has been thus far little engagement. The chapter provides a foundation from which to derive human rights obligations for corporations and reflect on some of the persistent conundrums that have characterized the discussion on BHR in the past, such as the dichotomy between hard vs. soft law approaches to corporate accountability, domestic (foreign direct liability) vs. global approaches (treaty for BHR), or the role of leadership and corporate culture for the implementation of corporate human rights responsibility. Adopting a business ethics lens instead of the dominant legalistic perspective can open new ways of looking at some of these issues and thus guide us to different conclusions as they are currently discussed in the BHR literature. The chapter concludes with investigation of how a business ethics perspective on BHR can open up new avenues for our thinking on business and peace.

Last, Gearoid Millar is a Lecturer in Sociology at the Institute for Conflict, Transition, and Peace Research at the University of Aberdeen. His chapter “The messy business of peace amid the tyranny of the profit motive: complexity and culture in post-conflict contexts” argues that the complexity of local social, political, economic and cultural settings can derail even the most promising business-peace projects planned with the best of intentions. Millar presents a critical perspective on the forces driving business engagement in peacebuilding today, as market-driven interventionary mechanisms are theorized to provide a variety of peace-promoting benefits considered necessary to support still fragile post-conflict states. However, they can also have negative consequences including resource depletion, environmental degradation, labor abuse, increased inequality, minority marginalization, and conflict. While such problems can be framed as a result of predatory corporate practices, this chapter highlights more subtle reasons for such dynamics. Arguing that voluntary guidelines for conflict-sensitive investments and even well-meaning commitments to CSR processes can fail to avoid generating new conflict promoting dynamics, this chapter argues for a thorough commitment to understanding local complexity and the implications of intervention, which, in turn, requires very different skill sets and very different timelines for operations.

**Part II: Perspectives on the corporate side**

A key need for business-peace scholarship is in the development of new interdisciplinary and cross-disciplinary empirical work that can better contextualize how specific business actions for peace manifest within local populations. This section
offers three chapters that do just that. The following explorations of business-peace activities in conflict-affected areas present their findings in ways intended to speak to business managers, practitioners and scholars alike. Here we include relevant case studies both in terms of ‘best practice’ and in terms of disasters to avoid. These chapters offer new ways to conceptualize commonly used concepts, including that of a ‘peace dividend,’ what constitutes a ‘peace contribution by business,’ and what ‘conflict-sensitive business practice’ really means on the ground.

Kogod International Business Professor at American University Jennifer Oetzel and Senior Manager for Strategic Partnerships at the Alliance for Peacebuilding Stone Conroy explore the cutting edge of government-corporate policy partnerships in their chapter “Furthering business efforts to reduce social risk and promote peacebuilding: the potential of social impact bonds (SIBs).” For the private sector to consciously engage in peacebuilding efforts, this chapter argues that managers must be able to quantify their firms’ efforts to promote peacebuilding – a challenging task since it is not always clear what actions promote the outcomes that further peace and not all efforts toward peace building can be quantified, especially in the short-term. A relatively new financial tool for addressing this challenge is the social impact bond. SIBs, originally developed in the United Kingdom in 2010, are financial contracts between private sector funders, a public entity (whether local, regional or national), and often a non-profit organization, to improve social outcomes. Gains for investors accrue when a given social venture is successful. Public sector savings are passed onto private sector funders as returns on investment. The purpose of this chapter is to analyze how SIBs are used in peacebuilding, identify challenges for adoption, and to explore several specific ways where these bonds have been applied to peace and sustainable development.

Jolyon Ford, Associate Professor at Australia National University (ANU) School of Law, maps the mandatory and voluntary mechanisms and schemes that exist, in the context of the emphasis put on corporate due diligence in the 2011 UN Guiding Principles on Business and Human Rights. ‘Business and peace’ scholarship can sometimes attribute too much assumed significance to corporate action or agency in shaping peace or conflict dynamics, generally and in specific situations. Nevertheless, in some contexts and sectors, corporate decision-making and management practices on environmental, social and governance (ESG) issues can significantly impact prospects for sustainable and inclusive peace. This chapter explores one ESG vector (human rights), the emergence of corporate due diligence and other procedural mechanisms for managing human rights risk and impact, and the importance – for peace processes – of these frameworks for direct corporate operations and indirect supply-chain impacts relating to fragile states or situations.

Associate professor of International Relations at Universidad de los Andes (Bogota, Colombia) Angelika Rettberg and Jason Miklian’s chapter “From war-torn to peace-torn? Mapping business strategies in transition from conflict to peace in Columbia” takes as a starting point that the literature on the relationship between the private sector, armed conflict, and peacebuilding has extensively analyzed how companies adapt to unstable contexts, what risks they face and how they are
tackled, and the degree to which expected peace dividends serve as motivation for companies to engage in peacebuilding. However, while the importance of the private sector for war-to-peace transitions is clear, little has been said about the specific strategies adopted by companies in transition periods. How do companies prepare for peace? What choices do they face? How essential is the role of the CEO or owner? What unique strategies do firms take to adapt to political change? This chapter builds theory on business strategies in times of transition from conflict to peace, as well as their role within broader government peacebuilding aims. This chapter identifies four types of business strategies for peace (operational, political, philanthropic, public relations). The authors explore these strategies through choices of firms operating in Colombia to suggest five new research strands that have the potential to integrate strategy and risk calculations into a testable study of business-peace relationships.

**Part III: Empirical reflections**

Beyond developing theory and our empirical knowledge base, molding such findings into a better understanding of what governments and businesses do (and intend to achieve) through business and peace is a naturally emerging cross-field activity. Here, we present four chapters that examine management and policy frameworks in the context of peace by businesses in post-conflict zones. Beyond grandiose promises of ‘disrupting poverty’ by ‘bringing mutual development’ in a ‘win-win’ manner or the like, these chapters explore the more direct and specific operational markers that require firms to spell out the benefits of their business-peace activities. Considering peacebuilding context as determinative of effectiveness, these chapters unite in their understanding of policy on business-peace having limitations until the nature of ‘effectiveness’ is better problematized – both for peace, and more broadly, for sustainable development itself.

Associate Professor of Management at the American University of Sharjah John E. Katsos argues in “The only hope left: Differences between multinational and local company peacebuilding activities in Syria and Iraq,” that active war zones alter the ability of business to enhance peace, but do not destroy the connection entirely. The governments of Syria and Iraq have faced off against the so-called “Islamic State of Iraq and Syria” (“ISIS”) since its declaration in 2014. During that time, ISIS has taken over large swaths of territory in both countries. Based on over 100 interviews conducted over 2 years, this contribution examines the policies, trade-offs, threats, and opportunities for business to enhance peace that came with ISIS assaults on both countries. Interviews with business owners, managers, government officials, and international policymakers shed light on the similarities and differences of dealing with ISIS as a force de jure controlling the territory.

Andrea Iff, Policy Advisor at the Swiss Agency for Development Cooperation and Rina M. Alluri, Senior Researcher at the University of Zurich argue that local business actors have the potential to play a positive role in peacebuilding in different contexts. In the cases of Sri Lanka and El Salvador, it was during the mediated
peace processes where local business actors played a relevant role in actively lobbying for a peaceful resolution to conflict. This contribution to the economic ‘peace dividend’ provides insights into how business actors can play a role in mediation processes. However, the long-term impact of those engagements are rarely assessed. This chapter analyzes the role that local business actors have played in peace processes in Sri Lanka and El Salvador, while providing critical reflections into the role of business once a peace process has been successful but also once a peace process has failed. It provides both theoretical and empirical insights into how local businesses face both opportunities and challenges to contributing to peacebuilding.

From CDA Collaborative Learning Projects, Senior Program Manager Sarah Cech-vala and Associate Director of Advisory Services Ben Miller bring an expert practitioner perspective with “Practicing business and peace? Considerations overheard in the field.” In this chapter, they consider how contemporary discussions of the private sector’s contributions to peace are prone to presenting effective pro-peace actions as a menu of options to choose from according to preference or, in some cases, according to the types of conflict that exist in the society outside of the company. These discussions leave unexplored the conditions under which those options can be used as templates for meaningful and plausible action by company staff in the field. Conditions of fragility and conflict in operational environments, however, impose upon companies a broad range of external constraints, pressures, and requirements that make certain approaches to business activity difficult, risky, or even impossible. More particularly, they create a range of practical problems and dilemmas that threaten to suck companies into local conflicts. This chapter’s evidentiary base consists of dialogues with company staff to resolve conflict issues and develop practical approaches to conflict-sensitive business operations. This chapter presents learning from these sources as a vehicle for exploring the practical challenges that constrain companies’ actions and ability to act constructively in the interests of peace. These real-world examples serve as a foundation for the chapter’s broader contention that much of the published work on business and peace has only limited utility for corporate practitioners, and that the literature’s claims to describe the realities of corporate operations are inflated.

Greg Reichberg and Henrik Syse, both Research Professors and political philosophers at the Peace Research Institute Oslo, explore the under-studied investment community in their chapter “Norges Bank Investment Management: A New Actor for Peace?” Norges Bank Investment Management (NBIM) manages the world’s most valuable sovereign wealth fund, with USD 900 billion in assets. The Fund has investments worldwide in nearly 9,000 companies, and NBIM has increasingly emphasized a commitment to fostering sustainable business practices on the part of the companies in its portfolio. The avoidance of negative social impacts (in particular human rights violations) forms a core aspect of NBIM’s stated mandate as a universal investor (namely an investor in a wide range of industries and regions). NBIM will likely establish a closer linkage between beneficial social impacts and peace, notably by discouraging firms in its portfolio from causing harmful social impacts. Issuing guidelines for such conflict-sensitive business practice, and perhaps
even divesting from firms that fail to observe acceptable practice in this domain, could eventually become part of NBIM’s mandate. This chapter explores the openings for such an approach within NBIM’s institutional framework.

This book is explicitly designed to be both a reader that provides a window into the many facets of business-peace-development interactions, and a source of inspiration for students and scholars who will see many under-explored yet highly impactful topics to study. Thus, we see this work as holding value for the following four audiences:

- Instructors, dissertation advisors and students: they can identify ways in which courses on topics such as peacebuilding, BHR, business management ethics and CSR can integrate the area of business and peace into their curriculum. Courses on CSR, social investment, business ethics, international law and regulation, corporate governance, and other social impact-relevant elements will all find this work of deep value. In addition, students of development studies, international relations, political science and similar will find the work to be an ideal window into the varied roles of the private sector in peace and development, bridging a fundamental gap between these fields and business/management.

- Business leaders and private sector partners (e.g. companies, business associations): they can acquire concrete examples from sector leaders on how to integrate peacebuilding into their activities while learning from challenges that businesses have faced when operating in conflict-affected contexts.

- Researchers (e.g. think tanks, independent scholars): they can identify theoretical and empirical areas which have established relevant findings as well as gaps that need to be filled in the future. This holds both for comparative work as well as empirical case study assessments.

- Practitioners (INGOs, IGOs, NGOs, governments): they can access concrete, empirical examples that demonstrate ways that leading practitioners have engaged with businesses in order to help them support peacebuilding.

We trust that they will find in this work useful challenges to received wisdom, a window on the complexity of the business and peace landscape, and inspiration for further research and practice.

References


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PART I

Theoretical underpinnings
BUSINESS AND PEACE

A need for new questions and systems perspectives

Brian Ganson

The roots of the mobilization of business for peace

Numerous international initiatives provide evidence of the persistent attention paid over the past decades to the potential for private sector roles in peacemaking and peacebuilding – that is, ‘the range of activities that are undertaken by non-state groups explicitly to end violent conflict and establish the conditions for lasting peace’ (Anderson and Olson, 2003, p. 8). Already in 2002, an International Labour Organization (ILO) report could note that, ‘The private sector is increasingly being seen as an important partner on conflict prevention, and resolution’ (Muia, 2003, p. 2). The Rev. Leon Sullivan and United Nations Secretary General Kofi Annan had, in 1999, announced the Global Sullivan Principles to ‘advance the culture of peace,’ (Tully, 2005, p. 174), building on the 1977 Sullivan principles for ethically conducting business and promoting positive change in apartheid South Africa; the UN Global Compact held its first multi-stakeholder dialogue on ‘The Role of the Private Sector in Zones of Conflict’ in 2001 (Shoji, 2012, p. 139). Since then, any number of analyses, guidance notes, and multi-stakeholder platforms supported by the World Bank Group, World Trade Organization, ILO, OECD, various UN agencies, and private initiatives such as the Business for Peace Foundation have posited that business can, in the words of the UN Global Compact’s 2010 Guidance on Responsible Business in Conflict-affected and High-risk Areas, ‘make a positive long-lasting contribution to peace and development’ (UNGC and PRI, 2010, p. 2).

To some extent, business and peace is simply a special case of long-standing international discourse and policy concerning the role of the private sector within development broadly construed. In the contemporary period, the International Finance Corporation of the World Bank Group was founded in 1956 on the ‘firm conviction that the most promising future for the less developed countries was the establishing of good private industry’ (Tenney and Salda, 2014, p. 119). Over time,
this perceived value in the mere presence of a robust private sector shifted towards advocacy for a more intentional role by business in development, shaped by a period of exploration of private sector solutions to problems which had seemed difficult or impossible for public sector actors to solve. By the time we arrive at the Busan Partnership for Effective Development Cooperation, for example, established by representatives of developing and developed countries at the fourth High-Level Forum on Aid Effectiveness in 2011, international policy articulated ‘the central role of the private sector in advancing innovation, creating wealth, income and jobs, mobilising domestic resources and in turn contributing to poverty reduction’ (Busan High Level Forum on Aid Effectiveness: Proceedings, 2011, p. 25). The Partnership therefore commits ‘to enable the participation of the private sector in the design and implementation of development policies and strategies to foster sustainable growth and poverty reduction’ (Ibid., p. 26).

More pronounced focus on the private sector and peace emerged in part from a period of reflection on the world’s civil wars, and on the challenges (and sometimes abject failure) of international policy and practice towards post-conflict stabilization and peacebuilding. A relatively large number of studies explored the intersection of the private sector, development and peace (e.g. Collier and Sambanis, 2002; Guimond, 2007; Naudé, 2007; Shankelman, 2007). These often advance prescriptions for the better harnessing of the private sector for post-conflict development (e.g. Aaronson et al., 2008; Bagwitz et al., 2008; Banfield, 2007; Collier, 2006; Erskinal and Wolf Fellow, 2007; Gündüz and Klein, 2008; Hudon and Seibel, 2007; IFC/ FIAS-GTZ-BMZ, 2008; SEEP, 2007; Spilsbury and Byrne, 2007; Stabilization Unit, 2008a; USAID, 2009; USAID, 2007). A subsequent wave of scholarship underlined that fragile and conflict-affected states were not meeting any of the Millennium Development Goals, punctuated by the World Bank’s review of the link between conflict and development in its World Development Report 2011: Conflict, Security and Development (World Bank, 2011). In the wake of these and other works,

MNCs and state-owned firms alike have increasingly been drawn into the discussion as the UN, World Bank and other international organizations have reported on success stories of public-private partnerships worldwide that try to stimulate peaceful development through poverty reduction, socio-economic growth, and security provision.

(Miklian and Schouten, 2014)

As evidenced by the 2011 World Development Report’s unabashedly positive view on private sector contributions to ‘security, justice and jobs’ (World Bank, 2011, p. xii) in fragile and conflict-affected contexts, arguments for the proposition that the private sector is an under-utilized development and peacebuilding actor are strongly influenced by the liberal economic tradition. As early as 1884, the political economist John Stuart Mill claimed that ‘it is commerce which is rapidly rendering war obsolete, by strengthening and multiplying the personal interests which are in natural opposition to it’ (Mill, 1848, p. 582). Thomas Friedman captured the
contemporary reincarnation of this thinking in his 1990 Golden Arches Theory of Conflict Prevention – ‘No two countries that both had McDonald’s had fought a war against each other since each got its McDonald’s’ (Friedman, 1990, p. 248) – updated in 2005 to the Dell Theory of Conflict Prevention – ‘No two countries that are both part of a major global supply chain, like Dell’s, will ever fight a war against each other as long as they are both part of the same global supply chain’ (Friedman, 2005, p. 421). Thus, much of the business and peace rhetoric tends to take as axiomatic, as asserts the Freedom of Investment process – an intergovernmental forum on investment policy hosted since 2006 by the OECD Investment Committee – that ‘international investment spurs prosperity and economic development’ (OECD, 2014), and thereby contributes to peace.

Even the concept of business as an intentional actor for peace is not particularly new. Wharton Business School professor Howard V. Perlmutter, writing during the great post-war expansion of the multinational enterprise in the 1960s, named ‘the senior executives engaged in building the geocentric enterprise … the most important social architects of the last third of the twentieth century.’ They offered ‘an institutional and supra-national framework which could conceivably make war less likely, on the assumption that bombing customers, suppliers and employees is in nobody’s interest’ (Perlmutter, 1969, pp. 9–10). The first issue of the Journal of World Business, in 1966, similarly argued that business is an unmatched force for peace (Brown, 1966, p. 6). Within this worldview, as asserts the UN Global Compact’s Business for Peace platform, there is ‘effectively no contradiction between maximized long-term financial performance and positive contributions to peace and development’ (UNGC and PRI, 2010, p. 6), positioning business as a natural peacebuilding actor. At least between those inclined to view the private sector favorably, we can therefore trace a fair amount of continuity in perceptions about business and peace across the decades, if not centuries.

What may be distinctive in contemporary discourse, however, may be the focus by traditional peacebuilding actors – including the United Nations agencies, defense actors, and international non-governmental organizations – on mobilizing private sector actors as peacebuilders. As enshrined in the UN Global Compact, businesses should be committed to ‘peace’ and incorporate conflict sensitivity into their day-to-day business practices (UNGC and PRI, 2010). In the US, the Defense Department’s 2010 Quadrennial Defense Review (QDR), the State Department’s inaugural Quadrennial Diplomacy and Development Review (QDDR), and the 2010 U.S. National Security Strategy (NSS) acknowledge the importance of according the business sector a major role in solving strategic challenges and fostering peace; leveraging the core competencies of the private sector in problem solving; tapping the business sector’s ingenuity and innovation in both processes and outcomes; using public-private partnerships as vehicles to institutionalize anticorruption measures; and providing tangible peace dividends, such as jobs, income, wealth, and services.

(Forrer, Fort and Gilpin, 2012)
Businesses operating in fragile environments are now expected to become full ‘partners in broader peacemaking and peacebuilding assessment, planning and execution’. (Ganson, 2014, p. 128).

Any number of initiatives by traditional peacebuilding actors then attempt to put these principles into action. International Alert, for example, works with companies under the belief that ‘they can help a country turn its back on conflict, and move towards lasting peace’ (International Alert, 2005). An entire literature is emerging around the ‘business case’ for more constructive engagement of companies in fragile and conflict-prone environments (e.g. Franks et al., 2014; Goulbourne, 2003; Henisz, Dorobantu, and Nartey, 2014) in an attempt to motivate business contributions to peaceful development, and it is probably safe to say that attempts to create public–private partnerships to address pressing issues related to conflict and peace are now the norm rather than the exception within UN agencies. In perhaps the most prominent call to action, UN Secretary General Ban Ki-Moon launched the United Nations Global Compact ‘Business for Peace’ platform, aiming to ‘mobilize high-level corporate leadership to advance peaceful development through actions at the global and local levels’ (UNGC, 2013b, p. 41).

A menu of roles for business in peace

If the assertion is made that international businesses can and should be called upon as peacebuilders, then the question arises as to how they can do so. There are a growing number of meta-studies of the literature of business and peace, resulting in a variety of maps of the arguments made for how business does, could or should advance peace in what is now a substantial body of academic and policy work. For example:

- Most recently, Miklian (2017) documents widespread assertions that (1) economic engagement facilitates a peace dividend; (2) encouraging local development facilitates local capacities for peace; (3) importing international norms improves democratic accountability; (4) firms can constrain the drivers or root causes of conflict; and (5) undertaking direct diplomatic efforts with conflict actors builds and/or makes peace. He explores how ‘motivational drivers for deeper and more comprehensive business engagements into peace and justice arenas’ (Ibid., p. xx), the ways in which ‘businesses integrate peacebuilding within their corporate structures’ (Ibid., p. xx), and understanding of ‘what constitutes a ‘peace contribution’ by business’ (Ibid., p. xx) impact upon business-peacebuilding trends.

- Oetzel et al. (2010) ‘focused on specific ways companies can actively engage in conflict reduction including promoting economic development, the rule of law, and principles of external valuation, contributing to a sense of community, and engaging in track-two diplomacy and conflict sensitive practices’ (Oetzel et al., 2010, p. 351). Their survey notes that ‘the argument arising out of the literature is not that businesses should promote peace, but that …
ethical businesses already are conducting actions that contribute to peace’ and that, to be more effective peacebuilders, ‘they may not have to radically transform their practices as much as one might think when first hearing about a connection between business and peace’ (Ibid., p. 352).

- In between, a number of other works attempt to survey and make sense of business and peace within and across fields (e.g. Andersson, Evers, and Sjostedt, 2011; Forrer, Fort and Gilpin, 2012; Forrer and Katsos, 2015; Fort, 2015; Katsos, 2016).

From these and other treatments of business and peace, we can distill commonly promoted arguments about business as an intentional peacebuilding actor, relating these to three dynamics of conflict and peace presumed to be crucial to peacemaking and peacebuilding efforts:

- **Socio-economic dynamics**, particularly as these are influenced by the resources available for peaceful development (as well as their distribution across different groups in society), and those available to conflict actors;

- **Socio-political dynamics**, including state-society relations, relationships between different groups in society, and the institutions through which these are mediated;

- **Peacemaking dynamics**, or the processes by which peace is pursued and agreed to.

We explore later in this chapter the ways in which these propositions are directly and indirectly contested and qualified in the academic and policy literature – ultimately raising serious doubts as to their general applicability – but state and describe them here in the positive form more typical of the business and peace literature:

**Businesses do, can or should impact socio-economic dynamics of conflict-prone places in peace-positive ways.**

A significant portion of academic literature on business and peace studies the role of business in addressing, influencing and changing the material conditions of peacemaking and peacebuilding environments. One common proposition is that, if material conditions on the ground can be changed for the better, the root causes of conflict are addressed and the incentives for conflict are reduced. (See, e.g. the ‘jobs’ thrust of the World Bank’s World Development Report 2011). Under this argument, a company can become an intentional peacebuilding actor simply by deciding to be present in a conflict-prone place, despite risks and potential limitations on short-term returns. In this vein, one executive of a company operating in Afghanistan noted that,

No matter what planning is done or precautions taken, working in a war zone is a nightmare. It may be important to be there all the same, because the things you build can help ordinary people. In such cases the company’s work is in
fact closer to CSR than to business development, even if there is a hope that the company will work there in the future.

\[(Ganson, 2013a, p. 83)\]

Business intentions may, however, go beyond doing business in difficult places. Business and government actors together may arguably make it harder for conflict actors to monetize control over resources, as attempted through, for example, the Kimberley Process for diamonds (Kimberley Process, 2002), the Conflict Free Minerals Initiatives in the Eastern DRC (OECD, 2015), and efforts to prevent the sale of oil from ISIS-held areas (Stupples, 2015). Companies may apply principles of ‘do no harm’ to help ensure that they do not intentionally or unintentionally provide material support to conflict actors, for example, by paying ransoms, extortion monies, or ‘security’ fees to militias or rebel groups, or by engaging contractors or human resources with ties to armed groups – even if this means that they may withdraw from conflict areas because they cannot remain untangled with conflict protagonists, whether state actors (as, for example, Talisman experienced in the Sudan) (Associated Press, 2003) or non-state actors (as AngloGold experienced in the DRC) (Kapelus, Hamann and O’Keefe, 2005).

At the same time, businesses can be conscious of economic grievances that, it is asserted, can be addressed at least in part through business operations. For example, companies may create employment for ex-combatants presumed to be at high risk for resumption of violence, as did Juan Valdez coffee growers in Colombia (Miklian, Schouten and Ganson, 2016). Through management of their presence and operations, therefore, it is argued that businesses help decrease resources that promote conflict and increase resources that promote peace.

Businesses do, can or should impact socio-political dynamics of conflict-prone places in peace-positive ways.

State-society relations and relations across ethnic, religious or other divides are often the focus of peacebuilding efforts, and so too the business and peace literature explores the business nexus to such socio-political dynamics. Examples are highlighted of business support for transparency that is intended to enable greater civil society engagement with government, for example, Total’s advocacy of EITI in Myanmar (MEITI, 2015); business work with anti-corruption watchdogs, for example, Transparency International’s partnership on OECD anti-bribery efforts with private firms (OECD, 2013b); and business support for initiatives that create space for the voices of local government actors and civil society, for example, the Tintaya dialogue table in Peru (Kasturi, Barton, and Reficco, 2012), or the Business Partners for Development experiment (Business Partners for Development, 2002). Businesses may work to support local capacities for peace, for example, by investing in peacebuilding organizations, as did Chevron in Partners for Peace initiatives in the Niger Delta (NDPI, 2014); and may support credible local institutions, as did Barrick Gold’s by supporting for municipal planning and service delivery capabilities in the Dominican Republic (Ausland and Tonn, 2010).
In addition, businesses may work to make positive changes through their own operations in conflict-prone places. They may attempt to engage in fairer and more peaceful rules of engagement with communities, for example, through application of the Voluntary Principles on Security and Human Rights (Voluntary Principles, 2000). They may distribute resources through structures for dialogue and decision making meant to be more inclusive, as does Chevron through its development committees in the Niger Delta (Hoben et al., 2012). They may commit to international standards of conduct, for example, the IFC performance standards (IFC, 2012), or the Guiding Principles on Business and Human Rights (OHCHR, 2011). They may make it possible for people to come together across conflict lines in the workplace. And they may commit themselves to just processes for conflict resolution even in weak rule of law states, as did mining companies in apartheid South Africa with the formation of the Independent Mediation Service of South Africa (IMSSA) (Hirschsohn, 1996). In doing so, companies are thought to be contributing to ‘islands of peace’ that have the potential to create new and more positive dynamics in society (Miller et al. 2019).

**Businesses do, can or should impact peacemaking dynamics in peace-positive ways.**

While most of the business and peace literature focuses on peacebuilding – often within a framework of post-conflict recovery – the literature also examines business actors working to end active conflicts. This is in part a reflection of business leaders as key people and the business community as key constituencies in conflict and peace, leading, for example, to the role of the Bogota Chamber of Commerce in the Colombia peace process (Rettberg, 2013), the role of the Nicosia Chamber of Commerce in Cyprus (Katsos and Forrer, 2014), and the Consultative Business Movement in South Africa (Charney, 1999). Business leaders may help to engineer and play roles in Track II diplomacy, for example, as described in Aceh (Ilf and Alluri, 2016). Business may also catalyze and support mediation of conflict in an area of limited government capacity, as does, for example, Chevron in Nigeria through its Partners for Peace initiative (Ganson and Wennmann, 2016). And its roles may be more mundane, providing material support such as transportation or meeting space in a peacemaking context. The argument is therefore that businesses can be facilitators and enablers for peace in society (UN Global Compact, 2015).

**Assumptions rather than evidence about business and peace**

In large measure, the literature posits (sometimes explicitly but more often implicitly) that the activities described above – whether investment itself, conflict sensitivity or CSR – represent contributions to peace. In much of the analysis, causal connections that are asserted about a particular business activity and peace-positive impacts are premised not on specific case evidence of peace outcomes (or lack thereof), but rather on a set of postulates from related but distinct perspectives:
Liberal peace: a business’s intentions may be no more than to be present in a conflict-prone place; it is argued that business advances peace by ‘doing what business does,’ for example, creating jobs or building infrastructure. The IFC’s Conflict Affected States in Africa initiative, for example, largely conflates ‘growth, job creation, peace, and stability’ (IFC, 2013); the Bpeace network simply asserts, ‘more jobs means less violence’ (Bpeace, n.d.).

Conflict-sensitive business practice: a business’s intentions may be to avoid entanglement in conflict; it is argued that business advances peace by understanding its own impacts and acting proactively to not exacerbate conflict in already difficult places. The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, for example, purports to supply companies ‘with a complete package to source minerals responsibly in order for trade in those minerals to support peace and development and not conflict’ (OECD, 2013a, p. 3).

Business and human rights: a business’s intentions may be to understand and address the human rights impacts of its operation, and to remedy problems to which it has contributed. The Swiss Federal Department of Foreign Affairs in its publication Business, Human Rights and Peace, for example, argues that businesses have an interest in promoting peace building through, among other measures, ‘respecting the rights of each and every member of society’ (Ibid., p. 1).

Corporate social responsibility: a business’s intentions may be to apply international norms, standards and best practices even though this is not required in the conflict-prone environment; it is argued that business advances peace by acting out of enlightened self-interest. The Hague Institute’s policy brief on Corporate Social Responsibility and Human Security in Fragile States: Private Sector Engagement in Peacebuilding, for example, states that, ‘A Corporate Social Responsibility (CSR) framework is instrumental in guiding efforts of the private sector to contribute to human security’ and thus to peace (Appiah and Jackson, 2015, p. 5).

Corporate philanthropy: a business’s intentions may be to help out in a place it has a significant presence; it is argued that business advances peace by providing resources that are otherwise difficult to come by in conflict-prone environments. It is asserted, for example, that ‘Philanthropy heals wounds in times of need,’ contributing to individual and relational transformation (Ghimire and Upreti, 2012, p. 86).

Policy and practice with regard to business and peace should ideally be driven by sound data rather than assertions or assumptions about a particular business activity and its impact on peace.

Yet building from these postulates and assumptions, decent livelihoods, the ability to accumulate capital, state revenues for service delivery and environmental sustainability, for example, are all commonly asserted to be part of ‘peace-conducive economic development’ of which the private sector can be part (International Alert, 2015, p. 5) – without specifying where or how these activities have contributed to peace.
Such assertions without context-specific evidence leaves the evidentiary links between company activity and peace outcomes, in the aggregate, weak. It was noted in the context of business and post-conflict reconstruction that, ‘To date, there has been little work done on assessing the impact of programming’ (MacSweeney, 2008, p. 11). The question of whether business efforts in fact contributed to peace often seems to be treated as an unnecessary distraction in the literature; of 15 company examples in the UN Global Compact’s report on ‘Responsible business advancing peace,’ for example, only two report, as outcomes, any reduction in conflict or violence or increase in social cohesion to which the company activity has even arguably contributed (UNGC, 2013a). It still appears true that

the current enthusiasm for private sector’s contribution to peace is based more on eagerness to do things differently than on a strong evidence base of success stories. The empirical evidence of how businesses have influenced state- and peacebuilding processes remains marginal and at best anecdotal. (Hoffmann, 2014, p. 4)

Additionally, ‘it is clear that a different picture emerges depending on whether the object of focus is specific corporate citizenship activities or a company’s broader impacts’ (Gitsham, 2007, p. 40), meaning that the focus of the business and peace literature on discrete initiatives can veil conflict impacts from a company’s broader operations or very presence in a conflict-prone environment.

Given that there is certainly no consensus that business activities enumerated in the business and peace literature illustrated above will make the places in which they are carried out more peaceful, this is problematic. In the realm of socio-economic dynamics, for example, a variety of critiques make clear that the nexus between material conditions and conflict or peace are questionable, unclear, or at the very least far more complex than a simple ‘input-output’ model can explain (e.g. Woodrow and Chigas, 2009). In the realm of socio-political dynamics, some critics see ever-deeper involvement of businesses into fragile conflict zones as conflict-fomenting neo-colonial exploitation (e.g. Provost, Ford and Tran, 2014); others argue that the privileging of business in the peace and development space is warping international agendas in fragile states further towards corporate interests (Englebert and Portelance, 2015; Barbara, 2006), and can in fact increase grievances by further marginalizing excluded communities (Obenland, 2014). In the realm of peacemaking dynamics, oft-touted efforts, such as logistical support given by ‘Tiny’ Rowland for the Mozambique peace process, may be taken out of context; he was known both to have supported the liberation movement Renamo through ‘protection’ payments (Conciliation Resources, 1998), and has been implicated in broader engineering of conflict and commissioning of violence (Drohan, 2004). Indeed, for each of the assertions made about the positive impacts of the activities constituting mainstream business and peace, we can identify significant qualifiers and counter-assertions.
Similarly, discussions of business and peace based on assumptions rather than evidence remain largely disconnected from the literature on ‘business and conflict’ addressing the private sector as an agent, intentional or not, for conflict and violence. An entire body of literature holds that business is in fact a primary enabler of conflict, either through complicity (e.g. OHCHR, 2008), or through intentional exploitation of conflict for profit (e.g. Drohan, 2004). Case evidence from such disparate settings as Afghanistan (DuPée, 2012) Nigeria (Idemudia, 2010) and Colombia (Dunning and Wirpsa, 2004) indicates that operations of multinational corporations in volatile environments may even prolong or exacerbate conflict, notwithstanding explicit ambitions to bring a ‘development dividend’ to local populations (Schouten and Miklian, 2018).

Yet this is rarely acknowledged in the mainstream business and peace literature. The World Bank’s World Development Report 2011: Conflict, Security and Development, for example, strongly advocates business incentives and ‘a new global partnership to galvanize investments in countries and communities where high unemployment and social disengagement contribute to the risks of conflict’ (World Bank, 2011, p. 31). In its treatment of the private sector across 51 pages, however, it makes no mention at all of predatory multinational companies that may exploit fragility, or the possible negative impacts of private foreign investment on conflict or violence (Ganson and Wennmann, 2016, p. 94). Similarly, a report on the ‘role of mining in national economies’ by the International Council on Mining and Metals – an industry association that espouses among other principles the upholding of fundamental human rights – fails to make a single reference to any negative impact of mining on national economies or local communities, even in fragile states (Ibid.) The inter-relationships of business as an agent for peaceful development when at the same time it acts as an agent of conflict – intentionally or not – remain largely unaddressed.

A profound disconnect from contemporary peacebuilding theory and practice

Perhaps most importantly, the emphasis on discrete activities presumed to be peace-positive seems profoundly disconnected from contemporary peacebuilding theory and practice. It is perhaps true that, ‘Two decades ago international peacebuilding was understood as a centrally coordinated package of interventions aimed at resolving a conflict by addressing its root causes’ (de Coning, 2016, p. 1), drawing from a menu of interventions that looked much like those found in the current business and peace literature. But based on hard lessons learned from failed or suboptimal interventions (e.g. Anderson and Olson, 2003) peacebuilding has since then developed in a variety of important directions:

- **Systems thinking.** Increasingly, conflict-prone environments are understood as complex systems in which institutions and power relations reinforce conflict dynamics and undermine dynamics that would support peaceful development. Because these systems ‘are functioning to achieve some purpose – protecting
the power and authority of a particular elite, for example – they are highly resistant to change’ (Ganson and Wennmann 2016, p. 192). This means that peacebuilders must work not only on building or reinforcing positive factors (often the focus of business and peace activities), but ‘also ask what factors (actors, issues, motives, resources, dynamics, attitudes, behaviors) maintain or reinforce the conflict system, who would resist movement toward peace, and why’ (CDA, 2010, p. 5). Because the goal is a system that reinforces peaceful development rather than conflict and violence, they focus on the factors that are driving the evolution of the system, and that, if they were changed, would lead to a significant change in the system (Ibid., p. 8).

- **Focus on resilience of social institutions.** Another important focus is on the capacity of social institutions ‘to absorb and adapt in order to sustain an acceptable level of function, structure and identity under stress’ (Dahlberg, 2015). For example, the inability or unwillingness of traditional authorities in West Africa to adapt the allocation of communal land to the realities of changing demographics – which would reduce the resources controlled by current landholders – was found to be a significant contributing factor to the large numbers of young men lacking social or professional attachment, and thus their availability for recruitment into the various brutal conflicts of the region (Richards and Chauveau, 2007). Peacebuilders thus often put considerable effort into compensatory mechanisms for building social consensus to address pressing problems, sometimes under the umbrella term of ‘infrastructures for peace’ (e.g. Odendaal, 2013; Kumar and Dela Haye, 2011).

- **Attentiveness to motivations for violence.** Violence is often treated as inevitable, as Albert Einstein wrote to Sigmund Freud, ‘Because man has within him a lust for hatred and destruction’ (Cramer, 2006, p. 4). Yet more than two decades of conflict research establish that violence is the result of planned, purposeful action. ‘Part of the problem with much existing analysis is that conflict continues to be regarded as simply a breakdown in a particular system rather than as the emergence of an alternative system of profit, power and even protection’ (Keen, 1998, p. 22). Peacebuilders have therefore come to understand that, ‘Only by understanding these functions of conflict and violence can interveners identify the underlying organizational aspects and motives of conflict that need to be understood and dealt with to nurture its prevention, diffusion and resolution’ (Ganson and Wennmann, 2016, p. 110).

- **Linkages of peacebuilding activities.** A ‘trickle up’ theory of impact – that if enough people engage in enough positive activity, peace can emerge – is implicit in the business and peace literature’s menu of presumably peace-positive activities; ‘contributions to peace,’ often within a limited sphere, are treated as drops in the bucket that will somehow add up to systemic change. This assumption has been challenged in peacebuilding circles for some time (e.g. Chigas and Ganson, 2003); it turns out that small efforts are more often than not overwhelmed by broader systems dynamics. Peacebuilders therefore increasingly focus on a variety of critical connections among peacebuilding activities, among
which the most important are linkages of individual and personal change (targeting skills, attitudes, perceptions, ideas and relationships with other individuals) to socio-political change (including governance reform as well as social norms, group behavior, and inter-group relationships), and linkages of efforts to reach broad segments of the population with efforts to reach key people (CDA, 2010).

- **Local ownership.** There is increasing acknowledgement that societies in conflict are complex, in that (1) the properties of a given conflict system cannot be understood by its component parts alone, but must be seen as a whole; that (2) small changes can have large impacts and large inputs may not affect meaningful change, as outputs of the system are not proportionate to inputs; and that (3) the system responds to a large number of dynamic factors according to the adaptations of its constituent parts, without a controlling agent (de Coning, 2016). Attempts ‘to engineer specific outcomes’ thus run a high risk of generating ‘on-going instability, dependence and fragility’ (Ibid., p. 13). There is therefore a growing emphasis among peacebuilders on the need to accompany rather than direct local actors in their own peacebuilding analysis, planning, and intervention (GPP, 2015, p. 8).

In light of these peacebuilding principles, the starting point for contemporary peacebuilding practice is a systems map of key actors and the key driving factors of cohesion and division, ideally developed by diverse local actors in dialogue with each other. This is because, as a result of highly context-specific local dynamics, ‘an approach that contributes to peace in one context may be irrelevant to peace in another, and may actually worsen conflict in a third’ (CDA, 2014, p. 3). Interventions are designed with reference to the systems map in ways that have some meaningful chance of altering fundamental socio-political realities in positive ways. This allows for actors – intending for their activities to be peace-positive but necessarily only taking steps on a path to peace – to move beyond rhetoric that is still common in business and peace discourse that ‘the effectiveness of peace efforts is hard to measure.’ Rather, understanding fundamental systems dynamics, peacebuilders can have some certainty that they are making a meaningful contribution to a broader peace if their activity is addressing key dynamics of conflict and peace, AND it also:

- Results in the creation or reform of political institutions to handle grievances in situations where such grievances genuinely drive the conflict;
- Contributes to a momentum for peace by causing participants and communities to develop their own peace initiatives in relation to critical elements of context analysis;
- Increasingly prompts people to resist violence and provocations to violence;
- Results in an increase in people’s security and in their sense of security; and/or
- Results in meaningful improvement in inter-group relations (Chigas, Church and Corlazzoli, 2014).
Despite the growing evidence base for effective peace practice, and its incorporation into mainstream policy such as the OECD DAC guidance on *Evaluating Peacebuilding Activities in Settings of Conflict and Fragility* (OECD, 2012, p. 67), the business and peace literature deals with such peacebuilding principles and strategies for effectiveness only superficially, or not at all.

**The high risk of suboptimal outcomes and unintended consequences**

As the peacebuilding community itself needed to learn (Anderson, 1999; Anderson and Olson, 2003), there are significant risks of suboptimal outcomes and unintended consequences for peacebuilding work in the absence of the systems analyses, context-specific strategies, and attentiveness to effectiveness measures at the heart of sound peacebuilding practice:

- **‘Doing good’ but not building peace.** Conflict-prone environments may have many needs, among others for better health, education, employment, infrastructure, security and governance. A corporate intervention to help eradicate malaria or operate in compliance with international labor norms even where this is not required by local law – assuming they are carried out professionally and in a conflict-sensitive manner – are therefore in all likelihood positive from a social perspective. They will have only tangential impact on peace, however, in places where there is no close nexus between these issues and key drivers of conflict. In particular, evidence from development and peacebuilding practice shows that assumptions about the relationship between economic development efforts and peacebuilding are largely untested and often false (cf. Stewart, 2000; Stewart, 2008; Berman et al., 2011; Blair et al., 2012).

- **Small ‘wins’ that don’t add up to peace.** A company may in fact undertake initiatives that, for example, increase a local community’s sense of security through its efforts to help reform local policing consistent with the Voluntary Principles; its actions might additionally have a close nexus to key drivers of conflict where, for example, state-society relations are particularly tense. Ultimate effectiveness of peacebuilding work, though, is premised on it moving forward fast enough, being sustained over time, and together with other activities, being undertaken at a scale commensurate with the challenges and adequately linked to other levels of peace-positive activity in the conflict system (Anderson and Olson, 2003). Discrete initiatives must therefore be intentionally linked to other efforts if they are to make a meaningful contribution to a conflict-prone environment moving sustainably towards peaceful development.

- **Program failures.** Even if a company is working towards meaningful goals, it must make progress in a fragile environment despite complex conflict dynamics. Otherwise, the very dynamics of political fragmentation, mistrust, exclusion and grievance that make a context fragile in the first place will undermine attempts to address underlying grievances. Schools and clinics will
be constructed only to stand empty because the system is too dysfunctional to build them in the first place also won’t allocate resources to run them; infrastructure projects meant to support inclusive growth will be subject to the same corrupt influences or political rivalries that inhibited inclusive economic growth before (Ganson and Wennmann, 2016). Corporate initiatives must therefore take account of, and address, potential pushback and spoilers in the system.

- **Perverse impacts.** Companies are prone to concentrate on the good they are bringing to conflict-prone places, whether measured in jobs, local procurement or tax revenues. But the introduction of new resources into resource-constrained societies more often intensifies competition between groups or actors in conflict than eases it (Zandvliet and Anderson, 2009). For every employed person in a platinum mine in South Africa, for example, it is estimated that there are 10 migrant job-seekers who remain unemployed. The dynamics of large numbers of jobless young men support ‘a host of criminal and trafficking networks’ which, along with contested control over allocation of jobs among the mining company, local government, traditional authorities, and competing labor unions, contributed to the tensions that led up to the Marikana massacre (Breckenridge, 2014).

It is tempting to take a rhetorical stance in favor of business doing something rather than nothing in the face of conflict and violence. But without more substantial points of intersection between business and peace and contemporary peacebuilding theory and practice – in particular the drawing of a thread from the purported peacebuilding activity to key drivers of conflict based on rigorous systems understanding – business and peace advocates will largely be unable to draw meaningful conclusions about the impacts – positive or negative – of a particular business or peace initiative in a particular place. They will rather be limited to vague assertions about business activities ‘bringing mutual benefit and the advancement of peace’ (UN Global Compact, 2013a, p. 4), or making ‘a significant contribution to the common good’ (Ibid., p. 11). And they will risk failing to contribute to peace or even doing harm, even if their intentions are to do good.

**Also missing from the equation: the ‘who’ and the ‘how’**

As outlined above, the gap is already wide between the menu of activities typically enumerated in the literature as business roles for peace, and the strategies and questions grounded in systems analysis that constitute effective peacebuilding. But peacebuilding is not only a what, it is a who. Effective action is dependent not only on strategic engagement with the key drivers of conflict in a particular context, but on the place of the peacemaking or peacebuilding agent within that system. The business and peace literature also largely sidesteps a critical set of questions about the capacity and motivations for business to engage as a peacebuilding actor, and the relationships to other actors in a conflict system that enable them to accept private sector actors as such.
To the extent that it requires going beyond actions ‘ethical businesses already are conducting’ (Oetzel et al., 2010, p. 352), one may in the first instance question whether companies have the requisite capabilities to engage in peacebuilding. Mary Anderson, an authority on outside intervention in conflict-prone environments, noted that ‘peace is not an area for amateurs’ (Anderson, 2008, p. 125). For companies to effectively apply peacebuilding principles, they must perform accurate and up-to-date conflict analysis; establish comfortable, trusting, and transparent relationships with diverse people who may not share their values; use specialized mediation skills to identify common concerns that can unite antagonists while also respecting fundamental differences and opposing positions; and have the ability to be calm and comfortable in situations of danger, threat, and emotional and physical stress.


In what is perhaps a pronounced understatement, she concludes that these ‘are not common, everyday skills found among corporate managers’ (ibid., pp. 125–126). Anderson’s comments echo studies suggesting that global companies require business competencies in areas in which most managers have no background or training, including the competencies needed to deal with foreign country interests, multiple domestic and foreign pressure groups, or international conflict (Saner, Yiu and Søndergaard, 2000). It is also an incomplete answer to attempt to outsource these functions, as robust governance and management systems are required within the company, in addition to individual skills and courage (Ganson, 2014). How peacebuilding capabilities are integrated into company structures and how these impact peacebuilding effectiveness remains largely unexplored in the business and peace literature.

The question of corporate capabilities for peacebuilding goes hand in hand with the question of motivation. Typical of business and peace policy and practice is the OECD argument that ‘MNEs have a strong business incentive to act responsibly’ (OECD, 2008, p. 17); as noted above, the UN Global Compact for its part takes the position that there is ‘effectively no contradiction between maximized long-term financial performance and positive contributions to peace and development’ (UNGC and PRI, 2010, p. 6). Yet companies have long found that they could capitalize on high returns on investment despite instability (Goulbourne, 2003). Countries such as Colombia, Indonesia, Algeria and the Philippines attracted high levels of foreign direct investment (FDI) even during periods of overt armed conflict (Campbell, 2002); flows of FDI to Côte d’Ivoire remained positive during its entire civil war (MIGA, 2010), and the cases of Brazil, South Africa and Mexico highlight that FDI occurs despite high levels of criminal violence (Wennmann, 2011). Studying why direct conflict risks do not deter investment, a 2010 study by MIGA, the Multilateral Investment Guarantee Agency of the World Bank Group, found that companies across sectors, company size and geographical origin believed that business opportunities outweigh risks and that potential losses were limited
Business and peace policy and practice, however, largely discounts the reality that, as concluded in The Economist, ‘For brave businessfolk, there are rich pickings in grim places’ (Anonymous, 2000). With limited exceptions, (e.g. Rettberg, 2016) the literature therefore sheds less insight than it might on the actual motivations of companies taking peace-positive action, and on how the calculus of companies not taking such action might be changed.

Even a company capable and motivated to undertake peacebuilding work must still recognize that the characteristics of the company in its context determine, at least in part, the possible ways in which it can participate in peace efforts. A company operating in a conflict-prone environment becomes part and parcel of a complex system, with multiple and intricate inter-relationships among the company, its operations, its neighboring communities and the broader society (Ganson, 2013b). Companies often have close relationships with the elites whose support they cultivate, and have operations that touch on land, distribution of jobs and other benefits, and other issues of profound interest to many people. Their operations will inevitably have direct and indirect impacts on existing social tensions, on the effectiveness and legitimacy of government, and in more extreme cases on the impunity with which governments or others may violate human rights; and companies are often confronted by the unfulfilled expectations and grievances of local populations (Bardouille-Crema, Chigas and Miller, 2013). Additionally, national companies will have, in most cases, very different characteristics, relationships, entry points and histories than multinational companies with global operations (Banfield, Gunduz, and Killick, 2006). It is certainly not impossible for even the same businesses to play both positive and negative roles; mining companies in South Africa, for example, were champions for change at the national level in South Africa (Marais and Davies, 2015), even while their local operations were still focal points for violence driven by apartheid policies and practices in which the mines actively participated (TRC, 1998). Yet in the development sphere, it has been found that approaches by oil companies in the Niger Delta that try to bring benefits to communities without addressing the negative impacts of company operations ‘tinker around the problem of poverty and underdevelopment in host communities’ and thus have marginal impact (Idemudia, 2009, p. 111). It would not seem unlikely that the same will obtain for peacebuilding – that the full range of a company’s impacts in a complex environment will shape its relationships and thus its ability to play a peace-positive role – meriting more attention in business and peace research.

Finally, it is unlikely that business actors will achieve substantial results in the domain of conflict and peace without close collaboration with other actors. Yet the interdependent facets of peacebuilding will often require professional and institutionalized support to coordinate and sustain them. Ad hoc processes convened directly by stakeholders can die from the exhaustion of planning and managing complex collaborative initiatives that are outside the core mandate or expertise of any participant (Ganson and Wennmann, 2016). Companies in particular may face resistance from local actors until they ‘relinquish some measure of control over decision-making’ (Laplante and Spears, 2008, p. 115). The United Nations guidance on effective mediation suggests a variety of support functions that may be
necessary to support collaboration in situations of conflict: to help build relationships of confidence where they do not sufficiently exist among local actors themselves; to facilitate across a variety of actors the participatory analysis of conflict dynamics as well as local strengths and challenges faced in dealing with them; to ensure the careful evaluation of strategic and tactical options for introducing new thinking and new modes of action for conflict prevention into a fragile environment; to provide expert support for the design, management and evaluation of conflict prevention systems; and to engage in consistent outreach to the full range of stakeholders nationally and internationally for coherent action (UN, 2012; UNDPA and UNEP, 2015). More generally, a ‘backbone support organization’ that provides services such as neutral facilitation or mediation, technology and communication, data collection and reporting, and administrative support is increasingly seen as a critical enabler of complex collaborative efforts (Kania and Kramer, 2011, p. 40). This suggests a need for further exploration of the key relationships and institutional enablers of business and peace.

A richer set of perspectives and questions

This analysis establishes a pressing need for researchers and practitioners to shift some share of mind from the ‘what’ – the menu of possible business interventions for peace that dominates the business and peace literature – to the ‘who’ and the ‘how’ of business and peace. Advocates will accelerate progress by drawing from contemporary peacebuilding theory and practice to situate private sector actors within a complex conflict system, understand key dynamics reinforcing conflict and undermining attempts towards peace, and seeking entry points for positive influence. What factors matter most in a particular place, what forces are inhibiting sufficient coalitions for positive change from forming, and what particular advantages might businesses have in addressing these?

Peace advocates will also move more dependably towards their goals as they survey the full range of negative as well as positive impacts of private sector actors in conflict environments, acknowledging and addressing tensions between business roles and relationships in different parts and at different levels of the system. What business interventions are perceived as most legitimate and welcome by different actors, and why? How can business best play a peace-positive role, even as its contributions to conflict, intentional or not, are acknowledged?

The analysis also suggests the need to move beyond the stereotyping of private sector actors – largely as a homogenous force for bad or good, depending on the commentator’s perspective – to a more nuanced understanding of the perspectives, interests, motives, capabilities, limitations and possibilities for action of particular business actors. Peacebuilding actors will need to work with private sector actors in the same way they work to understand and engage other actors – even those seen to be hostile or indifferent to peace, in governments, opposition groups, or civil society – within conflict environments. How do we move beyond the ‘coulds’ and ‘shoulds’ of business and peace to understand how companies in practice find the courage and
commitment to work for peace? What is the supporting infrastructure that allows cross-cutting coalitions between business and other actors to emerge and succeed?

Asking and answering these questions will require broader and deeper inquiry than that which currently typifies business and peace research, advocacy and practice. But the broad experience of peacebuilding practice suggests that, as these questions are asked and answered for particular businesses in particular conflict contexts, it will become increasingly possible to understand, conceptualize, plan, implement, and measure the effectiveness of business-inclusive strategies for peace.

References


Gitsham, M. 2007. How Do you Measure the Impact of Corporate Citizenship at the Local Level in a Zone of Conflict? An Examination of Five Approaches to Understanding the Case of BP in Casanare, Colombia. JCG 28, 31–42.


NOTES

Chapter 4

1 The first author is a member of the IEP Research Committee.
2 IEP defines violence containment as “economic activity that is related to the consequences or prevention of violence where the violence is directly against people or property” (IEP, 2014: 4).

Chapter 5

1 2004 marked the first time that our peak global peace and security body discussed how business actors and activity can affect dynamics of conflict and peace: ‘The Role of Business in Conflict Prevention, Peacekeeping, Post-Conflict Peace-Building’ 4943rd Meeting of the UN Security Council, S/PV/4943 (15 April 2004).
4 See Ganson and Wennmann, ‘Business and institutional reform in hybrid orders’, 2017. This chapter does not address definitional issues relating to ‘the private sector’: scholars generally do not make enough of what the huge diversity of actors falling within these labels might mean, including for questions about the ‘appropriateness’ of engagement; see Ford, ‘Perspectives on the evolving ‘business and peace’ debate’, 2015, 453–454.

This chapter focuses on ‘private sector engagement’ (involving foreign or local business in the SDGs agenda) from conventional ‘private sector development’ (support to and enabling environment for free enterprise).

This chapter does not attempt to map the spectrum of ‘hard’ and ‘soft’ norms and standards, nor the myriad relevant frameworks and mechanisms, by reference to which one might assess responsible business conduct, for example, in the context of cross-sector peacebuilding collaboration. For one mapping, see Ford, Regulating Business for Peace, 2015, Ch. 5.


Nelson et al., Business and the SDGs, 2015. See too the sources in n. 28 and n. 29 below.


See for example Bailey et al., ‘Investing in Stability’.


This institutional ‘blind-spot’ for business is a theme throughout Ford, Regulating Business for Peace, 2015.


It is possible to over-state the new embrace of the private sector, since the contested nature of this (resistance or uncertainty in the ‘deep state’ of donor and development institutions over the business engagement agenda) is not necessarily apparent from a reading of the upbeat official policy positions: see Ford, Regulating Business for Peace, 2015, Ch. 8.

Ford, ‘Inclusive peacebuilding’.


For an authoritative repository, see www.enterprise-development.org/agency-strategies-and-coordination/.


DFAT, Creating Shared Value, 2015, 10.


See n. 8 above.

Ganson and Wennmann, Business and Conflict in Fragile States, 2016.

Ford, Regulating Business for Peace, 2015, Ch. 6.

For instance, in 2013, a UN secretariat official helping coordinate with the private sector on peacebuilding described sometimes feeling treated by public service colleagues as if he were a ‘mole’ for big business simply because he encouraged greater engagement with business: interview with author, described in Ford, Regulating Business for Peace, 2015, 263.

Early ‘business and peace’ scholarship referred to the concept of a ‘fig leaf’ (as something intended to conceal a difficulty or embarrassment) in ways that advert to the same risk: Killick et al., Role of Local Business, 2005.

Ford, ‘Perspectives on the evolving “business and peace”’, 2015; see Part IV below.

The political identity of business actors is central to the analysis in Ford, Regulating Business for Peace, 2015.

See www.unglobalcompact.org/library/381. Assessing the literature on the broader Compact concept is beyond this chapter’s scope. For an early analysis whose insights remain relevant, see Thérien and Pouliot, ‘The Global Compact’, 2006.


Chandler, Empire in Denial, 2006.


Ibid.

See Banerjee, ‘Corporate social responsibility’.


See for example, in the context of regulating corporate crime, Pearce and Tombs, ‘Policing “skid rows”, 1991 (the influential tip of a large iceberg of critical literature in this regard).


Civil Society Reflection Group, ‘Spotlight on SDGs’, 2017, 128.


See our discussion of this in Bailey et al., Investing in Stability.


For one encounter with legitimacy concerns, see Fort, The Diplomat in the Corner Office, 2015, for example at 8–12.


Westermann-Behaylo et al., ‘Enhancing the concept of corporate diplomacy’.

See for example Duffield, Global Governance and the New Wars, 2001; Cooper, ‘Picking out the pieces of the liberal peaces’, 2005; Chandler, Empire in Denial, 2006.


Ibid.


Framework, 6.

The Framework provides at least two other ‘business case’ rationales of this sort (at 14): first, that strengthening the rule of law is a matter of ‘pre-competitive common interest’ for all businesses and ‘addresses the root causes of systemic challenges that all responsible businesses face’; and second, that ‘taking action in support of the rule of law can help prevent or address situations of uncertainty and inconsistency.

The Framework’s conception of ‘respect’ is that businesses ‘respect the letter and spirit of applicable laws, and do not take action that undermines or interferes with the administration of justice, or the effectiveness and accountability of institutions’: 9.

Framework 8, 10–12.

Framework, 10.

Framework, 11. The Framework document is accompanied by another listing summaries of examples of these sorts of RoL interventions, directly and in partnership with governments, NGOs and others: www.unglobalcompact.org/docs/issues_doc/rule_of_law/B4ROL_Framework_Business_Examples.pdf

Framework, 11–12. The Framework gives the example of Vale (the Brazilian mining firm) which ahead of its big investment in an African country (presumably, Mozambique’s coal sector) worked with the World Bank Group to support various projects to improve governance and help reform the legal sector. This included bringing judges from Brazil for judicial training.
Framework, 12. More generally in this vein, see for example Li, ‘Corporations have a role’ 2015; Smith, ‘Strange bedfellows’, 2015.

80 Hogan Lovells et al., ‘Risk and Return’, 2015, 60.

81 USAID, Building Alliances, 2009.

82 Presumably, a UN or other public organisation would feel compelled to decline any offer of support from a business that does not itself respect the RoL (howsoever and by whomsoever that might be judged). This sort of scenario is not discussed.

83 Framework, 12.

84 Framework, 14.

85 Framework, 14.

86 See in particular Call and Wyeth (eds.), Building States to Build Peace, 2008.

87 Hansen ‘How should businesses interact with the Rule of Law’ (undated).

88 This is one recurring theme of Ford, Regulating Business for Peace, 2015.

89 Hence too the title question in Adams and Martens, ‘Fit for whose purpose?’ 2015.

90 See Ford, Regulating Business for Peace, 2015, Ch. 6.

91 See Braithwaite et al., Reconciliating and Architectures for Peace, 2010; McKenna, Corporate Responsibility and Natural Resources Conflict, 2016.

92 Braithwaite et al., Reconciliating and Architectures for Peace, 2010.


94 This is one recurring theme of Ford, Regulating Business for Peace, 2015, 264–269.

95 Ibid.

96 Ibid, 263.


98 In the UN institutions context, Adams and Martens have suggested that systematic assessment include the ‘added value’ of the relationship to UN goals; the dynamic between the risks, costs and side-effects and the potential benefits; human rights impacts; the existence of safeguards on the use of public resources; and the possible alternatives to the planned activities: ‘Fit for Whose Purpose’.

99 Hauffer, ‘Symposium’, 464 argues that one factor that might enhance the legitimacy of engagement is for institutional actors and agencies to deal with business collectives (such as chambers of commerce) rather than individual firms. However, such umbrella groups vary in their composition and coverage and may mask complex power relationships.

100 Honke, ‘Business for peace?’.


103 See for example Miklan, ‘Mapping business-peace’.

104 See generally Ford, ‘Perspectives on the evolving “business and peace” ’; Hauffer, ‘Symposium’.


106 A recent mini case-study is the Congo-Kinshasa (DRC) example in Miklian and Schouten, ‘The business-peace nexus’.

107 Ibid. Thérien and Pouliot, ‘The Global Compact’ engaged with the ways in which schemes like the Compact might be seen to shift (and/or reflect) patterns in global governance.

108 See n. 10 above: this chapter does not purport to map this framework.
109 See Ganson and Wennmann, *Business and Conflict in Fragile States*.
111 For one basic typology aimed at promoting more coherent discussion of the various ways that business might impact on or engage in peacebuilding (directly/indirectly, jointly or individually, locally or nationally or regionally, etc.), see Ford, ‘Inclusive peacebuilding’; See too Bailey *et al.*, *Investing in Stability*; Miklian ‘Mapping business-peace’.
113 See also Miklian and Schouten, ‘The business-peace nexus’, 20 (calling for a ‘grounded’ approach).
114 On questions of ‘success’ in this field, including measurement, attribution and causation concerning claims of positive business impacts on peace, see the final section in Bailey *et al.*, *Investing in Stability*.
115 For one basic typology aimed at promoting more coherent discussion of the various ways that business might impact on or engage in peacebuilding (directly/indirectly, jointly or individually, locally or nationally or regionally, etc.), see Ford, ‘Inclusive peacebuilding’; See too Bailey *et al.*, *Investing in Stability*; Miklian ‘Mapping business-peace’.
113 See also Miklian and Schouten, ‘The business-peace nexus’, 20 (calling for a ‘grounded’ approach).
114 On questions of ‘success’ in this field, including measurement, attribution and causation concerning claims of positive business impacts on peace, see the final section in Bailey *et al.*, *Investing in Stability*.
115 See for example, in a very large literature now, Avant *et al.*, *Who Governs the Globe*, 2010.
119 Ibid.
120 Forrer and Katsos, ‘Business and peace in the buffer state’; Ganson and Wennmann, ‘Business and institutional reform’.
122 See in this regard the editors’ intent in Best and Gheciu, *Return of the Public*, 2014.
125 Ibid, 94.
127 Ganson and Wennmann, *Business and Conflict in Fragile States*.
128 See discussion at n. 6 above.
130 See too Miklian and Schouten, ‘The business-peace nexus’, 11, decrying the ‘zerosum’ debate typical in this field.
131 See generally Ford, ‘Perspectives on the evolving “business and peace”’.

**Chapter 6**

1 Jason Miklian is a senior researcher at PRIO. Angelika Rettberg is an associate professor at the Political Science Department at Universidad de los Andes (Bogotá – Colombia) and a PRIO Global Fellow. The authors thank Juan Pablo Medina Bickel, Daniel Medina Jaime, and Liset Pimienta for their valuable research assistance.

2 This chapter does not intend to challenge the rich literature on business strategy *per se*, as it is more interested specifically in business reactions and strategies within peace and conflict dynamics. For further reading on the former, see Grant (2013) and Spender (2014) on general business strategy; Porter and Cramer (2006) on responsible business strategy; Spieth *et al.* (2016) on strategy innovation; Lee and Klassen (2016) on strategy during times of uncertainty (using the case of climate response); and Winkler *et al.* (2014) and Song (2016) on local market uncertainty and strategic decision-making.
There of course exist firms that explicitly intend to profit from conflict and/or crisis, but, as they are the minority of businesses in such settings we exclude them from consideration here.

It may be the case that this inspirational spark is more concentrated in sectors that are outward-looking and innovative before peace ‘hits,’ but more research would be needed to make this claim more definitively. Also see Katsos and Fort (2016).

Thanks to Ben Miller for this point.

The exact phrase in Spanish was: “Los empresarios de todo el mundo son gobiernistas. Es una locura no ser gobiernista si se es empresario.”

Chapter 7

Throughout the interviews, managers and executives referred to each of these groups by their original names, not by “Tahrir al-Sham.” For the convenience of the reader, we have chosen to refer to these groups as “Tahrir al-Sham,” even if the interviews took place before the merger.

Chapter 8

Andrea Iff is currently Governance Advisor at the Swiss Development Agency and Cooperation. Rina M. Alluri is Senior Fellow at the University of Zurich, Human Geography Department and an Independent Consultant.


Chapter 9

For more see: http://cdacollaborative.org/what-we-do/responsible-business/


All case studies can be found online at www.cdacollaborative.org

For more see: www.usb.ac.za/disputesettlement

For more see: www.prio.org/

All case studies can be found online at http://cdacollaborative.org/cdaproject/business-and-peace/


Our experience working with companies has taken place under a range of circumstances. Some of our engagements have been confidential. Some parts of the evidence referenced here derive from dialogues that were convened under the Chatham House Rule, which allows for the reproduction of comments, but not for the attribution of those comments to any particular individual.

For more see: www.un.org/sustainabledevelopment/sustainable-development-goals/

For more see: www.unglobalcompact.org/engage-locally/manage/engagement/business-for-peace

For more see: www.pbsbdialogue.org/en/new-deal/about-new-deal/

For more see: www.ifc.org/wps/wcm/connect/REGION_EXT_Content/IFC_External_Corporate_Site/Sub-Saharan+Africa/Priorities/Fragile+and+Conflict+Affected+Situations/

For more see: www.icmm.com/en-gb/about-us


We are aware of exceptions among small enterprises, as well as larger enterprises in operating in states that are particularly predatory.

It should be noted, that such investment structures are not unique to South American countries and can be seen throughout the world.

Chapter 10

This chapter builds on a case study that was developed as part of a project called “Engaging the Business Community as a New Peace Building Actor” undertaken by CDA Collaborative learning Projects (CDA), Peace Research Institute Oslo (PRIO), and the Africa Centre for Dispute Settlement (ACDS) at Stellenbosch University. Each case study tells the story of an intentional effort by a business actor (or a set of actors) to affect the dynamics of conflict and peace in a specific locale (whether a city, country, or region) with discernible outcomes in relation to these dynamics. Most of the case studies examine actions undertaken by single companies, although also taken into consideration within the project are some collective initiatives, for instance the Colombian Coffee Growers Association, insofar as a unified process of decision-making and agency is traceable to them. In the present case study, this order is inverted, because NBIM is not a company, but a part-owner of companies through its stock portfolio.


Of late there has been a debate whether NBIM should be moved outside of the Central Bank, and established as an independent organization with its own board and culture that would be directly answerable to the Finance Ministry. www.aftenposten.no/okonomi/i/m7VPl/Norges-Bank-svarer-tja-til-a-flytte-ut-Oljefondet. It is difficult to say at present whether such a change would impact on the fund’s positioning vis-à-vis conflict sensitive business practice.


“Management Mandate,” chap. 2, section 2(3).

“Management Mandate,” chap. 2, section 3(2).

It is called a “pension fund” insofar as the Fund’s assets provide hypothetical financial backing for the Norwegian State’s future pension obligations. As is, however, noted on NBIM’s website “despite its name, the fund has no formal pension liabilities. No political decision has been made as to when the fund may be used to cover future pension costs, and the probability of large withdrawals from the fund is limited” (www.nbim.no/en/the-fund/about-the-fund).

The Fund’s “capital inflow consists of all government petroleum revenue, net financial transactions related to petroleum activities, net of what is spent to balance the state’s non-oil budget deficit … Fiscal policy is based on the guideline that over time the structural, non-oil budget deficit shall correspond to the expected real return on the fund, estimated at 3 percent” (www.nbim.no/en/the-fund/about-the-fund).
For sovereign wealth fund rankings, see www.swfinstitute.org/sovereign-wealth-fund-rankings. Kuwait’s wealth fund would likely have been the largest in the world today were it not for the fact that much of its accrued capital was spent in 1991 to finance the coalition war-effort that ended the Iraqi occupation of the country.


“The Bank shall advise the Ministry on the investment strategy for the investment portfolio. Advice may be provided on the initiative of the Bank or on request from the Ministry,” “Management Mandate,” chap. 1 (1).

New proposals its fixed income holdings, NBIM does note that exclusions from the investment universe can be “established in the exceptional cases where the Ministry has barred such investments based on particularly large-scale UN sanctions or other international initiatives of a particularly large scale that are aimed at a specific country and where Norway supports the initiatives” (www.nbim.no/en/the-fund/governance-model/management-mandate). Similarly, with respect to “its management of the unlisted real estate portfolio, the Bank shall, within the environmental field, consider, among other matters, energy efficiency, water consumption and waste management” “Management Mandate,” chap. 2, section 2(5).

Indexing is the process whereby a “portfolio [is] constructed to match or track the components of a market index, such as the Standard & Poor’s 500 Index (S&P 500)” (Investopedia, www.investopedia.com/terms/i/indexfund.asp).

Managing environmental, social and governance risks in the portfolio is an important aspect of safeguarding our investments” (Responsible Investment Government Pension Fund Global/2016, p. 13).

A representative sampling of rationales for this risk-based divestment appears in the 2016 report (ibid., pp. 80–81). Under the heading of “social and governance” the chart shows that in 2016 divestments 15 companies were excluded from the Fund on these grounds, 2 relating to “human rights issues in the seafood industry,” 10 for “social and governance issues in the mining and metals industry,” and 3 for corruption. Similar numbers (but without further differentiation within the category of “social and governance”) are listed for the years 2015 and 2014. In the short discussion that follows we learn that the “social issues” (in distinction from “corruption”) which can entail divestment include “health and safety, child labor and corruption” (p. 83). This is one of the few passages in the 2016 report that provides content to the “social issues” category.
positive contribution of the conduct-based exclusions, primarily the environmentally based exclusions of mining companies. In the same report it is further observed that “[t]he other exclusion criteria have had only a minor effect on the return on the benchmark index” (ibid., p. 18).

27 Ibid., “Where we have substantial investments in a company, dialogue may be a more suitable approach than divestment. Generally, we have better analytical coverage of, and contact with, our largest investments” (ibid., p. 76).

28 www.regjeringen.no/contentassets/7c9a36a4-3d07-11e6-8716-a4a71e8140b0 and www.nbim.no/en/transparency/news-list/2016/decision-on-exclusion-of-companies-from-the-government-pension-fund-global/.

29 In 2016 a coal product criterion was added by the Finance Ministry. Unlike the other product-based criteria, the coal criterion is based on a proportional measure. Any firm that derives 30 percent or more of their revenue from thermal coal, or base more than 30 percent of their operations on thermal coal, will be placed on observation or excluded from the Fund.


31 www.ft.com/content/3e3de5a9-3d19-11e6-8716-a4a71e8140b0 and www.nbim.no/en/transparency/news-list/2016/decision-on-exclusion-of-companies-from-the-government-pension-fund-global/.

32 A representative of Kosmos has told us that the Council’s rationale for excluding the firm, rather than placing it on observation, was that Kosmos represents too small an investment for NBIM to spend resources on verifying its progress toward compliance. But this account is contested by the member of the Council with whom we spoke. Kosmos has since withdrawn from exploratory drilling off the coast of Western Sahara (https://wsrw.org/a105x4080); this decision was made, we were told, because the fields in question are considered unprofitable to develop.


35 http://norfund.no.

36 In the frequent repetitions this phrase, the expected “for Norwegians” does not appear. It is understood, however, given the Fund’s official name, that its main purpose is to cover future pension liabilities for Norwegians, especially in view of the period, about 60 years ahead, when the oil/gas reserves run out.

37 To assure its independence from purely financial considerations (impact on the Fund’s rate of return), the Council on Ethics was originally set up as a unit of the Finance Ministry apart from NBIM. More recently, however, to increase the sharing of research findings (which are highly relevant to NBIM’s financial risk analysis), and to aide in NBIM’s engagement with corporations, from 2015 onwards the Council has been housed within NBIM, as a unit with a special autonomous status. As before, in making its divestment recommendations the Council is not directly answerable to guidance from NBIM’s leadership.


39 Ibid.

40 The original idea behind picking these focus areas, as seen by Henrik Syse, who was NBIM’s Head of Corporate Governance from 2005 to 2007, was to address issues of obvious ethical import, that are of long-term significance (given the inter-generational perspective of the Fund), and that also are financially significant to the fund’s holdings.

41 Ibid., p. 68.

42 Ibid., p. 25.

43 Ibid., p. 69.
44 Ibid., 69. These briefs are often written before the company reports, as most often it is a particularly troublesome incident that prompts a closer look at the company’s wider operations.


46 Ibid.


48 Ibid., p. 53.

49 Ibid., p. 41. No further breakdown of issues is supplied, thus the degree to which these meetings represent follow-up to the 2016 focus area assessments, or involve a wider set if social and environmental issues, is not disclosed.

50 Ibid., p. 41.

51 The 2016 report (ibid., pp. 54–55) relates that the ongoing dialogue with AngloGold Ashanti has two goals: tackling “the legacy of historical pollution stemming from mining in the Obuasi area” and adopting “generally accepted environmental standards” once the infrastructure has been modernized. NBIM notes that it has yet seen little “material progress” in this regard. We have learned from our interviews that the wider social impacts are not currently being monitored by NBIM, nor are they being taken up in its dialogue with the company.

52 Ibid., p. 44.

53 Ibid., p. 53.

54 This, we have been told, was the case for the human rights expectation document.

55 On a visit to PRIJO, NBIM’s chief executive officer, Yngve Slyngstad, was asked whether there is any indication that the expectation documents are being read by the target group (corporate board members). Admitting that this was the first time he had received the question, Slyngstad responded that he had received numerous letters attesting to the seriousness with which these reports had been read.


57 Ibid.


61 Ibid., pp. 18–20.
REFERENCES


Li, Victor. 2015. ‘Corporations have a role in promoting the rule of law’, *ABA Journal* 101(8): 67.


