MOBILIZING THE PRIVATE SECTOR FOR PEACE AND RECONCILIATION

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EXECUTIVE SUMMARY

The annual cost of conflict is a trillion dollars.[1]

This seemingly hyperbolic statement reflects figures calculated by the Institute of Economics and Peace in 2017, which have since risen.[2] Indeed, war brings about challenges to business operations and profitability, whilst elusive political stability causes hesitancy on the part of potential investors. It is undeniable that regardless of the objective financial cost of conflict, business success, economic prosperity and peace are highly interconnected. In turn, academics have given substantial recognition to the potential contributions of the private sector to peacebuilding. Activity from actors such as Barlow Rand Ltd and the Consultative Business Movement (CBM) who operated in apartheid South Africa, have become novel examples.

Leading private sector actors are also increasingly intentional in their contributions to immediate and long-term peace. For instance, the CEO of the American food company Chobani formed the Tent Partnership for Refugees, which has brought over 100 businesses together to use their competencies for the benefit of refugees, many of whom have been displaced due to conflict.[3] Various investors and philanthropies have begun to expect that companies report on their achievements related to the Sustainable Development Goal (SDG) 17.[4]

Activities from the private sector in peacebuilding with different degrees of success produce data, which when observed, can generate lessons about their existing and potential roles in peace processes. As international organizations and governments test and improve models for collaboration with the private sector, successful past initiatives and partnerships with the private sector for peace, as well as its limitations must be considered. This report therefore addresses the following question: *Based on previous involvements of the private sector in peacebuilding, which of its activities can contribute positively to peacebuilding and what lessons can be applied to future interventions?*

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[1] Foran, interview.
[2] The amount was calculated at $1.02 trillion in 2017.
[3] 'Our Members - Tent Partnership for Refugees', Tent, accessed 20 February 2020, https://www.tent.org/members/; 'Our Team', Tent, accessed 20 February 2020, https://www.tent.org/about/our-team/.
[4] Sustainable Development Goal 17 - Partnerships for the Goals.

The body of this report begins with a Literature Review, which surveys scholarly work on the links between private sector activity and peacebuilding. Aspects covered are motivations for private sector actors to get involved in peacebuilding, concrete ways through which they can contribute, advantages that private sector involvement can bring to peacebuilding processes, as well as limitations of private sector involvement. Overall, most scholars on this topic hold that private sector involvement is not a panacea for peacebuilding challenges, nor does it necessarily constitute an obstacle to peacebuilding. Instead, there is an emerging trend to recognize possible contributions of private sector actors, while taking its limitations into account.

Following the Literature Review is the Case Studies section. It explores peacebuilding activities conducted by private sector actors within conflicts in Kenya, Sri Lanka, Nepal, El Salvador, Northern Ireland and Somalia. This case selection presents a wide breadth of private sector motivations, contributions and progressions undertaken amidst different political and socioeconomic variables. For instance, the case from Sri Lanka details private sector engagement during a civil war whilst the case from El Salvador explores private sector contributions during peace negotiations. The case in Kenya explores private sector responses to future violence whilst actors in Northern Ireland began their actions two decades into the conflict. Actors in Nepal and Somalia both brought attention to the economic injustice surrounding them. In Nepal, business actors employed strikes while in Somalia turned to incremental, operational activities. These cases provide qualitative evidence of what has been possible and indications of what remains underexplored in contemporary peacebuilding.

Interviews were conducted with academics as well as development and peacebuilding practitioners to inform a Thematic Analysis of the incentives, roles and limitations surrounding the mobilization of private sector actors for peacebuilding. The analysis produces an analytical framework which recognizes the contributions of the private sector as fluid, of differing prevalence and urgency. This is diagrammatically presented in the Contributions Pyramid and accounts for different levels of sensitivity to conflict displayed by private sector actors. There is also an expanding range of options available to private sector actors. When adopting a conflict-sensitive lens, positive peace can be pursued through standard business practices such as the provision of basic services, principled job creation, and contributions to the economic development of a region. Standard practices with a conflict-sensitive lens form the foundation

and bulk of peace positive and sustainable engagements from the private sector, but under specific conditions these can be augmented by externally targeted and proactive steps. Through the latter, businesses can influence peace talks and help create multilateral policies with governments for the post-conflict economic environment.
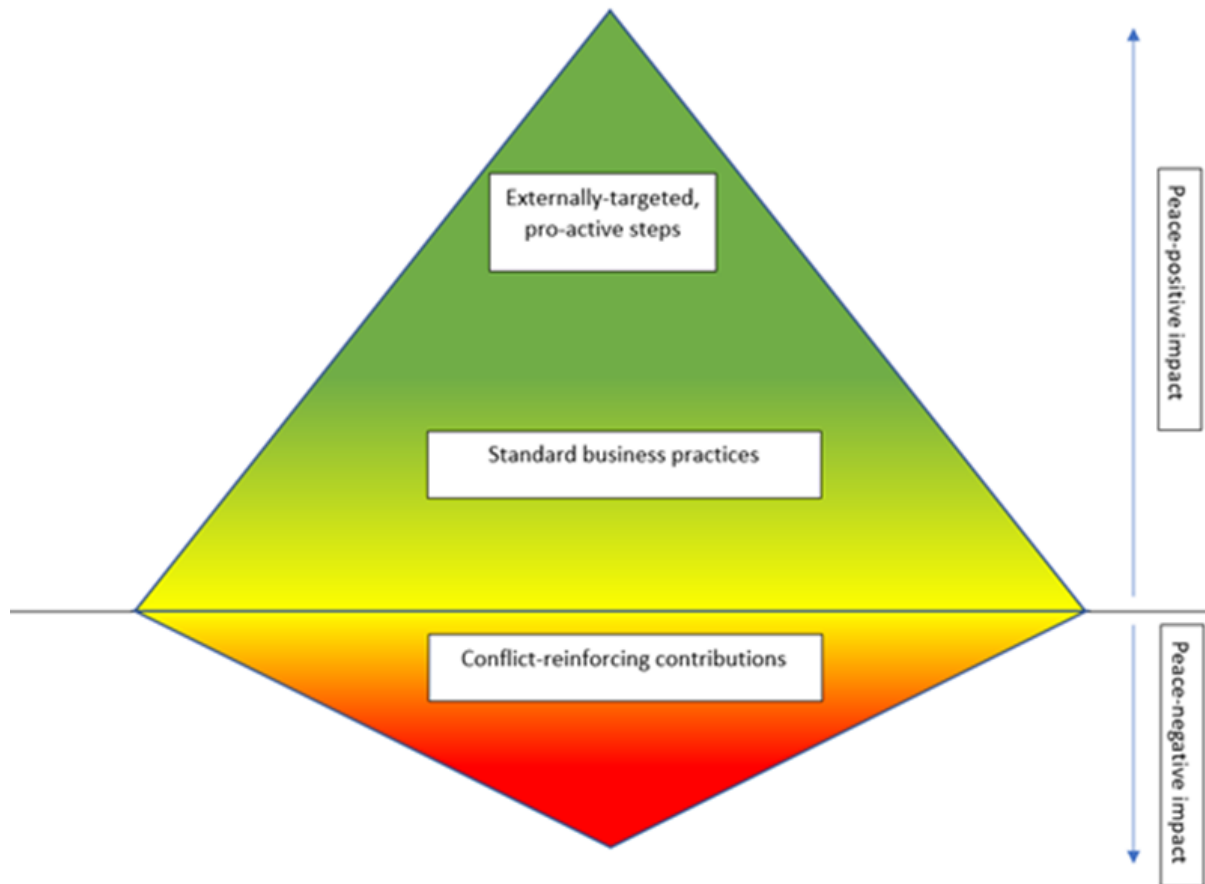
Despite the market opportunities generated by peace for most businesses in the long-term, the private sector is often reluctant to contribute to peacebuilding. It typically contributes once the costs of war directly impact business operations. This reluctance is partly explained by the fact that many private sector actors, whose core purpose is to generate profit, do not regard peacebuilding as their mandate or responsibility. Moreover, many businesses find ways to continue operations in conflict environments, in the absence of added incentives or professional guidance on how to operate with a conflict-sensitive lens.

Whereby businesses have sufficiently large incentives to get involved in peacebuilding, the types of contributions they can make largely depend on the characteristics of and relations among the businesses. Overall, due to a lack of alternative sources of income and dependence on the environments in which they operate, local businesses and subsidiaries of multinational

corporations are highly incentivized to contribute. Small businesses provide a platform for incremental grassroots contributions, national and international brands can help bolster FDI inflows, whilst alliances provide a vehicle for public participation and national political engagements. The impact businesses can have on peacebuilding processes further depends on their internal structures as well as the initiative and influence of internal stakeholders.

Based on the Thematic Analysis, this report presents the following policy recommendations for the private sector, public sector, and peacebuilding and development institutions:

1. Businesses should adopt a conflict-sensitive lens to their operations to achieve peace-positive impacts.
2. Businesses should view value creation for society as a higher business purpose.
3. Businesses, if highly invested in fostering peace, should consider politically organizing into an alliance.
4. The public sector should become more comfortable working with the private sector on a long-term and sustained basis, not simply around particular projects or interventions.
5. (Legitimate) governments and development practitioners should lead and enable private sector engagement in peacebuilding, seeking their business-perspective early on.
6. The public sector should not disengage from cooperation with private sector actors based on the primary interest of businesses to make a profit.

"I believe that it is part of building good sustainable businesses to help establish safe, secure, stable and peaceful societies. Business thrives where society thrives."

- Chairman Peter Sutherland
British Petroleum; Goldman Sachs[5]

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[5] Quoted in Nelson, 'The Business of Peace', p. 26.

ACKNOWLEDGEMENTS

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LIST OF ACRONYMS

ANEP	Asociación Nacional de la Empresa Privada, El Salvador
ARENA	Alianza Republicana Nacionalista
BPA	Business for Peace Alliance
CBI	Confederation of British Industry, Northern Ireland
CBM	Consultative Business Movement, South Africa
CODESA	Convention for a Democratic South Africa
CPA	Comprehensive Peace Accord, Nepal
CPN-M	Communist Party of Nepal (Maoist)
CSR	Corporate Social Responsibility
FDI	Foreign Direct Investment
FMLN	Farabundo Marti para la Liberacion Nacional, El Salvador
FUSADES	Fundación Salvadoreña para el Desarrollo
GAM	Free Aceh Movement, Indonesia
GDP	Gross Domestic Product
GoS/Go7	Group of Seven, Northern Ireland
IDP	Internally Displaced Person
IRA	Irish Republican Army
KANU	Kenya Africa National Union
KEPSA	Kenya Private Sector Alliance
LTTE	Liberation Tigers of Tamil Eelam, Sri Lanka
NBI	National Business Initiative, Nepal
NGO	Non-Governmental Organization
ODM	Orange Democratic Movement
SLF	Sri Lanka First
TFG	Transitional Federal Government, Somalia
TNG	Transitional National Government, Somalia
UNDP	United Nations Development Program
WEF	World Economic Forum

INTRODUCTION

The Consultative Business Movement (CBM) was created in 1988 by leading academics and over forty business figures in South Africa. Like many around them, they recognized that apartheid posed a hindrance to the successful expansion of their operations. By establishing relations with political, religious and labor leaders, the CBM facilitated contact and helped mobilize support for the signing of the National Peace Accord in 1991. The CBM went on to provide support for the Convention for a Democratic South Africa (CODESA), by lending its facilities and assets to the negotiation process and pressuring the political parties to reach an expedited agreement. CODESA ended apartheid in South Africa and was the start of the transition to democracy. The CBM further supported the democratic development of South Africa by running a campaign on the importance of free and fair elections and organizing logistics around elections and voting. The CBM played a substantial role in encouraging the creation of a peace agreement and later in the establishment of an apartheid-free democratic South Africa. The sizable reconciliation of the social class in South Africa allowed for the expansion of the market economies and a boost in economic growth.[6]

The scholarly community has paid increasing attention to the role of the private sector in peacebuilding and reconciliation.[7] Activities from actors such as the CBM have become novel examples of success, whilst instances whereby the private sector has produced negative or negligible impacts have revealed its limitations in influencing peace processes. The activities of the private sector in conflict contexts create a potential roadmap on how multi-stakeholder approaches to peacebuilding, which include private sector actors, can be fruitfully developed.

Private sector actors can support peacebuilding in varying scales and during different stages of conflict. For instance, private sector actors in extractive industries have developed rigorous consultation protocols to minimize inherent contentions which may arise with local communities.[8] A telecommunications company in Kenya worked to limit text messages inciting

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[6] Brian Ganson, 'Business in the Transition to Democracy in South Africa: Historical and Contemporary Perspectives', *CDA Collaborative Learning Projects*, March 2017, 14; Nick Killick, VS Srikantha, and Canan Gündüz, "The Role of Local Business in Peacebuilding," 2005, 23; Rosemary Nel and Christo Grealy, 'The Consultative Business Movement', *Indicator South Africa* 6, no. 1_2 (1 January 1989): 105-8.

[7] Igor Abramov, 'Building Peace in Fragile States – Building Trust Is Essential for Effective Public-Private Partnerships', *Journal of Business Ethics* 89, no. 1 (2009): 481-94, https://doi.org/10.1007/s10551-010-0402-8; Salil Tripathi and Canan Gündüz, 'A Role for the Private Sector in Peace Processes? Examples, and Implications for Third-Party Mediation' (The OSLO forum Network of Mediators, 2008).

[8] 'Extractive Industries Transparency Initiative', Extractive Industries Transparency Initiative, 2019, https://eiti.org/; Lisa J Laplante and Suzanne A Spears, 'Out of the Conflict Zone: The Case for Community Consent Processes in the Extractive Sector', *Yale Human Rights and Development Law Journal* 11, no. 1 (2008): 49.

civilians to war in the early stages of widespread conflict.[9] The infrastructure industry has traditionally been employed for post-conflict reconstruction once the ink dries on peace agreements.[10] Meanwhile, private sector actors across the board have adopted internal practices conducive to peacebuilding, as well as incorporated a conflict-sensitive lens into corporate standards and policies within many of their operations.[11] In many contexts, private sector actors recognize the cruciality of peace for business prosperity.[12]

Given the increased attention to the role of the private sector in peace and the growing recognition of their contributions, it is worthwhile to explore why private sector engagement is needed in peace and reconciliation, the benefits the private sector can bring to the peace process, and how the private sector can be effectively mobilized in support.

For an effective exploration of these topics, it is important to define the private sector as it will be referred to throughout this report. The *private sector* is the "part of the economy that is controlled by private individuals or groups rather than the state and is typically organized and run for profit".[13] The private sector also includes companies and business associations - both local and transnational. While the private sector excludes organizations working in the public sphere, foundations which were established by corporate entities also fall within the scope of this report. For simplicity, however, the terms *private sector actor* and *business* shall be used interchangeably throughout this report.

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[9] Jonathan Luke Austin and Achim Wennmann, 'Business Engagement in Violence Prevention and Peace-Building: The Case of Kenya', *Conflict, Security & Development* 17, no. 6 (2017): 451-72, https://doi.org/10.1080/14678802.2017.1401840.

[10] Jan Bachmann and Peer Schouten, 'Concrete Approaches to Peace: Infrastructure as Peacebuilding', *International Affairs* 94, no. 2 (2018): 381-98, https://doi.org/10.1093/ia/iix237.

[11] Timothy L. Fort and Cindy A. Schipani, *The Role of Business in Fostering Peaceful Societies* (Cambridge: Cambridge University Press, 2009), https://doi.org/10.1017/CBO9780511488634; Jennifer Oetzel et al., 'Business and Peace: Sketching the Terrain', *Journal of Business Ethics* 89 (2009): 351-73.

[12] Tripathi and Gündüz, 'A Role for the Private Sector in Peace Processes? Examples, and Implications for Third-Party Mediation'.

[13] Jan Joel Andersson, Tobias Evers, and Gunnar Sjöstedt, *Private Sector Actors & Peacebuilding: A Framework for Analysis* (Stockholm: The Swedish Institute of International Affairs : International Council of Swedish Industry, 2011), 13.

Additionally, it is important to define peace. As there are many definitions for peace, its definition as used in this report, impacts how the potential contributions of the private sector are viewed. *Peace,* as referred to herein, encompasses negative peace, which is the absence of violence, conflict and repression. It additionally includes positive peace, which are the institutions, structures, and attitudes, which when strengthened, lead to inclusive and prosperous societies.[14] This view of both the negative and positive sides of peace, opens the possibility to consider a wider variety of contributions by private sector actors. Herein, *peacebuilding* shall refer to activities undertaken to achieve negative peace such as CBM's role in facilitating the National Peace Accord in South Africa. More broadly, peacebuilding will also include the activities taken to achieve positive peace, also seen in the CBM's role in supporting the country's first democratic elections.

Through a literature review, case studies, and interviews, this report will explore why private sector engagement is needed in peacebuilding and reconciliation, the benefits the private sector can bring to the peace process, and how the private sector can be effectively mobilized in support. Through this, the research objectives of identifying replicable private sector peacebuilding contributions for the future and increasing the knowledge base available to public and private sectors of their potential role in their effective engagement in peacebuilding, can be achieved.

To guide the examination of the role of the private sector in peace, the following research question was identified: **Based on previous involvements of the private sector in peacebuilding, which of its activities can contribute positively to peacebuilding, and what lessons can be generated for future interventions?**

Four secondary questions are addressed implicitly or explicitly:
1) What are the benefits of private sector's involvement in peacebuilding?
2) What conditions limit or enable the private sector's engagement in peacebuilding?
3) What impact do the industry and type of business have on private sector actors' contributions to peacebuilding?
4) How can other stakeholders in peacebuilding such as governments and international organizations effectively mobilize private sector actors?

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[14] Johan Galtung, "Violence, Peace, and Peace Research," *Journal of Peace Research* 6, no. 3 (1969): 167-91, www.jstor.org/stable/422690.

After some elaboration on the Research Design and Methodology, the report begins with an examination of existing literature on the involvement of private sector actors in peacebuilding and reconciliation. This is followed by an examination of Case Studies and a Thematic Analysis of the report's key questions, supplemented by interviews and additional literature. To end, Conclusions on the contribution of the private sector to peacebuilding will be made, followed by Policy Recommendations.

RESEARCH DESIGN AND METHODOLOGY

Desk research and interviews were the predominant methods for data collection. The desk research explored published academic works to present contemporary perspectives on how the private sector and peacebuilding efforts have intersected and could intersect. It included both general and case-specific research.

All cases were selected based on three overarching criteria. First, each conflict is contained within the boundaries of one state. This was to limit the number of variables that could influence whether a private sector actor's actions were successful in fostering peace. Second, all conflicts occurred within the last fifty years. Limiting the historical time frame created a high possibility that the lessons learned can be applied successfully in the near future. Third, no two cases were selected from the same country, facilitating the coverage of different regions.

The final six cases also subscribed to the following guidelines, which were not mutually exclusive:

- At least one case involved intervention by private sector actors in infrastructure.
- At least one case involved intervention from private sector actors in telecommunications or digital communications.
- The conflicts in which private sector actors were active were of varied lengths. The following time spans were covered: less than 5 years, 5 - 10 years and lasting more than 10 years.
- One conflict occurred circa 2010.
- One conflict was ongoing.[15] This and the former criterion allowed us to trace the newest trends and needs in private sector peacebuilding activities.
- Two cases were of intervention from a private sector association or collective.
- No more than two conflicts ended while in the early stages of conflict development.

While the cases demonstrated multiple instances of private sector contributions within different geographical and temporal contexts, they also served as a basis for a wider discussion on the

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[15] Ongoing as of September 2019.

report's primary and secondary questions. This discussion was based on a series of semi-structured interviews conducted with academics and representatives of organizations collaborating with private sector actors.

Nineteen interviewees participated and they were selected by various means. For one, authors, organizations and individuals cited within publications explored during desk research were contacted. Peacebuilding organizations with demonstrated history or research regarding how they might partner with the private sector were also targeted. Additionally, various individuals from within the WEF were identified or referred by interviewees. Indeed, the snow-balling method became increasingly prominent during the interview phase of research. The final list of interviewees is presented in the Appendix.

The research sub-questions served as the guiding framework for the interviews. A master list of questions was established and regularly updated, from which a brief list was pre-selected and tailored to each interviewee's expertise.[16] Each customized list was further built during the interviews, based on respondents' answers. Interviews were conducted via telephone, Skype or in-person and fluctuated between one-on-one and two-on-two interviews.

Through both interviews and ongoing case research, recurring themes and considerations for private sector involvement in peacebuilding were observed. These were used to establish the analytical framework of the Thematic Analysis. Data from interviews, desk research on the Case Studies, and additional data from the Literature Review phase were weaved together to provide salient analysis of each dimension identified for the Thematic Analysis. These dimensions addressed the report's research questions, stated above.

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[16] October interviews did not elicit enough content for secondary research question 4. The master list of questions has been expanded to address this for the November interviews.
Questions were generally open-ended and non-leading. Specific perspectives or models for private sector contribution sometimes preceded a question to the interviewee about what their own perspective on such propositions is presently.

LITERATURE REVIEW

Until the mid-1990s, attention was first and foremost given to state actors and few scholarly works were written on the potential contributions of private sector actors to peacebuilding.[17] Since the rise of multinational corporations (MNCs) and the advancement of economic globalization, however, scholars started paying greater attention to the roles that can be played by the private sector.[18] After all, private sector actors are increasingly likely to operate on a global scale, and oftentimes in areas where violent conflict takes place.[19] Countries experiencing or recovering from conflict often face challenges related to economic and infrastructure development, political stability, governance and reconciliation. Private sector actors can contribute to the alleviation of these problems, in addition to creating new opportunities for the sustainment of peace.[20]

As argued by Berdal and Mousavizadeh, two radical viewpoints on the link between the private sector and peacebuilding have traditionally dominated scholarly literature.[21] One view held by market fundamentalists was that society's ills, including (post-)conflict instability, could be exclusively remedied using market-based solutions. A private sector operating under neo-liberal conditions was necessary for peace. The other view held that the private sector has no role to play in peacebuilding as its need for immediate profits and markets cause it to reinforce conflict economies.[22] The scholarship set between these two extremes, however, is what holds the most promise.

Academic works which occupy the middle ground examine the positive contributions available while taking limitations in desirability and practicality into account. During war, many businesses face heightened security costs, suspension of production, destruction of

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[17] Derek Sweetman, *Business, Conflict Resolution and Peacebuilding: Contributions from the Private Sector to Address Violent Conflict*, Routledge Studies in Peace and Conflict Resolution (London; New York: Routledge, 2009), http://data.rero.ch/01-R005474980/html?view=GE_V1.

[18] Allan Gerson, 'The Private Sector and Peace', *The Brown Journal of World Affairs* 7, no. 2 (2000): 141–45; Sweetman, *Business, Conflict Resolution and Peacebuilding*; Oliver F Williams, *Peace Through Commerce: Responsible Corporate Citizenship and the Ideals of the United Nations Global Compact* (Notre Dame IN: University of Notre Dame Press, 2008).

[19] Brian Ganson and Achim Wennmann, 'Business and Conflict in Fragile States', *Adelphi Series* 55, no. 1 (2015): 11–34, https://doi.org/10.1080/19445571.2015.1189153.

[20] Abramov, 'Building Peace in Fragile States – Building Trust Is Essential for Effective Public-Private Partnerships'.

[21] Berdal and Mousavizadeh, 'Investing for Peace'.

[22] Ibid.

infrastructure, displacement of workers, as well as the opportunity costs of lost potential investments.[23] Tripathi and Gündüz note that it is in the best interest of businesses to get involved in peacebuilding as soon as the costs of conflict rise to levels that can no longer be sustained in the long run. However, there are cases in which businesses benefit from conflict, disincentivizing them from supporting peacebuilding processes.[24] Furthermore, the political, financial and reputational risk for private sector actors is often weighed against the economic potential from operating in fragile regions. If the former outweighs the latter, private sector actors can be disincentivized from taking a stake in peacebuilding processes.[25] Generally, if an incentive for a business to get involved in peacebuilding is recognized, the nature of the intervention depends on a number of factors. Among these are:

- the location, causes of the conflict, stage of the conflict;
- the power and role of the stakeholders;
- the relationships between stakeholders;
- the type and size of industry;
- the industry's role in the conflict.[26]

There are numerous concrete ways through which private sector actors can contribute to peacebuilding. To begin, economic development and peace tend to reinforce each other.[27] By creating jobs and income opportunities, private sector actors can help mitigate socioeconomic inequalities and shift the stances of opposing parties to a conflict.[28] Additionally, Foreign Direct Investment (FDI) can help rebuild economies.[29] For example, during the final years of Mozambique's civil war, its government was deliberate in generating inflows into agriculture through sale of public organizations within that industry. The government recognized that

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[23] Jane Nelson, 'The Business of Peace' (The Prince of Wales Business Leaders Forum, 2000), https://www.international-alert.org/sites/default/files/publications/The%20Business%20of%20Peace.pdf; Subedi, '"Pro-Peace Entrepreneur" or "Conflict Profiteer"?'
[24] Tripathi and Gündüz, 'A Role for the Private Sector in Peace Processes? Examples, and Implications for Third-Party Mediation'.
[25] Berdal and Mousavizadeh, 'Investing for Peace'; Madavo, 'Do Private Sector Activities Support Peace or Conflict in Fragile States?'
[26] Sweetman, *Business, Conflict Resolution and Peacebuilding*.
[27] Oetzel et al., 'Business and Peace'; Madavo, 'Do Private Sector Activities Support Peace or Conflict in Fragile States?'; Stewart, "Root Causes Of Violent Conflict In Developing Countries," *BMJ: British Medical Journal* 324, no. 7333 (2002): 342-45.
[28] Berdal and Mousavizadeh, 'Investing for Peace'; Mary Porter Peschka and James J. Emery, 'The Role of the Private Sector in Fragile and Conflict-Affected States' (World Bank, 2011), https://doi.org/10.1596/27316; Subedi, '"Pro-Peace Entrepreneur" or "Conflict Profiteer"?'
[29] Madavo, 'Do Private Sector Activities Support Peace or Conflict in Fragile States?'

targeted FDI could increase rural employment, give small-scale farmers access to markets, and target underdeveloped regions.[30]

Furthermore, in situations where a government lacks the necessary means to provide essential services, the private sector can fill the gap and reduce tensions within the population. This could also help a weak government to regain the trust of the population. After all, "[c]oncrete dividends instill hope into people and give them a reason to buy into peace".[31] In Somalia, for instance, the provision of services by private sector actors had a positive impact on the country's economic and political stability.[32]

Additionally, involving the private sector can provide various advantages for the political aspects of peacebuilding.[33] Tripathi and Gündüz assert that due to their theoretically apolitical nature, businesses can act in situations where other actors – due to their positionalities within a conflict – cannot.[34] Private sector actors may also lobby for peace and serve as conduits between warring parties who would otherwise fail to converse. For instance, businessman Juha Christensen used his networks to orchestrate meetings between the Free Aceh Movement (GAM) and representatives of the Indonesian government. He also guided mediation processes between these warring groups.[35] The CBM in South Africa contributed many of its company offices, conference centers and secretarial staff to the peace processes in apartheid South Africa.[36] Furthermore, in consideration of their functions as employers and providers of goods and services, corporations may benefit from credibility among the communities in which they operate, which they can leverage for their peacebuilding endeavors.[37]

Nevertheless, private sector actors complement the efforts of other actors in peacebuilding and do not act in isolation. They often engage in multi-stakeholder dialogues and enter into public-

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[30] 'Best Practices in Investment for Development: How Post-Conflict Countries Can Attract and Benefit from FDI: Lessons from Croatia and Mozambique', Investment Advisory Series (United Nations Conference on Trade and Development, 2010), https://unctad.org/en/Docs/diaepcb200915_en.pdf.

[31] Peschka and Emery, 'The Role of the Private Sector in Fragile and Conflict-Affected States', 10.

[32] Cassanelli, 'Private Sector Peacemaking: Business and Reconstruction in Somalia'; Yusuf, 'Somali Enterprises: Making Peace Their Business'.

[33] Juliette Bennett, 'Multinational Corporations, Social Responsibility and Conflict', *Journal of International Affairs* 55, no. 2 (2002): 393–410.

[34] Tripathi and Gündüz, 'A Role for the Private Sector in Peace Processes? Examples, and Implications for Third-Party Mediation'.

[35] *Money Makers as Peace Makers? Business Actors in Mediation Processes*, Working Paper / Swisspeace (Bern: Swisspeace, 2010), 21–24, http://data.rero.ch/01-R005737618/html?view=GE_V1.

[36] Ibid.

[37] Fort and Schipani, *The Role of Business in Fostering Peaceful Societies*.

private partnerships with the government and broader public sector.[38] Notwithstanding the advantages discussed above, business approaches to peacebuilding can have their weaknesses. The private sector is a heterogeneous constituency with diverse needs and interests, entailing that any added value from its involvement in peacebuilding is highly dependent on the specific context, and the actor's relationship to that context.[39] The inclusion of the private sector does not constitute a panacea for conflict, nor should its influence, as compared to other peace stakeholders, be overestimated.[40] Despite the various contributions that private sector actors can make and have made to peacebuilding, there are documented examples of businesses contributing to the perpetuation of violent conflict.[41] Private sector actors can create sources of grievance and exacerbate conflict by increasing vertical and horizontal inequalities, when operating without consistent conflict-sensitivity.[42]

Businesses have increasingly integrated a peace and conflict lens into their operations by developing and adopting corporate standards and policies, which address business responsibility towards creating positive peace. "Led by the integration of health, safety and environmental issues into the management of core business activities, a growing number of companies are starting to address wider social issues, including human rights, in the way they run their day-to-day business operations."[43] These measures often fall under the corporate social responsibility (CSR) frameworks of companies, which have gained increasing traction since CSR norms began developing in the 1970s. Although conflict dimensions were not among its initial components, they have been given increasing attention since the 1990s.[44] One framework often adopted by businesses in conflict settings is the UN Global Compact, that provides guidance on responsible operations within conflict-affected locations.[45] Such documents and CSR norms can push forward-thinking businesses away from a profit-making

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[38] Bennett, 'Multinational Corporations, Social Responsibility and Conflict'; Subedi, '"Pro-Peace Entrepreneur" or "Conflict Profiteer"?'; Tripathi and Gündüz, 'A Role for the Private Sector in Peace Processes? Examples, and Implications for Third-Party Mediation'; Madavo, 'Do Private Sector Activities Support Peace or Conflict in Fragile States?'

[39] Subedi, '"Pro-Peace Entrepreneur" or "Conflict Profiteer"?'

[40] John Micklethwait, *The Company: A Short History of a Revolutionary Idea*, Pbk. ed., Non-Fiction/History (London: Phoenix: Orion Books, 2005), http://data.rero.ch/01-R008081191/html?view=GE_V1; Sweetman, *Business, Conflict Resolution and Peacebuilding*.

[41] Berdal and Mousavizadeh, 'Investing for Peace'.

[42] Madavo, 'Do Private Sector Activities Support Peace or Conflict in Fragile States?'

[43] Oetzel et al., 'Business and Peace'.

[44] Sweetman, *Business, Conflict Resolution and Peacebuilding*; Fort and Schipani, *The Role of Business in Fostering Peaceful Societies*.

[45] 'Guidance on Responsible Business in Conflict-Affected and High-Risk Areas' (New York: United Nations Global Compact, 2010), 2, https://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/Guidance_RB.pdf.

mindset to viewing the wider contributions and internal adjustments that businesses can make towards positive peace.

Further contributions that the private sector can make towards creating positive peace include obeying the rule of law, contributing to the fight against corruption, and pursuing philanthropic activities to aid victims of conflict.[46] Businesses can also support vocational training for conflict-affected communities and provide jobs to conflict-victim families, former combatants as well as internally displaced persons (IDPs).[47]

All in all, despite the possibility for private sector actors to contribute to the exacerbation of conflicts, when viewing both the positive and negative sides of peace, there are a wide array of contributions that the private sector can make towards creating sustainable peace. This is further supported by a historical examples of private sector engagement in peacebuilding, highlighted through the table below and examined in-depth within the upcoming sections.

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[46] Melin, 'Business, Peace, and World Politics'; Oetzel et al., 'Business and Peace'.
[47] Subedi, '"Pro-Peace Entrepreneur" or "Conflict Profiteer"?'

Historical Examples of Private Sector Contributions to Peacebuilding

Private Sector Actors	Industry	Country	Year(s)	Contribution to Peace
Mitsubishi Corporation Teck-Cominco Limited BHP Billiton Plc Xstrata	Extractive	Peru	1998-Present	• consulted local communities over mining plans[48] • established a Foundation to invest in the community with projects[49]
La Frutera Inc. Paglas Corporation	Agriculture	Philippines	Late 1990s	• established a banana plantation in a marginalized area for Christians and Muslims, to create jobs and promote religious tolerance[50]
Lonrho	Extractive	Mozambique	1990s	• socialized with representatives of the warring RENAMO and FRELIMO groups[51] • provided jet transport for RENAMO to go a negotiating table in Rome and financed their participation in the talk[52]
National Association of Industries (ANDI) Individual businesses	Various industries	Colombia	1980s-ongoing	• participated in public protests against the conflict[53] • lobbied for settling the conflict by peaceful means

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[48] Laplante and Spears, 'Out of the Conflict Zone: The Case for Community Consent Processes in the Extractive Sector'.

[49] Ibid.

[50] Williams, *Peace Through Commerce*.

[51] Tripathi and Gündüz, 'A Role for the Private Sector in Peace Processes? Examples, and Implications for Third-Party Mediation'.

[52] Tripathi and Gündüz, 'A Role for the Private Sector in Peace Processes? Examples, and Implications for Third-Party Mediation'.

[53] Ibid.

CASE STUDIES

This section briefly presents motivations and the progression of peacebuilding activities executed by select private sector actors in recent conflict settings. The six case presentations each begin with an outline of the political and socioeconomic contexts that informed the timing and substance of the private sector's interventions. The contributions of the private sector on the whole or via specific entities are then expounded.

While the cases took place in six different countries, the strength of the selection is its ability to showcase the wide breadth of private sector involvement in contemporary peacebuilding. For instance, the case from Sri Lanka details private sector engagement during a civil war whilst the case from El Salvador explores private sector contributions during peace negotiations. The case in Kenya explores private sector responses to future violence whilst actors in Northern Ireland began their actions two decades into the conflict. Actors in Nepal and Somalia both brought attention to the economic injustice surrounding them. In Nepal, business actors employed strikes while in Somalia turned to incremental, operational activities.

This section also facilitates an informed reading of the subsequent Thematic Analysis, which frequently refers back to the six cases.

KEPSA Against Electoral Violence, Kenya

The case from Kenya showcases a private sector's response to an expected episode of widespread violence, four to five years into the future. KEPSA, an existing alliance within the private sector, used its social networks and expertise to create a three-phase campaign from 2012 to 2013. Their small-scale, replicated activities such as lobbying and hosting sports events, targeted segments of society which were the most influential or vulnerable during election cycles. Meanwhile, their extensive media campaign and presidential debate targeted the entire Kenyan population. The telecommunications giant, Safaricom, took a lead role in implementing several of these activities. All of KEPSA's actions were aimed at fostering national unity and contributed to a relatively peaceful election in 2013.

Following a contentious general election in 2007, widespread violence erupted in Kenya. Although electoral violence was not a new phenomenon, the response of the private sector in de-escalating tensions and preventing its reoccurrence was novel. From 1978, President Daniel arap Moi "maintained a stranglehold on political power for close to 25 years, presiding over the disintegration of the country's economy and infrastructure, fueling ethnic tensions through political manipulation, and allowing a culture of corruption and patronage to become deeply entrenched in the political arena."[54] Widespread claims of election rigging incited violent responses to his re-elections in 1992 and 1997. The subsequent general elections, however, ushered in a new ruling party with the election of Mwai Kibaki.[55]

Kibaki would later defeat the Orange Democratic Movement (ODM) candidate, Raila Odinga, in 2007. The close-run election was contested by ODM and it raised charges of vote rigging against Kibaki. The declaration from the Electoral Commission of Kenya that Kibaki had won the election sparked widespread protests, which quickly turned violent. It is estimated that 1,300 people were killed, and several thousands of others were injured and displaced as a result.[56]

Beyond the high cost in human lives, the violence in Kenya took an immense toll on the economy. According to the World Bank, Kenya's GDP growth fell from 7% in 2007 to .02% in

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[54] "Background on the Post-Election Crisis in Kenya," accessed October 26, 2019, https://www.csis.org/blogs/smart-global-health/background-post-election-crisis-kenya.
[55] Daniel arap Moi belonged to the political party, Kenya African National Union (KANU), while Mwai Kibaki belonged to the National Rainbow Coalition.
[56] Kenya CIA World Factbook, updated on June 20, 2018, International Crisis Group: "Kenya's 2013 elections" (Jan. 17, 2013).

2008.[57] FDI into the state plummeted from $729 million in 2007 to $96 million in 2008.[58] The damage to the country's most profitable industries was also heavy. The Kenyan flower sector, which was a major source of employment for low-skilled workers and women, experienced a 24% decline in exports in 2008. Flower firms in conflict areas experienced a drop as high as 38%. Meanwhile, the tea industry faced approximately $2 million in daily losses. Many tea estates along with their personnel, machinery and warehouses became targets for post-election violence. The tourism industry experienced an estimated 32% drop in revenue by the beginning of 2008 and over 140,000 jobs were lost by March of that year.[59] These effects upon business operations and economic outputs incentivized strong involvement from the private sector in ensuring upcoming elections would be peaceful.

The sector's perception of these costs as long-term threats proved to be an important guiding factor for their proactive engagement. In the lead up to the 2013 general elections, business leaders from the Kenyan Private Sector Alliance (KEPSA) were proactive in mobilizing the country for peace. In explaining their rationale for engaging in peacebuilding efforts, KEPSA stated that "it was no longer a 'wait and see' after the experiences of 2008 and most of the last few elections that led to loss of life and property. The frequent investment 'stop-starts' after every political disruption always results in loss of development momentum, business contraction, postponed investments, wasted resources and above all loss of national esteem and diminished international standing."[60] The business communities in Kenya could not afford to experience another cycle of electoral violence.

Founded in 2003, KEPSA's original mandate was to "bring together the business community in a single voice to engage and influence public policy for an enabling business environment."[61] Following the violence in 2007/8, KEPSA proactively engaged with several of the issues around the general election. Some of their members at the time of the violence included the Kenya Flower Council, the Media Owners Association, Safaricom, Coca-Cola and the Kenya Bankers Association.

[57] World Bank, 2016. Kenya Economic Update: kazi ni kazi – Informal Should Not Be. World Bank, Nairobi.
[58] Owuor and Wisor, 'The Role of Kenya's Private Sector in Peacebuilding'.
[59] George and Pratt, *Case Studies in Crisis Communication*.
[60] "Mkenya Diama Project Report January 2012- April 2013." *Mkenya Diama Project Report January 2012- April 2013*. Nairobi, Kenya, n.d.
[61] "Our History." KEPSA. Accessed December 2, 2019. https://kepsa.or.ke/our-history/.

KEPSA first formed an ad-hoc committee, which allowed them to leverage their influence and technical skills for peace. Due to the strong relationships made by business figures with key political actors prior to 2007, business leaders privately lobbied politicians, religious leaders and youth group leaders, to commit to peaceful elections and to tackle the root causes of poverty in the country.

In 2012, KEPSA launched Phase I of the "Mkenya Daima" campaign. The campaign, which translates to "My Kenya Forever", was a three-phase public communication endeavor aimed at avoiding recurrence of the previous electoral violence.[62] Phase I of the campaign involved garnering additional external support for the initiative through meetings with parliamentarians, interfaith groups, and development partners, on how to best implement the campaign. Phase I also included a media rollout of the campaign onto television, radio, social media and print. Additionally, regions which were hot spots for past episodes of electoral violence were targeted for grassroots community forums and sports events that spread Mkenya Daima messages. Phase II included training representatives from youth and women groups as peace ambassadors, holding national conferences about peaceful elections in all counties in Kenya, and continuing public sensitization via the media. The final phase scaled up the campaign's messages of peace through dissemination of op-ed articles, concerts, peace marches and youth trainings in numerous towns. KEPSA also held the first presidential debate in Kenya. The 2013 debate helped to shape public notion that political campaigns should be about democratic discussion and that elections should be won through policy agendas rather than ethnic loyalties or militias. Throughout the campaign, there was a strong focus placed on preserving Kenyan national unity, which served to ease tensions among the population.

Safaricom, Kenya's largest telecoms operator, was a particularly active private sector actor in the post-election crisis. Between 2012 and 2013, Safaricom donated 50 million text messages to the civil society group "Sisi Ni Amani" ("We are Peace").[63] Sisi Ni Amani used these text messages during the election cycle to disseminate important information. They sent texts regarding polling place hours, voting rights, and encouragement for the community to support a peaceful election cycle. Safaricom also adopted internal business practices aligned with KEPSA's overall goal of pushing for peaceful elections. The company produced videos

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[62] "Mkenya Diama Project Report January 2012- April 2013." *Mkenya Diama Project Report January 2012- April 2013*. Nairobi, Kenya, n.d.

[63] Joshua Goldstein and Juliana Rotich, 2008. Digitally Networked Technology in Kenya's 2007-2008 Post-Election Crisis. The Berkman Center for Internet and Society, Cambridge.

stressing the importance of tolerance, which all employees were required to watch. Since ethnicity has long been an underlying cause of tensions, large firms like Safaricom "aggressively pursued a culture that tried to bridge differences arising from the ethnic composition" of its employee roster.[64] In a similar vein, KEPSA required employees to sing the national anthem and wear the colors of the Kenyan flag on Fridays, as a way of fostering national unity.

Ultimately, the electoral violence of 2007/8 served as a wakeup call to the local private sector community: peace and stability are requirements for a good business environment and should not be taken for granted. Furthermore, KEPSA's activities in response to the electoral violence highlighted the impact which local alliances may have on the peacebuilding process. The concerted efforts of the private sector in pooling their leadership skills, capacities and networks to prevent retrogression to violence in the following election, proved to be successful. It is evident that the contributions of the private sector in Kenya were far-reaching and multifaceted. Targeted not only at advocacy and community building, the Mkenya Diama campaign and subsequent efforts allowed the private sector to gain influence and assist in the reconciliation of the political class and civil society. The internal business practices adopted by Safaricom and other KEPSA organizations aimed at fostering unity demonstrated how business communities can make a difference by incorporating peaceful initiatives into the normal framework of business activities.

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[64] Victor Odundo Owuor and Scott Wisor. "The Role of Kenya's Private Sector in Peacebuilding: The Case of the 2013 Election Cycle." One Earth Future Foundation, June 9, 2014. https://doi.org/10.18289/OEF.2014.003.

The SLF and BPA Alliances Against the Civil War, Sri Lanka

While the Sri Lankan Civil began in 1983, the bombing at the Colombo International Airport almost two decades later, caused a stark increase in the vulnerability of the private sector. The physical proximity and high economic impacts of the war had risen. Businesses from multiple industries formed the Sri Lanka First (SLF) movement, through which they educated the public on the economic costs of the war, organized a large demonstration and endorsed pro-peace candidates. As their activities began to subside, the Business for Peace Alliance (BPA) was formed. The BPA pursued peace via its expertise in trade and enterprise, selecting activities which promoted trade across regional and ethnic lines. Through collective action, Sri Lanka's private sector has targeted some economic inequalities at the source of the conflict. It has educated stakeholders on the costs of war and acted to improve opportunities available to businesspeople across the country.

Sri Lanka has a long history of violent conflict. The Sri Lankan Civil War between the government and the insurgent group known as the Liberation Tigers of Tamil Eelam (LTTE), began in 1983 and lasted nearly thirty years.

Ethnic tensions between the country's largest groups, the Sinhalese and Tamils, date back to 1957 with the adoption of Singhalese as the official language and an employment prerequisite. Other unjust policies such as state allocation of predominantly Tamil provinces in the North for Sinhalese colonization, low investment in Tamil provinces, and controversial citizenship laws, escalated strife between the majority Sinhalese government and the Tamil community. Tensions climaxed when in 1983, the LTTE launched an insurgency in the northern and eastern parts of the country, attempting to establish an independent state. Thirteen government soldiers were killed by the LTTE and the state responded with the massacre of 3,000 Tamils, thus beginning the Sri Lankan civil war.[65]

The LTTE became increasingly successful at matching government forces by the mid-1990s and utilized tactics of guerrilla warfare and suicide bombings to target key military and political individuals. In fact, the International Labor Organization states that they remain "the only terrorist group to have killed two heads of state (Ranasinghe Premadasa in and Rajiv Gandhi) and significantly injured another (Chandrika Kumaratunga).[66] Following the assassination of President Premadasa in 1994, Kumaratunga came to power. The war persisted primarily in the

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[65] Nick Killick, VS Srikantha, and Canan Gündüz, "The Role of Local Business in Peacebuilding," 2005, 23.
[66] Danura Miriyagalla. "Business and Peace in Sri Lanka: The Roles of Employer and Business Membership Organizations." *Business and Peace in Sri Lanka: The Roles of Employer and Business Membership Organizations*. ILO, 2016.

northern and eastern parts of the country, until in 1996, a massive suicide bombing occurred outside of the Central Bank in Colombo.

Five years later, the LTTE carried out a suicide attack on Colombo International Airport. This event significantly weakened FDI into Sri Lanka. FDI into enterprises decreased from $196 million in 2000 to $106 million in 2001.[67] The attack on the airport also impacted the tourism industry and brought the conflict closer to the doorsteps of many businesses. Colombo is home to the headquarters of Sri Lanka's largest corporations, as well as the Colombo Chamber of Commerce, which represents 500 of the country's largest businesses and 40% of the GDP. This attack exposed the vulnerabilities of the country's economic center and made the cost of conflict more palpable for the private sector.

Following the attack in 2001, the corporate community in Sri Lanka came together and formed Sri Lanka First (SLF). Formed by associations in the tourism, garments, tea, and freight sectors, SLF was the first organized effort to mobilize citizens to call for a peaceful end to the conflict. SLF campaigned for negotiations between the Tamil Tigers and the Sri Lankan government for a peaceful resolution. The 2001 "Sri Lanka First - Now or Never" campaign raised public awareness of the negative socio-economic consequences of the war and highlighted the socio-economic incentives of a peace dividend.[68] At a SLF national event in September 2001, an estimated one million people held hands in a chain for 15 minutes to demonstrate that the cost of war was much higher than the cost of peace. SLF additionally endorsed the pro-peace United National Front Alliance Party in the 2001 elections. In a similar vein, using media campaigns, posters and sponsored press advertisements, the SLF tried to push voters towards supporting pro-peace candidates. Their efforts later turned out to be successful as a ceasefire was later reached between Ranil Wickremesinghe, who became Prime Minister, and Kumaratunga, who remained President.

Following the lead of SLF leaders, the Business for Peace Alliance (BPA) was founded in 2002 with support from the United Nations Development Program (UNDP) and International Alert. It is a working group of business leaders from each of the regional chambers of commerce in Sri Lanka. At the time of its formation, BPA identified their objectives to support reconciliation,

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[67] De A. Samarasinghe, S.W.R. Report. Clingendael Institute, 2003. www.jstor.org/stable/resrep05513.
[68] Canan Gunduz, Jessica Banfield, and Nick Killick . "Local Business, Local Peace: the Peacebuilding Potential of the Domestic Private Sector: Case Study Sri Lanka." *Local Business, Local Peace: the Peacebuilding Potential of the Domestic Private Sector: Case Study Sri Lanka*. International Alert, 2006.

foster business-to-business relationships across ethnic lines and strengthen inter-provincial economic activity, as well as consult with policymakers on issues regarding peace and security. Since the individual business leaders in BPA are well-connected and influential actors in their local communities, they have access to political leaders, government officials and international organizations. This formed a well-rounded network to lobby in support of peace. Additionally, the diversity across ethnic lines within BPA leadership provided them with horizontal connections to conflicting parties.[69]

BPA meets monthly and has launched several initiatives which address the underlying tensions between the major regions. For example, BPA lobbied the government to open an additional fishing channel on the Jaffna coast and for one major road to Jaffna to remain open 24/7. The Jaffna coast and the surrounding area is a main economic artery and the only land connection for the LTTE dominated northern province to the rest of Sri Lanka.[70] Additionally, BPA conducts business exchange visits across the country to generate inter-regional economic activity and peace visits to replicate internal business practice adopted by BPA across other businesses. Through these activities BPA has acted as a coordinator for dialogue and exchange between the northern and southern regions and has actively worked towards identifying the economic and developmental issues faced by the two regions.

The Sri Lanka case exemplifies how collective action and working in alliances is an important factor in bringing about sustainable peace. The primary efforts of the SLF highlight the economic incentives for peace helped bring about the end of the war. The efforts of the private sector in Sri Lanka following the end of the war, particularly BPA, served to address the inequalities which fueled the conflict and contribute to post-conflict reconciliation. The multifaceted efforts at peacebuilding by the private sector in Sri Lanka overall underscore the potential of the private sector to contribute to positive peace.

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[69] Nick Killick, VS Srikantha, and Canan Gündüz, "The Role of Local Business in Peacebuilding," 2005, 23.
[70] Canan Gunduz, Jessica Banfield, and Nick Killick . "Local Business, Local Peace: the Peacebuilding Potential of the Domestic Private Sector: Case Study Sri Lanka." *Local Business, Local Peace: the Peacebuilding Potential of the Domestic Private Sector: Case Study Sri Lanka,* International Alert, 2006.

The Group of Seven During The Troubles, Northern Ireland

In Northern Ireland, it was only once the war and its costs were considered intractable by everyone that strong, proactive steps were taken by the private sector. The Group of Seven (GoS) alliance was created and employed an impressive range of peacebuilding activities, comparable to an actor from the peace advocacy field. They held collective meetings with political parties to encourage transparency, conducted business trips to lobby for FDI, and maintained public pressure on the warring parties via media campaigns. The GoS brought together existing business groups from across the economy which gave them access to a large proportion of the labor force in Northern Ireland and legitimacy in national conversations.

"The Troubles" denotes the period of violence in Northern Ireland from 1968 to 1998. During this time, roughly 3,500 people were killed - half of whom were civilians - and 47,000 wounded.[71] All efforts to find a lasting solution to the conflict failed until the signing of the Belfast Agreement, 1998.

From the time that Ireland was unified with Great Britain in 1801, nationalist and unionist pursuits clashed. The nationalists advocated for Irish self-determination while Unionists considered themselves both British and Irish, and opposed Home Rule and the creation of an Irish Republic.[72] The island was therefore partitioned into two jurisdictions by the Government of Ireland Act (1920) and by 1925, the southern counties which made up the Irish Free State, were formally recognized as an Irish Dominion within the British Empire.[73] However, many were dissatisfied by the partition and in Northern Ireland, tensions between the Protestant majority and Catholic minority grew. This occurred because across the island, Protestants have tended to be unionists while Catholics have tended to be nationalists or loyalists.[74]

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[71] Lorenzo Bosi and Gianluca De Fazio, eds., *The Troubles in Northern Ireland and Theories of Social Movements*, Protest and Social Movements (Amsterdam: Amsterdam University Press, 2017), 11, https://www.jstor.org/stable/j.ctv56fgn2.
[72] Thomas Hennessey, *The Northern Ireland Peace Process: Ending the Troubles?* (New York: Palgrave, 2001), 2.
[73] The Irish Free State Act (1922) excluded Northern Ireland from the identifier "Ireland" or "Irish Free State." However, it was in 1925 that the borders of Ireland with Northern Ireland and Great Britain were formalized within the Irish Government, from Hennessey, *The Peace Process*, 2,4.
[74] Ibid., 2.

By the 1960s, the two groups had long-favored their own members in housing, elections and hiring, including for public service positions.[75] A civil rights movement began and in January 1969, roughly eighty individuals from the People's Democracy[76] marched to Londonderry/Derry in advocacy for reforms.[77] The marchers were allegedly attacked by loyalists and in their response, the Royal Ulster Constabulary police force struggled to elicit trust.[78] Riots also occurred in Londonderry/Derry that August, which led Northern Ireland's Prime Minister to request the deployment of British soldiers.[79] Within a few days, order had been restored by two army battalions, but ten people were dead, several houses burnt in Ardoyne, and property was extensively damaged in Belfast.[80]

Violence continued to escalate between the Irish Republican Army (IRA)[81], loyalist paramilitaries, Britain's armed forces, and Northern Ireland's forces. The events of the next twenty years included internments without trial, bombings, a coerced workers' strike, brief cease-fires, guerrilla tactics, evacuations and attacks attempted upon two British Prime Ministers.[82]

In the 1990s, businesses such as those of the Northern Ireland Confederation of British Industry (CBI), began to act.[83] The CBI and Irish Business and Employers Confederation (IBEC) began working together in 1991 to increase business interactions between the north and south of the island.[84]

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[75] Thomas Grant Fraser, *Ireland in Conflict, 1922-1998* Lancaster Pamphlets (London: Routledge, 2000), 39.
[76] A political group which campaigned for civil rights. There are contrasting accounts of whether they represented the interests of the Catholic minority or a cross-section of interests. "People's Democracy," accessed 17 November 2019, https://www.clririshleftarchive.org/organisation/232/; J. Quinn, "History of the Early People's Democracy (1970) | Workers Solidarity Movement," 2007, http://www.wsm.ie/c/history-peoples-democracy-ulster-1970.
[77] Fraser, *Ireland in Conflict,* 44-45.
[78] Ibid.
[79] Ibid., 47; "Feature History - The Troubles (1/2)." YouTube video, 8:22, "Feature History," September 11, 2017, https://www.youtube.com/watch?v=61JisaFGHFY.
[80] Fraser, *Ireland in Conflict,* 47.
[81] In 1969, the Irish Republican Army (IRA) split into the "Official IRA" and the "Provisional IRA". In the next year, what has often been considered their political arm, Sinn Féin, split into a Provisional Sinn Féin and Official Sinn Féin as well. Given the length of this report, the aims and trajectories of these critical players are omitted from the content.
[82] W. H. Van Voris, "The Provisional IRA and the Limits of Terrorism," *The Massachusetts Review* 16, no. 3 (1975): 413-14, www.jstor.org/stable/25088556; Fraser, *Ireland in Conflict.*
[83] Nick Killick, VS Srikantha, and Canan Gündüz, "The Role of Local Business in Peacebuilding," Berghof Research Center for Constructive Conflict Management (2005), 12, https://core.ac.uk/download/pdf/71735691.pdf.
[84] International Alert, "Local Business, Local Peace: The Peacebuilding Potential of the Domestic Private Sector" (International Alert, 2006), 438, https://www.international-alert.org/sites/default/files/publications/23_section_2_Northern_Ireland.pdf.

In 1994, the CBI published its paper "Peace - A Challenging New Era", which presented the economic incentives for peace.[85] For instance, it indicated that war had reduced foreign investor confidence and the annual security expenditure represented a $1.4 billion opportunity cost for infrastructure and labor force development.[86] Indeed, economic improvements after the 1994 ceasefire underscored many of the CBI's assertions. For instance, the employment rate in Northern Ireland rose to levels last witnessed over a decade earlier, the tourism industry grew by 20% within a year and millions of pounds in enterprise investments were made.[87] The paper became highly referenced by both journalists and politicians and helped spur the British Prime Minister's investment conference in Belfast that same year.[88] In 1995, various businesses and politicians were invited to the United States by President Clinton, where they sought to encourage FDI into Northern Ireland.[89]

In 1996, the CBI joined six other leading business and trade organizations to form the Group of Seven (GoS or G7).[90] Namely, the Hotel Federation, the Northern Ireland Chamber of Commerce and Industry, the Institute of Directors, the Northern Ireland Economic Council, the Northern Ireland Growth Challenge and the Northern Ireland Committee of the Irish Congress of Trade Unions. The Federation of Small Businesses also joined later on.[91] They held strongly that after two long decades of conflict, Northern Ireland needed to choose between being irredeemable or moving toward prosperity.[92]

In October 1996, they held collective meetings with representatives from the political parties taking part in peace negotiations.[93] They held another five meetings with several of the political parties over the next two years, during which they continued to emphasize the economic benefits of peace.[94] Each of these meetings were paired with media communications to the

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85 Salil Tripathi and Canan Gündüz, "A Role for the Private Sector in Peace Processes? Examples, and Implications for Third-Party Mediation," Background Papers, OSLO Forum 2008 (Centre for Humanitarian Dialogue, 2008), 22.
86 Ibid.; The Portland Trust, "The Role of Business in Peacemaking: Lessons from Cyprus, Northern Ireland, South Africa and the South Caucasus" (London: The Portland Trust, 2013), 23, https://portlandtrust.org/sites/default/files/pubs/role_of_business_2.pdf.
87 Vahid Aliyev, "The Role of Business in Northern Ireland's Peace Process," Democratic Progress Institute, 2017, 6 -7; Portland Trust, "The Role of Business," 23.
88 Killick, Srikantha, and Gündüz, "Role of Local Business," 12; Portland Trust, "The Role of Business," 23- 24.
89 Portland Trust, "The Role of Business," 24.
90 Tripathi, "A Role for the Private Sector," 20-21.
91 International Alert, "Local Business, " 439.
92 Ibid.
93 Ibid., 439 - 440.
94 Ibid.

public, which emphasized the importance of creating a lasting peace and placed pressure on the negotiation parties to come to a peace agreement.[95]

GoS also sent pro-peace letters to the employees represented within their network and in June 1998, produced a guide for corporations about the gains generated from a diverse workforce.[96] Furthermore, they mediated a conflict between a unionist body and residents of a predominantly Catholic area and spoke out against bombings in Omagh town in August 1998.[97]

In April 1998, The Good Friday Agreement was announced by the Ulster Unionist Party and Social Democratic and Labour Party, with the endorsement of various other parties and the British government.[98] This agreement and the referendums held in Northern Ireland and Ireland officially marked an end to "The Troubles".

Under the leadership of the CBI, the GoS established itself as a respected peace actor and utilized a myriad of peacebuilding activities. CBI was at the frontier in its work to increase trade with Ireland and the broader business community sought out FDI. Stepping into politics, the GoS produced persuasive research targeted at the disputing parties, brought political parties together and sometimes served as a peace broker. They also employed a mass media campaign for the public and used their network which targeted ordinary workers. Notably, their activities continued after the Good Friday Agreement was announced.

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[95] Aliyev, "Role of Business," 8.
[96] Killick, Srikantha, and Gündüz,, "Role of Local Business," 13; Ibid.
[97] Portland Trust, "The Role of Business," 25.
[98] Tripathi, "A Role for the Private Sector," 20-21.

Private Sector Contributions Against the Civil War, Nepal

In Nepal, the private sector became proactive about contributing to peacebuilding five years into the war. The sector sought to address some of the economic impetus for the war through job creation and supporting young entrepreneurs. However, it also leveraged the harm it could cause the economy to pressure political change, threatening to suspend operations and conducting several workers' strikes. The sector was viewed as a legitimate voice for peace and several private sector representatives went on to become part of the country's constituent assembly. The National Business Initiative (NBI) collaborated with civil society and politicians to push for national peace - a goal which was ultimately realized.

Nepal's private sector played a crucial peacebuilding role during and after the Nepalese Civil War (1996 - 2006), also known as the Maoist Conflict. The war began with a rebellion launched by the Communist Party of Nepal (Maoist) (CPN-M) against the Government of Nepal. In a context of severe economic disparities, social inequalities, and exclusion based on caste, ethnicity and gender, the Maoists aimed at promoting just economic development through a radical land reform program. They regarded the Nepalese business community as an enemy of the 'common people', since it was seen as contributor to a discriminatory economic system a beneficiary of the state's economic deregulation policy.[99]

To politically bring about the desired changes in the economic system, the rebels called for the creation of a constituent assembly through elections, which was rejected by the government. After a brief ceasefire in 2001 and continued attacks by the rebels, the king tightened his control over the country. This decision led various political parties to establish the Seven Party Alliance and collaborate with Maoist rebels in pro-democracy protests. Giving in to the growing resistance, the king agreed to the restoration of the House of Representatives. In 2006, the government and the CPN-M signed the Comprehensive Peace Accord (CPA), allowing the Maoists to participate in the government.[100]

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[99] Alexandra Geiser, *Social Exclusion and Conflict Transformation in Nepal: Women, Dalit and Ethnic Groups : FAST Country Risk Profile Nepal*, Working Paper / Swisspeace 2005/5 (2005); Ameet Dhakal and Jhalak Subedi, 'The Nepalese Private Sector: Waking up to Conflict', in *Local Business, Local Peace: The Peacebuilding Potential of the Domestic Private Sector* (London: International Alert, 2006)
[100] Geiser, *Social Exclusion and Conflict Transformation in Nepal*; Dhakal and Subedi, 'The Nepalese Private Sector: Waking up to Conflict'; 'What Happened During The Nepalese Civil War?', WorldAtlas, 2019, https://www.worldatlas.com/articles/what-happened-during-the-nepalese-civil-war.html; Subedi, '"Pro-Peace Entrepreneur" or "Conflict Profiteer"?'.

Since the economic disparity and uneven development was a major cause of the conflict, Ghimire and Upreti argue that, "Nepal offers fertile ground for the private sector to grow as a responsible change-maker".[101] Until 2000, there was little interest among private sector actors to actively contribute towards a resolution of the conflict. After all, the conflict primarily targeted government offices. In 2001, the CPN-M broke the peace accord and declared an end to the ceasefire. This made the private sector begin to feel the adverse impacts of the conflict more directly. Warring parties increasingly conducted direct attacks on businesses, asked for donations or obstructed the regular operations of businesses. On top of this, widespread destruction of basic infrastructure, such as bridges and roads, as well as electricity and telecommunication infrastructure, became a routine practice.[102] It is therefore unsurprising that hydropower and telecommunication businesses became key players in peacebuilding efforts.[103]

Private sector actors engaged in both internal and external peacebuilding activities in response. Regarding internal practices, efforts to generate employment can be observed; This is highly relevant considering the high unemployment rates. On top of this, various businesses pursued efforts towards greater gender and social inclusion, and private sector actors, such as the Three Sisters Trekking Agency, which supported young entrepreneurs - particularly women - in developing sustainable businesses.[104] Turning outward, business leaders held meetings with leaders of political parties, and in 2010, private sector associations organized a major peace rally throughout the country. In the meetings and rallies, business actors expressed corporate demands – mainly aiming at mitigating the negative impact of the conflict on businesses. They also suggested concrete options for a solution of the conflict and pressured parties towards negotiations. On several occasions, business actors threatened to close their business if the conflict escalated any further. In other instances, general strikes served as a tool to exert pressure on parties to the conflict.[105]

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[101] Safal Ghimire and Bishnu Raj Upreti, 'Peace by Corporate Means: How Mature Is the Private Sector for Peacebuilding in Nepal?', *Journal of Peacebuilding & Development* 9, no. 2 (4 May 2014): 94, https://doi.org/10.1080/15423166.2014.947894.

[102] Bishnu Raj Upreti and Safal Ghimire, 'New Actors in New Business: Private Sector Engagement for Peace Building in Nepal', *SASON Journal of Sociology and Anthropology* 2, no. 1 (2011): 265-86.

[103] Ghimire and Upreti, 'Peace by Corporate Means'.

[104] Dhakal and Subedi, 'The Nepalese Private Sector: Waking up to Conflict'.

[105] Ibid.; Ghimire and Upreti, 'Peace by Corporate Means'; Upreti and Ghimire, 'New Actors in New Business: Private Sector Engagement for Peace Building in Nepal'.

One of the overarching contributions of private sector actors was the creation of the National Business Initiative (NBI), which has successfully partnered with civil society, the government as well as international actors to push for a peace agenda. The NBI was created in 2005 to help improve the deteriorated condition of many private sector actors in the country. It is composed of 14 Nepalese business organizations and strives to foster sustainable peace through equitable and just socio-economic development. During the war it engaged in dialogue with political parties. For instance, it exerted pressure on the CPN-M and the government to enter into negotiations. Furthermore, it conducted - and still conducts - research on the role of the private sector in peacebuilding and development.[106]

Despite the significant contributions of private sector actors to peacebuilding through the promotion of employment and the support of the political peace process, the involvement of private sector actors in Nepal's peacebuilding process was not without its challenges. There was a tendency for business leaders to believe that fostering economic growth would be sufficient enough to bring an end to the conflict. Because of this, they overlooked some of the structural drivers of the conflict related to regional parity and the inclusion of poor sections of the society in business operations.[107]

Overall, the involvement of the private sector in peacebuilding in Nepal can be regarded as successful. In multiple situations, private sector actors were able to push parties to the conflict towards successful negotiations. Peace talks between business leaders and warring parties were successful even at times when the government was unable to reach a consensus with the warring parties. The degree of legitimacy of private sector actors in the peacebuilding process is reflected in the nomination of private sector representatives as part of Nepal's Constituent Assembly, which drafted the country's new constitution.[108]

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[106] Upreti and Ghimire, 'New Actors in New Business: Private Sector Engagement for Peace Building in Nepal'; Ghimire and Upreti, 'Peace by Corporate Means'; Dhakal and Subedi, 'The Nepalese Private Sector: Waking up to Conflict'; 'National Business Initiative'.
[107] Ibid.
[108] Upreti and Ghimire, 'New Actors in New Business: Private Sector Engagement for Peace Building in Nepal'; Ghimire and Upreti, 'Peace by Corporate Means'.

Private Sector Contributions to Peace Negotiations, El Salvador

The case in El Salvador is atypical in the degree of influence the business community had over the substance of the peace agreement. In fact, there was an overrepresentation of business interests in the peace negotiations, leading to limited benefits for poorer citizens of El Salvador. In the absence of a formal alliance, the actors were bonded together by a self-interested commitment to implementing the FUSADES economic model in post-conflict El Salvador and by familiarity with one another. Yet, the young leaders of the private sector integrated themselves into the political system, maintaining influence over the then incoming political party for years. This case also demonstrates the large potential effect of the private sector on peacebuilding when governments make room for it and a mutually-accepted vision for the post-conflict business environment is quickly established.

The Salvadoran Civil War (1979 - 1992) was fought between the Frente Farabundo Martí para la Liberación Nacional (FMLN) and the junta government. There were roughly 75,000 casualties, 7,000 disappearances, and $2 billion dollars in property destruction.[109] Furthermore, one fourth of the population had to relocate, with scores fleeing to neighboring countries and the U.S.[110] The war came to an end with the signing of the Chapultepec Peace Accords (1992).

In the 1970s, students, laborers and community members began organizing marches in demand for a more equitable state.[111] They had suffered through years of repression by the hands of the military, constant poverty, and land control by the elites.[112] They wanted drastic reforms and were particularly insulted when $1.5 million of national funds were spent on a beauty pageant.[113] In line with their existing patterns, the police and military responded with kidnappings and killings, which only intensified after a military coup in October 1979.[114] Rural communities began to organize in armed resistance and would eventually become the FMLN.[115]

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[109] Mike Allison, "El Salvador's Brutal Civil War: What We Still Don't Know," *Al Jazeera*, March 1, 2012, https://www.aljazeera.com/indepth/opinion/2012/02/2012281231222975116.html; "Inside Story Americas - El Salvador's open wound." YouTube video, 25:09, "Al Jazeera English," January 17, 2012, https://www.youtube.com/watch?v=vXDDP6dE6gc; Diana Villiers Negroponte, *Seeking Peace in El Salvador: The Struggle to Reconstruct a Nation at the End of the Cold War*, (United States: Palgrave Macmillan, 2012), 15.
[110] Teaching for Change, "History of El Salvador – Teaching Central America," Teaching Central America, accessed 26 November 2019, https://www.teachingcentralamerica.org/history-of-el-salvador.
[111] Teaching for Change, "History of El Salvador."
[112] Negroponte, *Seeking Peace in El Salvador*.
[113] Negroponte, *Seeking Peace in El Salvador*.
[114] Elisabeth Jean Wood, "THE PUZZLE OF INSURGENT COLLECTIVE ACTION," Chapter in *Insurgent Collective Action and Civil War in El Salvador*, 1-30, Cambridge Studies in Comparative Politics. (Cambridge: Cambridge University Press, 2003). doi:10.1017/CBO9780511808685.002.
[115] Teaching for Change, "History of El Salvador."

Violent repression continued and the Salvadoran military began to bomb neighborhoods which were believed to be strongholds of the FMLN.[116] On their part, the FMLN conducted kidnappings, killed civil servants and suspected traitors, robbed financial institutions and bombed various locations.[117] Behind the scenes, the war was fueled by Cold War politics. The Soviet Union, Nicaragua and Cuba provided some support to the FLMN, while the U.S. provided a colossal $2.5 billion in military aid to the state.[118]

For El Salvador's economy, the cost of this war was estimated at $1 billion and the annual GDP growth rate was negative from 1979 to 1982.[119] For the private sector, the costs of the war included reduced trade with the Central American Common Market, substantial capital flight and frequent extortions.[120] However, the inability to sustain and grow businesses under such conditions became especially apparent to the new generation of business elites once Fundación Salvadoreña para el Desarrollo (FUSADES) attempted to promote a different economic model for the state.[121]

FUSADES was a non-governmental organization (NGO) which received $100 million in funding from the U.S. from 1984 to 1992, in addition to initiation fees from its business members.[122] Largely staffed by business people and their kin, FUSADES supplied credit, conducted research on the financial costs of the war upon trade, and most notably, advocated for reforms to the economic system that would encourage competition, limit state involvement in the market and lead to trade liberalization.[123]

While the new generation of business elites supported this model and saw that peace was required for its successful execution, the political conditions in the country were not conducive to their involvement until 1989. Private sector interests were misaligned with those of President

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[116] Ibid.

[117] Allison, "El Salvador's Civil War."

[118] "Inside Story Americas," "Al Jazeera English."

[119] International Alert, "Local Business, Local Peace: The Peacebuilding Potential of the Domestic Private Sector" (International Alert, 2006), 325 https://www.international-alert.org/sites/default/files/publications/17_section_2_El_Salvador.pdf; "El Salvador GDP 1965-2019," Macrotrends, accessed 26 November 2019, https://www.macrotrends.net/countries/SLV/el-salvador/gdp-gross-domestic-product.

[120] International Alert, "Local Business," 324-325.

[121] Ibid.

[122] Negroponte, *Seeking Peace in El Salvador*, 58.

[123] Ibid., 59; Angelika Rettberg, "The Private Sector and Peace in El Salvador, Guatemala, and Colombia," *Journal of Latin American Studies* 39, no. 3 (2007): 470.

Napoleon Duarte (1984 - 1989), as his reform agenda involved significantly redistributing wealth in El Salvador.[124] The young private sector therefore distanced itself from his office and when he later announced negotiations with the FMLN, the private sector was resistant.[125]

Meanwhile, developments favorable to the private sector were occurring within the political party Alianza Republicana Nacional (ARENA). This was a party comprised largely of private sector actors and mainly considered Durante's party to be communist.[126] Thus far, the party had only experienced defeat at the ballot and in 1984, they recruited Alfredo Cristiani.[127] Notably, he and nearly twenty others in his government had worked in FUSADES or its off-shoots.[128] The recruitment proved to be a wise move as Cristiani was elected El Salvador's president in 1989.

The new generation of business leaders supported Cristiani's negotiations with the FMLN, influencing the outcomes of the peace accords to an atypical extent. Though they were not members of the government's official delegation, business executives from the main business association - Asociación Nacional de la Empresa Privada - and individuals from FUSADES were advisors to the president.[129] They were present for regular briefings and consultations.[130] Furthermore, the private sector produced research related to the conflict and helped fund the graduate studies of former FMLN soldiers.[131]

The negotiations brought about the Chapultepec Peace Accords (1992) and since then, El Salvador has not descended back into civil war. The FMLN disarmed significantly and transformed into one of the main political parties of El Salvador.[132] Furthermore, data from the World Bank indicates that from 1992 to 1996, the state experienced an average annual GDP growth of 4.6%.[133] By these indicators, the involvement of the private sector in negotiations helped bring about sustainable peace.

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[124] Rettberg, "The Private Sector," 468-469.
[125] International Alert, "Local Business," 324; Ibid.
[126] Allison, "El Salvador's Civil War."
[127] Rettberg, "The Private Sector," 471.
[128] Negroponte, *Seeking Peace in El Salvador*, 59.
[129] Tripathi, "A Role for the Private Sector," 18.
[130] International Alert, "Local Business," 325.
[131] Tripathi, "A Role for the Private Sector," 18.
[132] Inside Story Americas," "Al Jazeera English."
[133] The World Bank, 'GDP Growth (Annual %) - El Salvador | Data', The World Bank, accessed November 26, 2019, https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2018&locations=SV&start=1966&view=chart.

However, Cristiani's convictions paired with the strength of the private sector's influence, are arguably what saw to the FMLN's concession of socio-economic and welfare aims in exchange for political, military and judicial gains.[134] Demands from labor unions were also side-lined.[135] Since the peace agreement, El Salvador's national peace has also been paired with high unemployment and homicide rates.[136] ARENA's consistent hold on the presidency until 2009, made the well-connected, transnational private sector actors into oligarchs in an increasingly neo-liberal economy.[137]

The case in El Salvador therefore provides both inspiration and caution on the relationship between the private sector and governments in facilitating the former's pro-active contributions to peacebuilding. The private sector maintained close ties with Cristiani and other FUSADES members who were elected into public office, providing them with counsel on the economic direction of El Salvador. On its part, the ARENA government had an early understanding of the necessity of peace for business and economic success. During the peace negotiations phase, Cristiani's government determined what economic and business policies would be pursued in the post-conflict environment, providing a clear framework for the private sector moving forward. In contrast to the situation under President Duarte, the compatibility of the private sector and government's visions produced the desired - albeit skewed - results.

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[134] Rettberg, "The Private Sector," 472.

[135] International Alert, "Local Business," 326.

[136] Benedicte Bull and Mariel Aguilar-Støen, "Peace-Building and Business Elites in Guatemala and El Salvador: Explaining the Discursive "Institutional Turn"," *Conflict, Security & Development* 19, no. 1 (2019): 124, https://doi.org/10.1080/14678802.2019.1561635; Chris Dalby and Camilo Carranza, "InSight Crime's 2018 Homicide Round-Up," InSight Crime, January 22, 2019, https://www.insightcrime.org/news/analysis/insight-crime-2018-homicide-roundup/.

[137] Bull, "Peace-Building and Business Elites," 122, 124.

Private Sector Contributions to Stability, Somalia

> The case in Somalia presents business engagement for peace in the absence of many government structures. Businesses responded to the resulting absence of essential services by contributing, amongst others, to telecommunications and energy infrastructure. They acted for the long-term stability of Somalia by providing logistical support for various peace talks in the country. While their actions were not always peace-positive and rarely coordinated across various actors, individual members of the private sector have focused on their internal activities, making incremental contributions to peace.

In Somalia, the private sector played a crucial role during the civil war, which began in the early 1990s after the overthrow of the Siad Barre regime, which had been in power since 1969. In the resulting power vacuum, various clan-based groups competed for influence in Mogadishu and Southern Somalia more broadly. After the establishment of the Transitional National Government (TNG) in 2000 and the Transitional Federal Government (TFG) in 2004, there was a short period of stability, but large-scale fighting resumed in 2005. In 2012, the Federal Government of Somalia was established as the first permanent central government since the 1990s. There is also relative stability in Puntland. However, the civil war is ongoing, with detrimental effects on the political stability in the country's South.[138]

In this context of continued political instability, the private sector can be regarded as an alternative source of stability.[139] Somalia exhibits a largely informal and unregulated economy, with the private sector being responsible for the provision of the vast majority of goods and services.[140] When considering the contributions to peacebuilding and stability, the role of telecommunications and energy industries appears to be particularly relevant.

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[138] Aways Warsame Yusuf, 'Somali Enterprises: Making Peace Their Business', in *Local Business, Local Peace: The Peacebuilding Potential of the Domestic Private Sector* (London: International Alert, 2006); Robert L Feldman, 'Amidst the Chaos a Small Force for Stability: Somalia's Business Community', *Small Wars & Insurgencies* 23, no. 2 (2012): 295-306, https://doi.org/10.1080/09592318.2012.642201; Lee Cassanelli, 'Private Sector Peacemaking: Business and Reconstruction in Somalia', in *Whose Peace Is It Anyway? Connecting Somalia and International Peacemaking*, ed. Mark Bradbury and Sally Healy, 2010;'Worldwide Governance Indicators'.

[139] Yusuf, 'Somali Enterprises: Making Peace Their Business'.

[140] Sherine El Taraboulsi-McCarthy, Nisar Majid, and Barnaby Willitts-King, 'Private Sector Engagement in Complex Emergencies: Case Studies from Yemen and Southern Somalia' (Humanitarian Policy Group, 2017), https://www.odi.org/sites/odi.org.uk/files/resource-documents/11317.pdf.

The strength of the business community in Somalia needs to be understood in the context of the state's weakness. In the absence of strong, centralized government institutions, some businesses have reaped benefits such as the absence of state taxes. However, often the disadvantages of the fragile state tend to outweigh the advantages. For instance, private sector actors face additional security costs, difficulties in attracting foreign investment, and widespread corruption.[141] Many respond to these challenges by using their own trust-based social networks to minimize risk. For instance, the telecommunications industry forged agreements with local power holders, such as elders or members of armed groups, which facilitated a reliable protection of their operations.[142] Nonetheless, many private sector actors are supportive of a return of a functioning government, and have thus proven supportive of peace processes, which they were involved in at a political level, to a limited extent.[143]

In fact, businesses have contributed to mediation meetings between different warring factions. Several business leaders, for instance, provided the logistics for talks between the Digil and Mirifle elders in an effort to resolve a conflict in Iidale village.[144] Most notably, the business community has, through its participation in high-level meetings, been part of the political process by paving the way for the establishment of the TNG. However, those proactive responses generally constitute ad-hoc responses and "the Somali business community has no coordination or strategic vision for its engagement in the various dimensions of peacebuilding needed in the country."[145] This can partly be attributed to the strong identification of Somalis with their respective families and clans, and political divisions between clans.[146] There has therefore been little engagement from the private sector in political peacebuilding activities.

However, despite this rather limited extent of pro-active, political involvement, various private sector actors contributed to peacebuilding through their standard business practices. For instance, the Trans-National Industrial Electricity and Gas Company, through its investments in electric and gas infrastructure, created a considerable amount of jobs.[147] Various business people have also deliberately hired militiamen, moving thousands into the legitimate

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[141] 'Worldwide Governance Indicators'.
[142] Keating, interview.
[143] Feldman, 'Amidst the Chaos a Small Force for Stability'.
[144] Yusuf, 'Somali Enterprises: Making Peace Their Business'.
[145] Yusuf, 'Somali Enterprises: Making Peace Their Business', 491.
[146] El Taraboulsi-McCarthy, Majid, and Willitts-King, 'Private Sector Engagement in Complex Emergencies: Case Studies from Yemen and Southern Somalia'.
[147] Feldman, 'Amidst the Chaos a Small Force for Stability'.

workforce.[148] On top of this, businesses have played a role in the provision of essential services. They have funded and built public infrastructure, such as hospitals and educational services. They have also built roads and established the El Maan port. These provisions of infrastructure were provided most notably by the telecommunications sector, which include some of the country's largest companies.[149] When the country's national telephone system collapsed, telecommunication companies filled the gap. Telecommunications has become the leading industry in the private sector in Somalia.[150] Beyond the significant impact that the provision of telecommunication services has had on stability, representatives in this industry also reached agreements with local power brokers.[151]

Additionally, there is an increasing number of Somali business leaders cooperating across clan boundaries in order to expand their activities. This cooperation across clans is increasing due to the progressive mindsets of many young Somali businessmen and women. Cassanelli describes them as not being "prisoners to their clans" anymore, thus having the potential to participate more actively in Somalia's wider economy.[152]

Overall, the involvement of private sector actors has contributed to higher degrees of stability in Somalia. Partly due to the lack of organization among the business community, it appears that the internal business practices – such as the provision of job opportunities and essential services – are significantly more relevant than the involvement of the private sector in political processes. In particular, the involvement in the provision of essential services stands out to be most influential in creating peace positive outcomes.

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[148] Yusuf, 'Somali Enterprises: Making Peace Their Business'.
[149] El Taraboulsi-McCarthy, Majid, and Willitts-King, 'Private Sector Engagement in Complex Emergencies: Case Studies from Yemen and Southern Somalia'.
[150] Cassanelli, 'Private Sector Peacemaking: Business and Reconstruction in Somalia'; Yusuf, 'Somali Enterprises: Making Peace Their Business'.
[151] Yusuf, 'Somali Enterprises: Making Peace Their Business'.
[152] Cassanelli, 'Private Sector Peacemaking: Business and Reconstruction in Somalia', 43.

THEMATIC ANALYSIS

Topic 1: Benefits of Private Sector Involvement to the Peace Process

Private sector activities have the potential to bring a variety of benefits to peacebuilding processes. To begin, greater recognition of the role of private sector actors in conflicts and peacebuilding can shed light on economic dimensions of conflicts, which are often neglected.[153] Economic factors, such as poverty and inequality, after all, constitute prominent root causes of various conflicts, including the case studies discussed earlier in this report.[154] These causes of conflict can be addressed through private sector actors, which tend to have considerable economic influence in conflict situations.

On top of this, recognition of the economic legitimacy and expertise of the private sector can lead to a better understanding of the economic costs of conflict and the benefits of peace, which is commonly referred to as the peace dividend. The peace dividend can be defined as the economic benefit from peace resulting from the reduced spending on security, making financial resources available for investment into economic development.[155] Private sector actors, due to their credibility among the communities they operate in, have better influence and leverage to mobilize the broader business community and local civil society, to get engaged in peacebuilding.[156] They can do so by creating awareness of the peace dividend. In both Northern Ireland and Sri Lanka, the peace dividend papers produced by private sector actors highlighted the economic costs of conflict and had a considerable influence on public opinion.

Additionally, the private sector, due to its legitimacy, can push the narrative that increased economic interdependence is positively correlated with peace and can deter the likelihood of violent conflict occurring. This principle has proven successful in Europe and is often promoted in societies with tensions.[157] The private sector can support the promotion of this principle by fostering economic interdependence within communities and among conflicting countries by consciously employing different populations to create interdependence and increase

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[153] Sandström, interview.
[154] Bennett, 'Multinational Corporations, Social Responsibility and Conflict'.
[155] 'Peace dividend'.
[156] *Money Makers as Peace Makers ?*
[157] de Bourbon de Parme, interview.

integration. The inherent role of private sector actors as experts and key informants on economic aspects can be leveraged in numerous positive ways to foster peacebuilding.[158]

Private sector actors additionally have a wealth of technical and financial expertise which can be leveraged in support of sustainable peacebuilding. In the case of Kenya, the members of KEPSA were able to make use of their various skills, networks and expertise in the established an ad-hoc committee in order to bring about peaceful elections. Combined with the strengths of other actors, for instance international organizations that provide the contextual expertise, a more meaningful impact on peace dynamics can be made.[159]

Furthermore, private sector actors tend to be better equipped to "lock in the peace", following a conflict.[160] In post-conflict societies, the private sector can aid in the quick and efficient provision of jobs, support of livelihoods, and reconstruction of infrastructure. These business measures in support of post-conflict reconstruction help in the achievement of the positive sides of peace, which is needed to prevent the recurrence of negative peace. Private sector actors can also test and introduce new products and services in post-conflict environments. As Berdal and Mousavizadeh put it, "without a central private-sector role in providing employment, growth and the prospect of a better future, no amount of aid can break the cycle of conflict".[161] This points to the fact that, in comparison to private sector actors, political actors tend to be slow when it comes to providing economic opportunities in post-conflict situations.[162] Especially regarding long-term reconstruction and development, private sector actors have an advantage over international (humanitarian) organizations in providing sustainable solutions. The former are better-equipped "to give people the skills to thrive, not just survive."[163] On the contrary, international organizations tend to stay only for a short period after a conflict ends.[164]

On top of the direct economic impact, by paying taxes to governments, it also supports the latter in providing essential public services.[165] This can positively impact the level of trust that citizens have in the government, and thus lead to greater political stability. Private sector activities can also help to create confidence in the economy and thus promote the entrance of prospective

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[158] *Money Makers as Peace Makers ?*
[159] Kirn, interview.
[160] Foran, interview.
[161] Berdal and Mousavizadeh, 'Investing for Peace', 43.
[162] Foran, interview.
[163] Nhan, interview.
[164] Foran, interview; Vahtola, interview.
[165] Peschka and Emery, 'The Role of the Private Sector in Fragile and Conflict-Affected States'.

business investments. Furthermore, the operations of private sector actors in fragile areas can create incentives for governments to provide social services, and to create a stable environment for private sector operations.[166]

Topic 2: Benefits, Incentives and Responsibility for the Private Sector

There are numerous incentives and benefits for the private sector to engage in peacebuilding. The economic benefits from the resolution and prevention of conflict can be seen for both the public and private sector, as conflict is almost always a hindrance, rather than a driver of economic growth. Excluding the 3-4% of world trade generated by the arms industry, certain illegal business industries, and other businesses who gain from war economies, very few industries see direct benefits from conflict.[167] Conflict destroys public and private infrastructure, reduces consumption and production patterns, increases operational costs, and erodes social and political cohesion. This was exemplified in the Kenya case where the flower sector experienced a drop-in employee numbers due to absenteeism and displacement as a cause of the violence. Additionally, the tea industry incurred many damages to their machinery and other assets, leading to a loss of $2 million a day. In the long run, the macro cost of conflict can impede, or worse end, company operations, as violence continues to undermine the social and economic basis needed for sustainable and profitable businesses operations. The costs which countries face due to conflict, including the destruction of human, economic, social and environmental capital, are critical for the viability and success of most private sector investments. Given the high cost of conflict to businesses, the private sector has an incentive to help facilitate peace and, more broadly, prevent the occurrence of violence.

In addition to peace being less costly for business than conflict, peace represents a significant market opportunity for the private sector. The Institute of Economics and Peace has developed a methodology to calculate the global economic impact of violence and conflict on the economy. It was found that in 2017 the cost of conflict amounted to $1.02 trillion. This represents only an eighth of the total global economic impact of violence, which in 2017 was $14.76 trillion in terms

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[166] Kakoma, interview.
[167] Jane Nelson, *The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution* (London: Prince of Wales Business Leaders Forum, 2000).

of purchasing power parity.[168] Essentially, peace is a trillion dollar opportunity, which is a bit less than the economic GDP of Australia.[169] The report also found that the economic impact of violence in the top ten most affected countries was equivalent to around 45 percent of their GDP. [170] This was similarly noticed in the Sri Lanka case where during the war period from 1983- 1998, over 40% more of GDP was lost to the armed conflict, which otherwise would have been available for consumption and investment to improve welfare and development. Additionally, Motorola had plans for Sri Lanka to become the site of their first plant in Asia, but moved the project to Malaysia following the start of the war in 1983.[171] The money and resources which are spent and destroyed in conflict reduces private sector investments and detracts from the share of country GDP which could otherwise be spent on other profitable and sustainable ventures. Additionally, it cripples the amount of human capital available within a country to contribute to the consumption and production of many markets, impacting business development and growth in the short and long run.

With peace, businesses can benefit from better investment opportunities and explore the potential offered by new markets. Peace and stability allow for market economies to flourish, bringing customers, employees, investors and suppliers to the private sector. Additionally, stable environments, along with the necessary infrastructure, reduce the security and operational costs for businesses, allowing for stronger supply chains to supplement economic growth. Entry into conflict or post-conflict zones would see the potential for new customers or for testing new products and commercial models.[172] Similarly, as stated earlier, many countries with histories of violent conflict have human capital and skilled labor forces which can be employed in higher numbers and at a lower cost than in countries like the United States or Germany.[173] The new markets and human capital that would become available with private sector investment in conflict and post-conflict areas, have the potential to bring about large returns for the private sector in the long run.[174] In post-conflict areas there are often immediate

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[168] Institute for Economics & Peace. The Economic Value of Peace 2018: Measuring the Global Economic Impact of Violence and Conflict, Sydney, October 2018. Available from: http://visionofhumanity.org/ reports (accessed 2 December 2019).
[169] Foran, interview.
[170] Institute for Economics & Peace. The Economic Value of Peace 2018: Measuring the Global Economic Impact of Violence and Conflict, Sydney, October 2018. Available from: http://visionofhumanity.org/ reports (accessed 2 December 2019).
[171] Jane Nelson, *The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution* (London: Prince of Wales Business Leaders Forum, 2000).
[172] Kirn, interview.
[173] Foran, interview.
[174] Kirn, interview.

investment opportunities for the private sector, particularly in the infrastructure and banking industries, as international organizations and governments look for partnerships with the private sector to aid in reconstruction.[175]

The report on the economic impact of violence noted that the cost of armed conflict amounting to $1.07 trillion in 2017 is a 106% percent increase from the last 11 years. If you are thinking years ahead, which you should as a business, it is in your best interest to have an understanding of and be invested in peace.[176] The global rise in conflict has increasingly strained the capacities of many international organizations and governments who currently shoulder the responsibility for peacebuilding and reconstruction in many contexts. As the success and profitability of many business operations relies on the socio-economic stability of their environments, this creates an incentive for the private sector to invest in multi-stakeholder peacebuilding efforts with governments and international organizations, who can help enable its efficient participation. For most businesses to sustain themselves and be profitable in the long-run, they need to create value for others, establishing a win-win relationship between businesses and society.[177] Conflict undermines this relationship, thus businesses have a responsibility to themselves to engage with peace and the wider causes of conflict, in order to be successful in the long run. As businesses rely on this relationship and cannot operate individually, they have an incentive to adopt a conflict-sensitive lens to their operations and support in the peacebuilding efforts of humanitarian organizations and governments.

Topic 3: Private Sector Contribution Types

There are numerous ways to distinguish the contributions that private sector actors can make to peacebuilding. The contributions that the private sector can make to peacebuilding lie on a two-way spectrum of engagement, through which the impacts on the peace process can either be negative or positive. To differentiate the potential contributions which lie on this engagement spectrum, the following distinction of contributions is made: *peace-negative contributions* and

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[175] Jane Nelson, *The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution* (London: Prince of Wales Business Leaders Forum, 2000).
[176] Foran, interview.
[177] Saxegaard, interview.

peace-positive contributions. Peace-negative contributions are those which have a negative impact on peacebuilding and have the potential to reinforce or exacerbate conflict, while peace-positive contributions are those with a positive impact on the peacebuilding process. Within peace-positive contributions, a further distinction is made between standard business practices and externally targeted pro-active practices. The private sector can contribute to the peace process through all levels of engagement, but there is a higher likelihood that peace-positive impacts are realized when the private sector adopts a conflict-sensitive lens.

The foundation of peace-positive contributions lies in the standard practices of businesses, which take into account the context of the conflict and the positionality of the private sector therein, also referred to as a conflict-sensitive lens.[178] The contributions can be scaled to externally-targeted proactive steps, in cases where the peace process would benefit from direct engagement from the private sector. Without the foundation of standard practices, though not impossible, it may be more difficult for businesses to resort to proactive practices, due to a lack of legitimacy stemming from peace-negative performance in the core business operations.[179] The two-way spectrum of engagement is depicted in the illustration below, where the distinctions between peace-positive and peace-negative impacts, and even further the distinction between standard practices and externally-targeted proactive steps, is shown.

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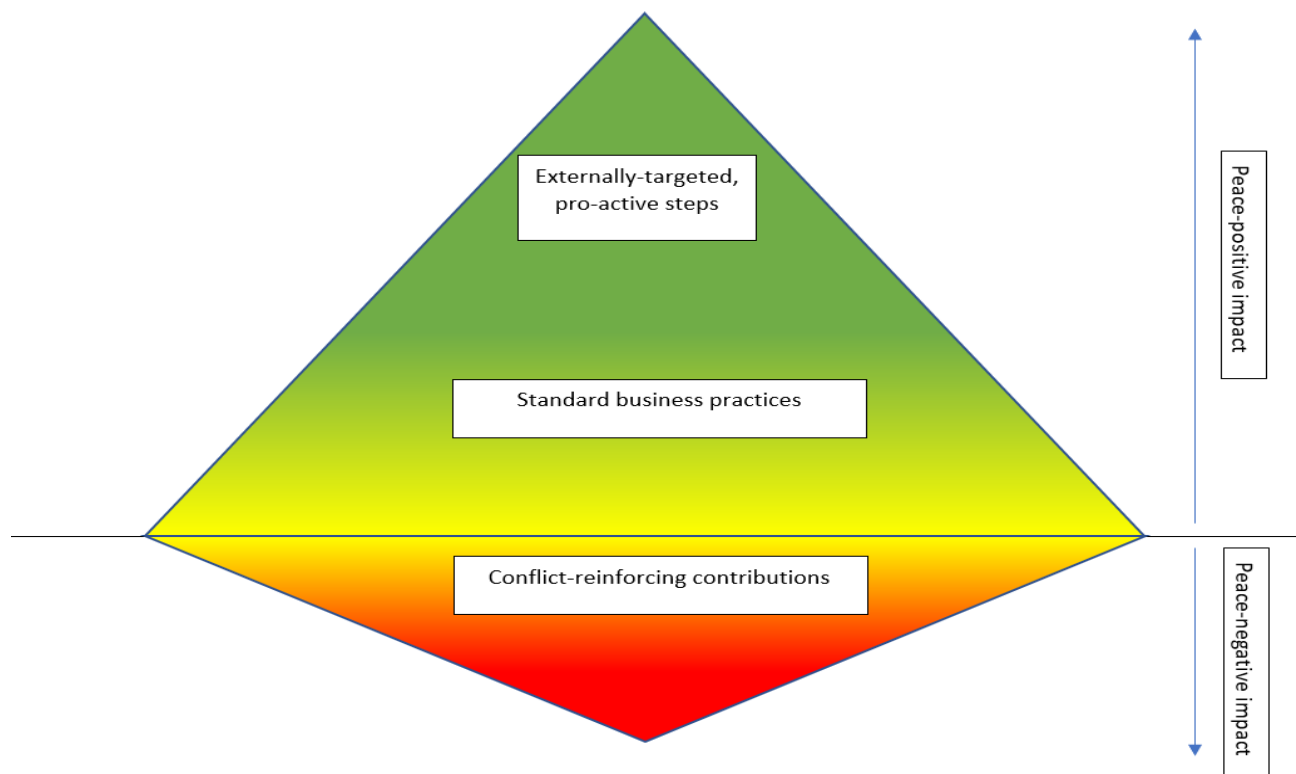
[178] Ganson, interview; Sandström, interview; Foran, interview; Ganson, 'Business (Not) for Peace'.
[179] Ganson, interview.

Peace-positive contributions

Standard business practices

Ordinary, standard business practices, or, the management of companies' operations, can have a positive impact on peacebuilding "if approached in a way that considers the potential relevance to and impact on the conflict."[180] Within this category of standard practices fall the aspects of business operations which contribute to broader economic development and social stability, such as the basic provision of jobs and livelihoods, as well as the provision of essential services.[181] Although it is not the primary role of the private sector to provide the services of the state, private sector actors can fill gaps in the delivery of basic services left by the state in fragile and conflict-prone environments.[182] For instance, telecommunications companies in Somalia have contributed to greater levels of stability by rebuilding state telephone systems following their collapse. The case of Somalia showed how basic service provision by private sector actors replaced the dysfunctional service delivery by the state and positively contributed to levels of stability in certain regions of the country.

Additionally, job creation is a critical task in the aftermath of conflict, particularly with regards to the integration of ex-combatants.[183] The provision of services and jobs contributes to positive peace, making the occurrence of violence less likely. Despite the role that political settlements play in providing stability and security, Peschka et al. argue that, "early economic development is what most readily translates into tangible differences in people's lives".[184] Given that economic factors such as poverty and horizontal and vertical inequalities are considered root causes of many conflicts, equitable economic growth and successful markets can be regarded as crucial steps to bring about sustainable peace.[185]

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[180] Nick Killick, V.S. Srikantha, and Canan Gündüz, 'The Role of Local Business in Peacebuilding', in *Berghof Handbook for Conflict Transformation*, ed. M Fischer, H Gießmann, and B Schmelzle (Berlin: Berghof Research Center for Constructive Conflict Management, 2005), 9.

[181] Jennifer Oetzel et al., 'Business and Peace: Sketching the Terrain', *Journal of Business Ethics* 89 (2009): 351-73.

[182] Keating, interview; Peschka and Emery, 'The Role of the Private Sector in Fragile and Conflict-Affected States'.

[183] Mats Berdal and Nader Mousavizadeh, 'Investing for Peace: The Private Sector and the Challenges of Peacebuilding', *Survival* 52, no. 2 (2010): 37-58, https://doi.org/10.1080/00396331003764595.

[184] Mary Porter Peschka and James J. Emery, 'The Role of the Private Sector in Fragile and Conflict-Affected States'.

[185] Oetzel et al.; Juliette Bennett, 'Multinational Corporations, Social Responsibility and Conflict', *Journal of International Affairs* 55, no. 2 (2002): 393-410; Allan Gerson, 'The Private Sector and Peace', *The Brown Journal of World Affairs* 7, no. 2 (2000): 141-45. http://www.irenees.net/bdf_fiche-notions-186_fr.html

Beyond the standard practice of the provision of jobs and services, certain internal business practices can further contribute to the achievement of both negative and positive peace. For instance, hiring practices which account for the gender and ethnic sensitivities of a conflict can have a positive impact on community healing and peace. As Killick et al. emphasize, "an active policy of recruiting from disadvantaged groups [...] is, in a small but significant way, contributing to peace". They further clarify that business can be "the only place where divided communities actually meet".[186] In the case of Kenya, KEPSA's practice of requiring employees to sing the national anthem and to wear the colors of the Kenyan flag on Fridays, contributed to building a sense of community and national unity. Additionally, the case of Nepal provides instances of efforts by private sector actors towards greater gender and social inclusion. Concrete activities such as the provision of sporting facilities at the workplace can also contribute to a stronger sense of community among business stakeholders.[187] Since the private sector generally counts members of all socio-economic strata amongst its stakeholders, the sector has a crucial role in building their sense of community.[188]

The contributions of core business practices towards peace can be strengthened by the development of internal responsibility standards and initiatives.[189] There are a variety of guidelines for private sector actors operating in conflict zones to help inform their understanding of how their activities can have a peace-positive instead of conflict-exacerbating impact. These guidelines include, for instance, the Business Guide to Conflict Impact Assessment and Risk Management, developed by the UN Global Compact. Additionally, for extractive industries in particular, a guidance book titled Conflict-Sensitive Business Practice has been developed.[190]

With an understanding of conflict dynamics and adaption of conflict-sensitive business practices, companies can avoid moving towards the conflict-reinforcing end of the spectrum and make a positive impact on the peace process instead.

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[186] Killick, Srikantha, and Gündüz, 'The Role of Local Business in Peacebuilding', 9.
[187] Foran, interview.
[188] Peschka and Emery, 'The Role of the Private Sector in Fragile and Conflict-Affected States'; de Bourbon de Parme, interview.
[189] Killick, Srikantha, and Gündüz, 'The Role of Local Business in Peacebuilding'.
[190] Oetzel et al., 'Business and Peace'.

Externally targeted, proactive steps

With the foundation of conflict-sensitive, standard business practices, companies can then proceed to mobilize their networks, resources and expertise to facilitate constructive, proactive actions for peace. One interviewee recalls admiration for a small family business in Haiti that she came across in previous work. It had clear and comprehensive policies on the safety and security of its staff but also chose to invest some of its profits into education, supporting a school which resonated with it.[191] The relationship between internal, standard practices and those which are externally targeted reflects an ongoing balancing act faced by businesses in dealing with short term realities, whilst making space for a long-term vision.[192] In this section, we consider externally-targeted, proactive steps taken by private sector actors in order to contribute to peacebuilding. These fall outside the standard operating procedures of the respective private sector actors and are particularly relevant in cases of active conflict.[193]

Some factors make it more likely for these externally targeted proactive activities to take place and have a meaningful impact on peacebuilding processes. First, the private sector is more likely to engage, have legitimacy and be successful in the peacebuilding process if there is a link between the business and the community concerned (for instance, if the business operates and has personnel in the conflict region).[194] Second, if there is a high likelihood of seeing economic benefits from reduction in violence, businesses are more likely to get proactively involved.[195] Third, the likelihood to get involved can also rise if disengagement from the conflict would hurt the reputation of the respective business.

Private sector actors can participate in or facilitate peace negotiations, as well as influence the peace process in indirect ways.[196] Both approaches were used in the case of Nepal, where business leaders engaged in meetings with leaders of political parties, and influenced the political process indirectly by means such as strikes and threatening to close down businesses. In Northern Ireland, the CBI influenced the political process by convening meetings between conflicting parties and setting up a media campaign. In Kenya, KEPSA lobbied politicians for peace, and through the 'Mkenya Daima' public communication campaign, the association

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[191] Teohna, interview.
[192] Ibid.
[193] Foran, interview.
[194] Crawford, interview.
[195] Pax, interview.
[196] Peschka and Emery.

advocated for an avoidance of a reoccurrence of the events of the previous election. In the case of Sri Lanka, indirect approaches aimed at fostering positive peace were employed. The BPA helped improve access to schools and set up technical colleges where students could earn necessary qualifications for the job market. In particular, it pushed for a bi-partisan approach to education, including government and opposition, for an education system free of ethnic considerations – ultimately contributing to a reduction in horizontal inequalities and inclusive economic growth.[197]

The strength of private sector actors in contributing to peacebuilding is less about their ability to directly change the conditions on the ground, than their ability to indirectly influence power relationships and institutional arrangements that underlie conflict.[198] This is seen in the standard and externally-targeted proactive practices which positively contributed to the realization of both positive and negative peace.

Peace-negative, conflict-reinforcing contributions

Generally-speaking, private sector activities can exacerbate conflicts if they increase horizontal and vertical inequalities, thereby creating sources of grievance.[199] For instance, employment practices, when discriminatory against one group in the conflict, can feed and perpetuate the conflict.[200] Conflict dynamics can also be perpetuated when private sector actors distribute resources unevenly between different groups, or decide to work with specific community leaders instead of others.[201]

Decisions taken to maintain profits or survival may also be conflict-reinforcing, financing the surrounding war economies. Since the Lebanese Civil War (1975-1990), there has been no consistent state-supply of electricity in many parts of Lebanon.[202] As a result, private electricity generator companies rose to fill the vacuum. However, generator operators in Beirut's suburbs

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[197] Joachim, interview.
[198] Ben Miller et al., "A Seat at the Table: Capacities and Limitations of Private Sector Peacebuilding," *SSRN Electronic Journal*, 2019, https://doi.org/10.2139/ssrn.3311737.
[199] Callisto Madavo, 'Do Private Sector Activities Support Peace or Conflict in Fragile States?', in *The Fabric of Peace in Africa: Looking beyond the State*, by Pamela Aall and Chester A. Crocker (Montreal: Centre for International Governance Innovation, 2017); de Bourbon de Parme, interview.
[200] Killick, Srikantha, and Gündüz, 'The Role of Local Business in Peacebuilding'.
[201] Oetzel et al., 'Business and Peace'.
[202] 'Lights, Handguns, Action', *The Economist*, 26 February 2015, https://www.economist.com/middle-east-and-africa/2015/02/26/lights-handguns-action.

have, as at 2015 at least, been paying shifting monthly dues to local militia for the ability to operate.[203] When war broke out in Liberia, one timber company began paying local militia to ensure the safety of their staff and their concessions worth several hundred million dollars.[204] Risk assessment conducted by many businesses in conflict areas may find such actions to be necessary. This "necessity" is underscored by the absence of a legitimate state or support from development practitioners. However, payments made by the private sector to unemployed youth wielding guns or well-established militia, hamper the long-term growth possible for that region and its private sector. There may also be present consequences upon the sector itself. The timber company operating in Liberia went on to receive extensive criticism within the media for financing the war and the negative publicity came to be worth nearly as much as the timber concessions in question. The CEO of the company recognized that in hindsight, the seemingly prudent decision to hire local militia took the company down a slippery slope.[205]

The policies and initiatives taken by businesses to make a profit and promote economic growth must themselves be conflict-sensitive to avoid a peace-negative impact and further enforcing fragility.

Topic 4: Different Industries

When considering the ways in which the private sector can contribute to peace, one must recognize that different industries are innately more compatible with certain peacebuilding efforts over others.

Industries whose operations are reliant on personal interactions and heavy community support are highly incentivized to ensure long-term harmonious relations.[206] The clearest example of this is the tourism industry. It cannot exist without quality interpersonal service to customers, an amicable local community whom guests shall interact with while sightseeing, a sizable staff and safe environments. Retail is another example. Stores which sell divisible and commonplace goods have limited scope to differentiate themselves on the basis of product and

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[203] Ibid.
[204] de Bourbon de Parme, interview.
[205] Ibid.
[206] Fort, interview.

price. This makes interpersonal service a critical feature of their business models. The result is that local tourism, retail, dining and other human-centered industries are well suited to the grassroots, day-to-day activities which incrementally strengthen peace.

Conversely, highly automated industries such as offshore drilling and large-scale manufacturing are less dependent on social harmony.[207] Operations can continue so long as the rig or manufacturing plant is protected, supplied with a relatively small staff and has secure supply and transport routes. As such, these industries' tolerance for low-intensity violence is relatively high. However, they tend to bear much higher initial costs, highly customized assets and limited alternative locations.[208] This creates an incentive for businesses to physically safeguard their assets during episodes of conflict. They also have a strong interest in re-entering the conflict region and resuming operations once high-intensity conflicts subside.[209] Such industries are primed and likely to take proactive steps once the costs of protecting or suspending their operations become difficult to absorb.[210]

Another distinction is that industries with large physical footprints are more likely to cause conflict than those with a smaller presence and conversely, are more likely to be pulled into attempts at resolution.[211] The mining industry, for instance, has been subjected to various standards such as The OECD Due Diligence Guidance for Responsible Mineral Supply Chains. The guiding document makes recommendations on how the industry can uphold human rights and prevent exacerbation of existing conflicts.[212] Liam Foran comments that, "as [an industry] they're probably the ones that have done the heaviest lift because they've been [the] most exposed."[213] Indeed, the International Council on Mining Metals has many measures in place for supporting governance, generating positive externalities for societies and managing environmental destruction.[214]

Nonetheless, numerous private sector actors do not neatly fit into these industry molds. For instance, Somalia's tourism sector may be distinguished from the people-heavy model

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[207] Fort, interview.
[208] Nelson, 'The Business of Peace', 58.
[209] Sandström, interview.
[210] Nelson, 'The Business of Peace'.
[211] Ganson, interview.
[212] 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas'.
[213] Foran, interview.
[214] Foran, interview; 'Society & the Economy'.

presented above. Even in peace times, the nation has run a boutique tourism industry.[215] This limits the number of interpersonal and inter-business relationships it can influence on a daily basis. Meanwhile, the economy of Pokhara city, Nepal, is driven by tourism and is home to about 500 hotels.[216] Data is unavailable concerning the industry's incremental peace contributions to pre-conflict Nepal. However, its size likely aided its successful negotiations with political parties and the Maoists in 2003, to exempt the industry from participation in or harassment during strikes.[217] With any industry, there are various combinations of size, ethos, structure and location which will influence the peacebuilding activities it may choose to pursue. Elevated conversation about industry contributions should also revolve around core competencies and capabilities.

Businesses operating in the conflicts explored in the Case Studies always made some contributions related specifically to business or trade expertise. Consider the SLF and BPA alliances in Sri Lanka as examples. They indeed stepped outside their expertise by organizing dialogues and hosting a public protest. However, the SLF also educated others on the economic costs of peace via its public outreach, while the BPA took advantage of its membership in regional Chambers of Commerce by lobbying political actors for cross-regional policies pertinent to trade.

With regard to leveraging specific competencies, one may consider the polling firm Ipsos Synovate, which contributed to the Mkenya Daima campaign. The firm has a global workforce of 16,500 who collect and process data.[218] It serves 5,000 clients globally with many being businesses, markets and brands.[219] It opened its branch in Kenya in 2011.[220] These are characteristics of Ipsos specifically and as a member of the polling and market research industry, which likely influenced its available capacity and willingness to contribute to Kenya's peace. However, the nature of the actors' contributions were strongly associated with its technical expertise. The business acted by evaluating the public penetration of the Mkenya Diama campaign free of charge.[221] At the end of phase I for instance, it found that a third of Kenyans had been exposed to the campaign's messages.[222] It also educated politicians and

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[215] Keating, interview.

[216] Dhakal and Subedi, 'The Nepalese Private Sector: Waking up to Conflict', 419-420.

[217] Ibid., 421.

[218] 'Ipsos'.

[219] 'Reference Document'.

[220] Ibid.

[221] 'The Role of Kenya's Private Sector in Peacebuilding: The Case of the 2013 Election Cycle'.

[222] Ibid.

members of the media on how to interpret and react to polling data.[223] In sum, Ipsos Synovate's contributions to peacebuilding in Kenya employed polling and research competencies, likely framed by industry and internal business characteristics.

One competency that cannot be overemphasized for peacebuilding is the quick dissemination of information provided by the telecommunications industry. It is vital for peacebuilding efforts in pre-conflict, conflict and post-conflict settings. For instance, protesters in the Taiwanese "Sunflower Movement" downloaded the app FireChat in droves, which allowed them to communicate in the absence of internet and regular texting services up to a distance of roughly 250 feet.[224] In October 2019, protestors in Hong Kong began using the mobile application HKmap.live to help them track and avoid hotspots for altercations with police.[225] Terrorists also consider it unwise to destroy telecommunication towers as they also make use of their services.[226] For instance, the terrorists who attacked Paris in November 2015 coordinated their attacks via new or stolen mobile phones.[227] Turning to the post-conflict phase, telecommunications allows victims to access support, learn what locations would be safe and communicate with others.[228] For the Assistance Mission in Somalia, these features formed the basis for a famine prevention and response program that provided cell phone credit to those who signed up.[229] Displacement, extreme poverty and famine go a long way in exacerbating injustice and entrenching conflict.[230] Here, telecommunications played a key role in allowing the Mission to mount an effective response to what would have been a famine.

Ultimately, understanding the competencies and characteristics of private sector actors with respect to peacebuilding is a worthy first step. Doing so provides businesses with an understanding of which peacebuilding activities come most naturally, painlessly or are expected of them. Furthermore, such knowledge would help development practitioners and

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[223] Ibid.

[224] Fitzpatrick, 'Hong Kong Protesters Use Chat App Firechat Without Internet Connection | Time'; Boehler, '"Off-the-Grid" Messaging Application FireChat Continues to Ride Occupy Boost | South China Morning Post'.

[225] Yu, '"Protecting Rioters"'.

[226] Keating, interview.

[227] 'Smartphones: A Double-Edged Sword for Terrorists', accessed 2 December 2019, https://phys.org/news/2018-11-smartphones-double-edged-sword-terrorists.html ; 'Paris Terrorists Used Burner Phones, Not Encryption, to Evade Detection | Ars Technica', accessed 2 December 2019, https://arstechnica.com/tech-policy/2016/03/paris-terrorist-attacks-burner-phones-not-encryption/.

[228] Keating, interview.

[229] Keating, interview.

[230] Keating, interview.

governments predict what peacebuilding approaches may be lacking in a state, based on the economy's industry composition.

Topic 5: Multinational Versus Local Actors

By and large, local actors are better suited to peacebuilding than multinational and transnational actors. Local actors tend to be operational sooner than their multinational counterparts once a conflict subsides or ends, as they often have immediate access to information on the ground.[231]

Proximate factors of production and decision makers alongside contact with family and fellow local businesspeople, allows them to quickly assess the needs of their customers, reliability of supply and safety conditions. The result is the admirable presence of local shops in remote parts of fragile countries, open and stocked with everything from matches to basic medicines.[232] Local actors also tend to have fewer ready alternatives for their livelihoods, raising their interest in seeing peace restored.[233] For instance, when an episode of violence is expected as was the case in Kenya leading up to the 2013 general elections, it is in the interest of a local branch manager to participate in the development of early warning systems. Doing so effectively could result in fewer staff injuries, infrastructure for flexible office hours to ensure operations continue and reduce losses incurred during any looting of one's premises.[234]

Further distinction must be made with respect to "local actors". While motivations tend to be similar, the kinds of peacebuilding activities which small and medium-sized enterprises (SMEs) should undertake differ from those of large national brands. Meanwhile, the peacebuilding activities available to local subcontractors of multinational or transnational businesses may be shaped by their level of financial and decision-making independence. Fairly independent subcontractors may engage in peacebuilding activities similar to those of SMEs. As alluded to in the above paragraph, these would be ground-level implementation of initiatives and providing area-specific information. Large national brands, however, may pursue similar activities as

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[231] Foran, interview.
[232] Keating, interview.
[233] Foran, interview.
[234] Teohna, interview.

MNCs, albeit - as elaborated at the end of this topic - with greater legitimacy, responsibility, speed and ability to trace impact.

In considering the peacebuilding possibilities for the majority of MNCs, whose core businesses are not necessarily part of the conflict and peace industry, Big Beer stands out as a robust case study. One can always find a beer.[235] For instance, the successful Bralima brewery in the Democratic Republic of the Congo (DRC) has been owned by Heineken International, from before the start of the First and Second Congo Wars.[236] Heineken's decision to remain operation in the DRC (as well as Rwanda and Burundi) through periods of large-scale conflict have been based on a desire to contribute to the economies of their host countries, a view of long-term returns in these growing markets, a desire to project their existing assets and their duties to their staff.[237] In Rwanda particularly, they are reported as being the first large company to become operational after the genocide and this indicates the capture of the first mover advantage available to bold businesses in fragile areas.[238] Turning back to the DRC however, their continued operations have not been without significant criticism.

Bralima distributes Primus, Heineken, Coca-Cola, Sprite and Fanta to most of the country, including the eastern regions where the government is absent and rebel groups erect checkpoints and levy fees to all passing trucks.[239] Drivers into rebel areas are therefore provided with money to cover these additional costs.[240] The four-fold increase in consumer prices in remote areas relative to Kinshasa and Heineken's long-established practice of contracting external, independent distributors, indicate that Bralima has adapted to this conflict environment.[241] This emphasizes the reality that business will adapt to conflict environments, and without assistance from governments or development practitioners, the survival means adopted may also exacerbate conflict. Indeed, the checkpoints are *the primary source* of revenue for the armed groups' weaponry and bribes and it is estimated that Bralima is subjected

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[235] Feedback from Jörgen Sandström and Robert Sadleir, from Amara Amadiegwu, Manuel Simon and Maya Kihiu, "ARS Presentation," Presentation, World Economic Forum, Geneva, December 12, 2019.
[236] Jason Milkian and Peer Schouten, 'Fluid Markets', *Foreign Policy*, 3 September 2013, https://foreignpolicy.com/2013/09/03/fluid-markets/.
[237] François Lenfant and Katinka Cranenburgh, 'Business Responsibilities in Times of War and Peace: The Case of Heineken in Central Africa', *Business, Peace and Sustainable Development* 2017 (December 2017): 35–60, https://doi.org/10.9774/TandF.8757.2017.de.00004.
[238] Ibid.; Sandström, interview.
[239] Milkian and Schouten, 'Fluid Markets.'
[240] Ibid.
[241] Ibid.

to well over $1 million in fees annually.[242] The checkpoints also provide a better living wage than honest sources of work which average a yield of roughly $1/day.[243] This sustains labor supply to conflict-activities despite the positive impacts of Bralima to the macroeconomy or CSR projects.

Beyond the danger of funding rebels, to which many business actors may be complicit, the presence of lengthy supply chains which make traceability and accountability difficult are prevalent in multinational and transnational businesses. Consider the multinational metals industry. The United States' Dodd Frank Act Section 1502 (2010), prohibits publicly traded businesses from using raw materials originating from conflict in the Congo.[244] This created an urgent need for traceability if thousands of workers in mines were to remain in demand.[245] Development practitioners such as the Special Envoy for Natural Resources with the Dutch government and NGOs worked to provide traceability to tin from Congo. They tagged every bag of tin, tracing it to the Congolese border and charter to a smelter in Malaysia.[246] This opportunity was then seized by businesses such as Apple Inc., International Business Machines (IBM) Corporation and Intel Corporation. They recognized that buying their tin from that specific course would help mitigate the poverty that can trigger conflicts, and this helped the tracing system to expand to over 800 mining sites.[247]

Such peace-positive contributions along the supply chain can also be initiated from within the private sector. Consider the value chain of cacao, sourced from Ivory Coast and other parts of the world. The product moves from farmer, to village collector, to pisteur, to cooperative, to trader, often to semi-processors, to manufacturer, to retailer, and finally to the consumer.[248] This distance makes it difficult for business actors high up in the chain to be peace-positive in ways which trickle down to the farmers. However, meaningful and financially viable contributions to peacebuilding can still be made. The Dutch company, Tony's Chocolonely, is on a mission to move chocolate toward being entirely slave free.[249] They monitor the farmers and cooperatives from whom they source the cocoa from, pay farmers higher wages than the

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[242] Ibid.
[243] Ibid.
[244] de Bourbon de Parme, interview.
[245] Ibid.
[246] Ibid.
[247] Ibid.
[248] Netflix documentary, Rotten: Bitter Chocolate, Season 2 Episode 5, 2019.
[249] 'Our Mission - Tony's Chocolonely', accessed 2 December 2019, https://tonyschocolonely.com/int/en/our-story/our-mission.

industry (40% above the farm gate price[250]) to provide minimum living wages, and provide farmers with training.[251] They have also partnered up with one of the largest chocolate manufacturers globally, Barry Callebaut, to conduct cocoa tracing.[252] Beyond peace impact, the results for the business have been stellar. Tony's Chocolonely has been ranked the most sustainable brand in the Netherlands, 2019, and it is expanding its presence in Europe and the U.S.[253] That said, 88% of its sales are contained in the Netherlands, suggesting that its contributions to peacebuilding would also have been possible and successful for it as a purely national brand.[254]

Many of the above challenges and operations associated with large-scale operations and connectivity also apply to national private sector actors. However, their smaller scale reduces their distance from information and the individuals most vulnerable to unfavorable business decisions. Additionally, national brands (and MNCs) can play a role in building internal and external investor confidence. Speaking on the context of Sri Lanka, Susan Joachim holds that such large private sector actors alongside large chambers of commerce, should lobby outside the country for continued investor confidence and lobby the Sri Lankan government to ensure external perception of Sri Lanka as a reliable business partner.[255] The unavailability of alternative revenue grants these local actors the motive and legitimacy to advocate for favorable economic policies.[256] Indeed, as stated by Keating, local actors may bear greater responsibility than their multinational counterparts in examining how their business model contributes positively or negatively to peace.[257]

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[250] The farm gate price is the price available for an agriculture product if sold at the farm (that is, without transport and selling costs).
[251] Ibid.
[252] Ibid.
[253] Jeroen Kraaijenbrink, 'How To Bring Sustainability To The Masses: Tony's Chocolonely's Impact Strategy', Forbes, 8 November 2019, https://www.forbes.com/sites/jeroenkraaijenbrink/2019/11/08/how-to-bring-sustainability-to-the-masses-tonys-chocolonely-impact-strategy/.
[254] Ibid.
[255] Joachim, interview.
[256] Crawford, interview.
[257] Keating, interview.

Topic 6: Private Sector Alliances

Private sector actors are highly capable on their own. However, alliances seem better suited for the proactive and externally directed activities of peacebuilding. It may even be the case that without alliances, many businesses would not engage in proactive activities within the top of the Contributions Pyramid at all.

The distinct advantage of alliances over individual actors is that they grant the private sector a legitimate and influential voice in national conversations, even allowing them to exert pressure on negotiating parties to find a peaceful solution. For instance, The Sri Lanka First coalition helped convince the warring parties to negotiate and they encouraged many voters to select pro-peace candidates.[258] In Nepal, Upreti and Ghimire found that, "networks, councils of business houses, umbrella organizations [...] and specially created associative structures such as NBI are more effective in exerting pressure for peace compared to the efforts of individual business houses."[259] Alliances may also provide beneficial partners to companies which lack the size or expertise to pursue their desired level of impact.[260] Though the membership of the GoS in Northern Ireland was held at eight members, two of these members represented smaller actors – the Federation of Small Businesses and the Northern Ireland Committee of the Irish Congress of Trade Unions. In Kenya, large brands such as Safaricom have taken leading roles in KEPSA but the alliance hosts private sector actors of varied size.

That said, the existence of private sector alliances for peace is fairly limited with good reason. For one, coalitions create room for free riders and diffusion of responsibility.[261] Furthermore, the need to have common interests around which to coalesce or for comparable capacities to avoid free riders, lends itself to coalitions whose members operate within the same or closely linked industries. For instance, the proactive private sector members in El Salvador were predominantly transnational family businesses with an interest in becoming competitive

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[258] Bishnu Raj Upreti et al., *The Remake of a State: Post-Conflict Challenges and State Building in Nepal* (Kathmandu University and NCCR (North-South), 2010).
[259] Upreti and Ghimire, 'New Actors in New Business: Private Sector Engagement for Peace Building in Nepal'; Ghimire and Upreti, 'Peace by Corporate Means'.
[260] Shetler-Jones, interview.
[261] Nhan, Interview.

internationally. Potential public sector partners also note difficulties in coordinating with coalitions. The representatives of the private-partner entities each have varying levels of influence within their companies and varying degrees of knowledge on the issue at hand.[262] Moreover, if each coalition member is working on one set of tasks within the terms of reference, the NGO or public-sector partner has to cater to each entity, as well as the collective.[263]

These challenges can be mitigated by restricting the number of alliance members, setting clear expectations and setting distinct roles. The manifested interest of the British Prime Minister and American President in the private sector of Northern Ireland between 1990 and 1995, was all prior to the formation of the GoS alliance. With a relatively small number, private sector actors already signaled to external investors that there was in-country commitment to making the country's business environment hospitable. Furthermore, once the GoS was formed, the CBI took on the mantle of leadership and in particular, through Sir George Quigley.[264] Private sector actors in alliances can also turn to familiar tools such as the RACI matrix to assign and track deliverables amongst the members.[265]

Nonetheless, there still remains support for Michael Keating's conclusion that, "it is not in the genetics of the private sector to sustain that kind of thing [i.e. coalitions for peace]".[266] For instance, there is no evidence that the SLF or Go7 alliances in Sri Lanka and Northern Ireland respectively, are still active. They existed in response to specific episodes of violence and deliberately re-established distance from political discussions once partisan political solutions emerged.[267] Moreover, the sample of six cases elaborated in this report overrepresent the presence and success of business alliances for peacebuilding. Forefront engagement in the politics of peacebuilding takes businesses outside their areas of competence. Outside a state of desperation and sustained conflict, the knowledge base and ethics of such strong contribution should be questioned. It may be more fruitful and sustainable that the external and political activities of private actors in peacebuilding – be they acting as individuals or in coalitions

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[262] Nhan, interview.
[263] Vahtola, interview.
[264] International Alert, 'Local Business, Local Peace: The Peacebuilding Potential of the Domestic Private Sector' (International Alert, 2006), https://www.international-alert.org/sites/default/files/publications/23_section_2_Northern_Ireland.pdf.
[265] As appropriate, the RACI matrix is used to assign deliverables or elements of a project to the parties Responsible, Accountable, Consulted, or simply Informed.
[266] Keating, interview.
[267] Bishnu Raj Upreti et al., *The Remake of a State: Post-Conflict Challenges and State Building in Nepal* (Kathmandu University and NCCR (North-South), 2010).

– simply be upon invitation or consultation in conversations led by legitimate governments or experts in the field. This approach is explored further down in the section *Role of Other Stakeholders*.

Topic 7: Different Stakeholders within Businesses

In the scholarship on the private sector in peacebuilding, there is a tendency to treat businesses as unitary actors, and the internal composition of businesses is often ignored.[268] However, in order to understand how private sector actors can meaningfully contribute to peacebuilding, it is necessary to disentangle the different stakeholders within businesses.

One way to categorize different business stakeholders is by means of a hierarchy - ranging from top-level management to low-level employees. Generally-speaking, the roles of both company leadership and (low-level) employees are crucial. In what Jaime de Bourbon de Parme describes as a "two-way push"[269], there can be an initiative from the bottom-up by employees to push the company towards peacebuilding, for instance through general strikes, as demonstrated in the case of Nepal. On the other side, company leadership can either support the initiative by lower levels of the hierarchy or put their own initiatives into place.[270] Irrespective of which part of a business the initiative originates from, it is more likely to have a sustainable impact if supported from all levels in the business hierarchy.[271]

Tapio Vahtola emphasizes the role of high-level decision-making levels within companies. According to him, someone at the top of a company with a vision for peace has the ability to push the entire company into a peace-positive direction.[272] In line with this, Andrej Kirn argues that there needs to be a push from the decision-making level of a company for peace-positive action, while the implementation of peace positive practices tend to take place at the lower levels in the hierarchy. [273] Hamdi Ulukaya, founder and CEO of the U.S. yogurt company

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[268] See, for instance, Berdal and Mousavizadeh, 'Investing for Peace'; Bennett, 'Multinational Corporations, Social Responsibility and Conflict'; Madavo, 'Do Private Sector Activities Support Peace or Conflict in Fragile States?'.
[269] de Bourbon de Parme, interview.
[270] Nhan, interview; de Bourbon de Parme, interview.
[271] de Bourbon de Parme, interview.
[272] Vahtola, interview.
[273] Kirn, interview.

Chobani and founder of the TENT Partnership for Refugees, serves as an example of how a company CEO can contribute to creating peace responsible businesses and promoting a sense of community among business stakeholders.[274] His contributions as a business leader in peace have been additionally recognized by the Business for Peace Foundation, which will be further discussed below.

How positively decisions at the top of the hierarchy can influence peacebuilding processes, depends on the networks and degree of connection of the business leaders to the respective conflict. If the top-level managers are not placed in the conflict context themselves, regular contact with local managers located in the conflict context can be useful.[275] On top of the connection to the conflict, the ability of the leader to convince other stakeholders in the business of the relevance of engaging in peacebuilding is important.[276] This impact on other business stakeholders can for instance be increased by training them on ways the respective company can contribute to peace.[277]

Needless to say, not all companies are structured equally: While some companies are structured in a hierarchical, top-down way, others have flat structure and have bottom-up decision-making processes. The way companies are structured has implications for which stakeholders are key to initiate peace-positive activities. In companies with hierarchical structures, the decisions by the top-level leadership can be decisive; While in less-hierarchically organized companies there can be a need for greater buy-in from stakeholders at different levels.[278]

Apart from the distinction between top-down and bottom-up initiatives, there is also a generational distinction to be made. Overall, younger generations tend to be more aware of the need for businesses to play an active and positive role in peace and development processes.[279] For instance, in the case of Somalia, young business leaders increasingly cooperate beyond clan boundaries and therefore contribute to the strengthening of a national identity. There is

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[274] 'ICC celebrates 2019 Business for Peace Honourees'.
[275] Kirn, interview; Shetler-Jones, interview.
[276] Killick, Srikantha, and Gündüz, 'The Role of Local Business in Peacebuilding'.
[277] Nelson, 'The Business of Peace'.
[278] Nhan, interview.
[279] Nhan, interview.

also a general tendency for new generations of employees pushing companies to be more value-based.[280]

Furthermore, different departments within companies can take on different degrees of importance when it comes to promoting peace-positive activities. For instance, CSR departments have a tendency to be "more attuned to peace, development and human rights issues".[281] However, employees in other departments can also play crucial roles.[282] Beyond the level of the traditional linkages that departments have to peace and development issues, it is important whether individuals within the respective departments take the initiative to push for greater involvement in peacebuilding.[283]

Topic 8: Role of Other Stakeholders in Peace
(Governments and State Parties, International and Development Organizations, Peace Practitioners)

Businesses by trade are neither peacebuilders nor humanitarian entities. The role of peacebuilding, reconciliation and humanitarian intervention has predominantly been left to governments, international organizations and development actors. As seen in the various cases discussed, private sector actors have a wealth of expertise, technical skills, financial means and at times interpersonal relationships with local communities and political actors, which they can often leverage in support of sustainable peacebuilding. As businesses begin to play a larger role and take more responsibility in the peacebuilding and socio-economic development arena, it is important to reexamine the roles of other stakeholders such as governments, international organizations and NGOs, and the ways they can facilitate meaningful private sector engagement.

As the private sector becomes more engaged in peacebuilding and socio-economic development, there is a need for international institutions and humanitarian organizations to push for more sustained collaboration with the private sector and develop a better

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[280] de Bourbon de Parme, interview.
[281] Nhan, interview.
[282] de Bourbon de Parme, interview.
[283] de Bourbon de Parme, interview.

understanding of how to partner with them.[284] There is room for public sector actors to become more comfortable working with the private sector on a long term, sustained basis, not just around particular projects or interventions. Serving as a positive example, the government of Colombia has provided tax incentives to businesses engaged in infrastructure, sanitation and other public works in zones of the country most affected by the previous years of conflict.[285] The academic Igor Abramov states that the most critical element of partnering with the private sector is ensuring the sustainability of the positive changes that come as a result of the partnership. Without the emphasis on sustainability and a commitment to continued collaboration, efforts at peacebuilding would be temporary at best.[286] This is particularly true in conflict and violence-prone environments.

As seen in the Kenya case, there are business investors who are dedicated to fostering peace and creating long-term impacts in addressing some of the root causes of conflict, such as unemployment, poverty, and corruption. Sustained collaboration with the Kenyan private sector since 2007, particularly with KEPSA, has helped in peacebuilding efforts to reduce the recurrence of election violence in the following elections and provided conflict prevention mechanisms for the private sector to use in future elections. The academic Daniel Medina emphasizes the importance of this dedication in his reflections on the conflict in Colombia between the state and the Revolutionary Armed Forces of Colombia (FARC). The government's core negotiation team had two representatives from the business community selected and invited by the presidential house.[287] Their selection was on the basis of their positive standing within the private sector community and their understanding that business cannot thrive without conducive social conditions.[288] They were part of negotiations for five years.[289]

In terms of how the public sector can facilitate sustained private sector cooperation, the public sector can scale the internal capacities of the organization, to allow for the exploration, development and success of private sector partnerships for peace and development. Examples of this are seen in organizations such as the United Nations High Commissioner on Refugees (UNHCR), where the private sector partnerships division works on cultivating partnerships with

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[284] Kirn, interview.
[285] Medina, interview.
[286] Igor Abramov, 'Building Peace in Fragile States – Building Trust Is Essential for Effective Public-Private Partnerships'. *Journal of Business Ethics* 89, no. 1 (2009): 481-94.
[287] Medina, interview.
[288] Ibid.
[289] Ibid.

the private sector, beyond financial support for the refugee cause, ultimately contributing to the positive sides of peace.[290] Additionally, the public sector, particularly humanitarian and development organizations can incorporate the private sector into their ongoing development and peacebuilding strategies. Fostering and promoting regular engagement with the private sector allows for a better understanding of the needs, strengths and weaknesses of all stakeholders, including civil society. Sustained collaboration will create more benefits to the peacebuilding process, as their synergies improve, and capacities scale up over time.

In addition to developing the institutions to partner with the private sector on a sustained basis, the public sector can have a role to play in de-risking the environment to enable the private sector to engage in certain violent contexts. Private sector actors tend to be very risk-averse and will often avoid engaging in conflict zones, especially if they are not direct stakeholders in the conflict.[291] Local governments and development institutions such as the World Bank can aid in de-risking the environment and reviving brand association of a country to attract private sector investment. Countries with histories of conflict often have bad brand association, which can discourage private sector companies from operating in those environments. Although these countries may have histories of conflict, they are often rife with human capital, which can often be employed for cheaper cost than operating elsewhere. Local governments of conflict areas and development institutions can play a role in promoting their respective countries for private sector investment and advise these companies on how to operate in these areas with a conflict-sensitive lens.[292] One way this can be achieved is by bringing private sector actors to on the ground opportunities, where they can view the context and the relevant actors, outside of the risk assessment reports which inform their decision making.[293] Site visits and other opportunities such as these may have a positive effect on aiding brand association and increase buy-in from the public sector, which may find new benefits from engagement.

Similarly, in order to invest in these contexts and employ local labor forces, the private sector would benefit from a strong enabling environment along with basic infrastructure and security in order to operate. The scholar Callisto Madavo states that following a conflict, "the domestic government must be the first and critical actor in restoring the vitals of an economy through

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[290] United Nations. "Private Partners." UNHCR. Accessed December 2, 2019. https://www.unhcr.org/private-sector-supporters.html.
[291] Foran, interview.
[292] Pax, interview.
[293] Foran, interview.

ensuring basic levels of basic infrastructure, energy, security, stability and light manufacturing."[294] As part of the government's role in de-risking the environment, ensuring basic levels of security lays the groundwork for economic recovery, as both civil society and businesses increasingly feel included and invested in a sustainable peace. Additionally, when businesses come into an environment, they often look for internet and telecommunications systems as well as energy, banking and hotels.[295] With these basic systems in place, the private sector is better enabled to operate in these contexts.

Another role which other public sector stakeholders can play is to incentivize private sector actors to invest in peace by creating a mechanism to demonstrate the impacts of investment. Private sector actors often struggle to see the impact of their investments in peace, which eventually hinders meaningful investments.[296] The WEF and other convening organizations can act as platforms for collaboration. The strength of the WEF is its ability to convene different stakeholders and organize the collaboration of initiatives.[297] This could be where the relevant actors in the private sector, as well as research institutions such as the Institute of Economics and Peace, can collaborate on developing a mechanism for managing and measuring the social impact of private sector investments in peace. A mechanism which calculates social impact would allow the public sector to demonstrate how engaging in sustainable peacebuilding is rewarding both ethically and financially.[298] When businesses see that their engagement is both financially and ethically responsible, the partnership and the outcomes thereof are more sustainable.

Lastly, the public sector, along with civil society, can play a role in boosting the confidence of the private sector. Businesses do not have the confidence of society that they are there to do more than earn money.[299] They are often perceived as self-serving and indifferent to the impact their operations may have on the socio-political context of local communities.[300] In order to encourage and foster private sector engagement in peace, there must be a mutual relationship

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[294] Callisto Madova, 'Do Private Sector Activities Support Peace or Conflict in Fragile States?' In *The Fabric of Peace in Africa: Looking beyond the State*, by Pamela Aall and Chester A. Crocker. Montreal: Centre for International Governance Innovation, 2017.
[295] Fort, interview.
[296] Vahtola, interview.
[297] Kirn, interview.
[298] Vahtola, interview.
[299] Saxegaard, interview.
[300] Abramov, 'Building Peace in Fragile States – Building Trust Is Essential for Effective Public-Private Partnerships'.

of trust and confidence between businesses, governments and civil society. Without this relationship, all efforts will be mixed and could possibly hinder peacebuilding.[301] The public sector can foster the confidence of civil society by promoting private sector involvement and by supporting business individuals who make efforts to engage with societal dilemmas outside of their business operations. The Business for Peace Foundation, each year, awards several business leaders the Oslo Business Award for Peace, which recognizes individuals for their outstanding business worthy contributions to peace. Their mission is to promote "business worthy" individuals, which they define as "applying one's business energy ethically and responsibly with the purpose of creating social as well as economic value."[302] By honoring the contributions of business worthy individuals, the Business for Peace Foundation aims to increase the confidence that civil society and the public sector have in businesses.[303]

Topic 9: Limitations of the Private Sector

As stated earlier, it is not within the nature of businesses to act as peacebuilders. Despite this, it has been observed that businesses can play a substantive supporting role in fostering peace. This leads to the question of what the limitations of private sector actors are when it comes to peacebuilding.

Given that the core purpose of businesses is to generate value and profit for themselves and society, many companies often do not see it as their mandate to get involved in peacebuilding.[304] This can lead to the private sector overlooking their added value in the peacebuilding space, as well as overlooking the potential benefits for the private sector that could be reaped from sustainable peace. If companies view value and profit creation as their core mandate, and if companies recognize their reliance on the positive relationships to the greater society, it can be seen that peace is a requirement for the profitable functioning of most businesses. With this in mind, peacebuilding, as a means to be profitable in the long run, should be seen as part of the higher purpose of most businesses. For the private sector to realize this higher purpose, it "requires recognition that businesses cannot be neutral in discussions of

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[301] Saxegaard, interview.
[302] Saxegaard, interview.
[303] Saxegaard, interview.
[304] Pax, interview.

peace. They are stakeholders in the future configuration of society, with preferences and interests."[305]

While the primary responsibility of peacebuilding is with governments, international organizations and NGOs that work in the conflict resolution space, businesses are a key supporting actor in advancing positive peace outcomes.[306] This is not to say that the burden of responsibility should shift from the public to the private sector, but rather that the public sector should help private sector actors incorporate this higher business purpose into their strategies and operations, as a way to shift the narrative that peace is not in the mandate of businesses and to encourage their engagement in peacebuilding.

Besides with businesses not seeing peacebuilding as their mandate, there is usually a threshold of violence that needs to be met to tip the scales in favor of private sector engagement. This was seen in the Sri Lanka case, where the business community in Colombo began supporting peacebuilding efforts only after the violence spread to the capital, making the conflict more palpable for businesses. This is also exemplified in the Northern Ireland case where the business communities started getting involved and drafted the peace dividend paper in the 1990s, despite the conflict taking place since 1968.

Additionally, the private sector tends to have little knowledge about fragile environments or how to de-risk said environments.[307] Since private sector actors often have little contextual knowledge, this can lead to an underestimation of the context and difficulties of the regions that they operate in. While peacebuilding is an ongoing process, the private sector often runs on regular reporting schedules and has certain expectations of how long it should take to see positive returns.[308] This makes managing expectations difficult from a partnerships side, as businesses often view the peacebuilding efforts of governments and international organizations as slow and inefficient.[309] While private sector actors can be efficient and fast in achieving certain outcomes, they can also make wrong decisions and perpetuate conflict without a proper understanding of the context or consultation with the relevant public sector actors. Operating in

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[305] Brian Ganson, "Business (Not) for Peace: Incentives and Disincentives for Corporate Engagement on Good Governance and Peaceful Development in the African Context," *South African Journal of International Affairs* 26, no. 2 (April 3, 2019): 209-32, https://doi.org/10.1080/10220461.2019.1607546.
[306] Kairouz, interview.
[307] de Bourbon de Parme, interview.
[308] de Bourbon de Parme, interview.
[309] Nhan, interview.

London is different than operating in places with histories of conflict like Colombo, so it takes effort on the private sector side to recognize the limitations of their contextual background in conflict and collaborate with the public sector to ensure that their operations will have a positive impact on peacebuilding. This limitation shows that there is a need to synchronize the expectations of the private sector for outcomes on the peace process with those of actors who are already working in the peace building space.[310] This is in addition to the need for the private sector to be willing to engage with the public sector on a longer term basis for the sustainable realization of peace.

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[310] Brian Ganson, "Business (Not) for Peace: Incentives and Disincentives for Corporate Engagement on Good Governance and Peaceful Development in the African Context," *South African Journal of International Affairs* 26, no. 2 (April 3, 2019): 209-32, https://doi.org/10.1080/10220461.2019.1607546.

FUTURE RESEARCH

Impact Investing for Peace

Further research is required in order to understand how impact investing can support peacebuilding. The link between impact investing and peacebuilding is not direct and has thus far been little explored. An initial attempt has been made by the Peace Investment Fund, which invests in and engages with highly active global companies in conflict-prone states. How impact investing can be extended to peacebuilding more broadly, and what the limits and risks involved are, is yet to be explored.[311]

Peace Management Systems

Related to companies' internal systems of operation, the idea by Robert Sadleir to develop peace management systems within companies stands out. As he argues, many companies operating in fragile contexts already have existing management systems, such as risk management systems, in place. Developing a peace management system with similar structures, initiated by a peace resource manager, can potentially enable companies to get involved in peacebuilding more actively. Where exactly, i.e. at which level of a company, the peace management system would be developed, depends on the organizational structure of every individual company.[312] More research is needed on how a peace management system can complement existing management systems and through which mechanisms it can enhance the peace-positive impact of companies.

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[311] Philipps and Diday, 'A Silver Bullet to Building Peace? Critical Reflections on the Innovation Forum "Impact Investing - Catalyzing Wealth For Peace?"'
[312] Sadleir, interview.

CONCLUSION

The case studies and thematic analysis have demonstrated that various activities of private sector actors can contribute positively to peacebuilding, while there are also possibilities for the private sector to influence peace processes negatively. Merely operating a business according to the law, employing staff members and making a profit does not automatically translate into a peace-positive impact. In order to make a peace-positive contribution, businesses must adopt a conflict-sensitive lens when conducting their standard business practices. Under specific circumstances, businesses can also get involved proactively in peacebuilding, including through direct and indirect contributions to peace negotiations.

The contributions of private sector actors are largely dictated by their configurations. The intersection of each industry's characteristics and core competencies suggests what peacebuilding activities it is most suited for. Local businesses and multinational subsidiaries are better incentivized to contribute to peacebuilding as they lack alternative sources of income. Meanwhile, business alliances have the weight to influence political change that individual actors lack but are unsustainable models for their involvement. Furthermore, the internal structures of businesses, as well as the influence by different internal stakeholders, determine the ultimate impact that a business can have on peacebuilding.

The core purpose of businesses is to generate profit, and many companies do not regard peacebuilding as part of their mandate. This, combined with the fact that businesses often lack contextual knowledge about conflicts they operate in, leads to a reluctance of many private sector actors to meaningfully engage in peacebuilding. However, there are numerous economic incentives for businesses to do so. Conflicts, more often than not, pose a hindrance to economic growth. Operating in conflict environments is not sustainable for businesses in the long run, and peace and stability are generally linked to better investment and market opportunities for businesses. Despite those incentives, the case studies show that businesses tend to get actively involved in peacebuilding only after a certain threshold of violence and economic costs of the conflict has been reached.

Since private sector actors are becoming more engaged in peacebuilding, there is space for other stakeholders, such as governments and state parties, international organizations, as well as peacebuilding and development organizations, to scale their engagement with the private sector. Possibilities exist to push for more sustained collaboration, which will be elaborated upon in the policy recommendations below.

This study has a number of limitations. To begin with, there was some bias in the selection of the case studies. Since the purpose of this research was to discuss positive contributions by the private sector to peacebuilding, cases were selected based on the degree of success of the private sector involvement. This diverted attention away from cases where private sector actors made peace-negative contributions. On top of this, data for the Case Studies and Thematic Analysis arose from desk research and interviews with academics and representatives of international organizations. There were no interviews conducted directly with business representatives. Furthermore, due to the large target audience and accordingly the large scope, it was not possible to cover nuances, for instance different contributions even within specific industries.

For further research, there is a need to analyze private sector contributions to peacebuilding in new contexts. In the dominant literature on the topic, relatively few cases dominate the analysis. The need for coverage of new cases requires going beyond desk research and interviews with academics. Instead, primary data within contexts thus far barely covered by the literature needs to be gathered and analyzed. It would also be fruitful to consider cases of negative impacts of private sector activities on peace processes. In particular, cases in which well-intentioned peacebuilding activities from private sector actors produced unintended negative impacts on peacebuilding processes could be considered. Finally, further research can explore ways to measure peace dividends, and more specifically the economic benefits from peace for private sector actors - helping to translate conversations about peace into a language that businesses understand.

POLICY RECOMMENDATIONS

1. **Businesses should adopt a conflict-sensitive lens to business practices and operations.**
   - A conflict-sensitive lens provides businesses with the knowledge of their positionality within a conflict, thus how their operations can impact the situation positively or negatively. Businesses must have a conflict-sensitive lens to avoid inadvertently reinforcing conflict in the countries they operate in. A conflict-sensitive lens allows businesses to better adopt standard business practices and, under certain conditions, engage further in externally targeted proactive peacebuilding steps which positively contribute to peace.

2. **Businesses should view value creation for society as a higher business purpose.**
   - If businesses recognize their reliance on the positive relationships of value to the greater society in order to be profitable in the long run, they must view value creation for society as their higher business purpose. Because of this relationship businesses cannot be neutral stakeholders in peace, as their long-run viability relies on peaceful and prosperous societies.

3. **Businesses, if highly invested in fostering peace, should consider politically organizing into an alliance.**
   - If businesses, in cases of severe conflict, are highly invested in fostering peace, they should look for other like-minded businesses and form an alliance, instead of acting individually. Doing so raises the likelihood of having a meaningful impact on the political peacebuilding process.

4. **The public sector should become more comfortable working with the private sector on a long-term and sustained basis, not simply around particular projects or interventions.**
   - By incorporating the private sector more broadly into overall peacebuilding and development strategies, the public sector can be better equipped to address certain economic causes of conflict such as poverty and inequality. Additionally, with regular collaboration the competencies, expertise and networks of the private sector can be harmonized with those of the public sector to best address the peace process. Sustained and efficient private sector engagement can help in the

realization of positive peace outcomes and reduce the likelihood of conflict, as well as provide mechanisms to mitigate its impact should conflict arise.

5. **(Legitimate) governments and development practitioners should lead and enable private sector engagement in peacebuilding.**
   ○ Businesses should not be the leaders in the peacebuilding space rather than conflict-sensitive contributors. Governments and development practitioners need to integrate businesses into their peacebuilding strategies throughout. When doing so, they need to take into account the businesses' operational history and their configurations. In particular, they should engage with businesses that are a) interested in making a peace-positive impact and b) have the capacities to do so.

6. **The public sector should not disengage from cooperation with private sector actors based on the primary interest of businesses to make profit.**
   ○ The fact that the primary purpose of businesses is to be profitable does not mean that they cannot make considerable contributions to peacebuilding. Therefore, public sector actors should engage with the private sector in order to foster peacebuilding, irrespective of whether this is the primary goal of the respective businesses or not.

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APPENDIX – INTERVIEWEE LIST

H.R.H. Prince Jaime de Bourbon de Parme, Senior Adviser, Private Sector Partnerships, *United Nations High Commissioner for Refugees*

Victoria Crawford, Community Lead, International Organisations and Government Affairs, *World Economic Forum*

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Timothy Fort, Professor of Business Law and Ethics, *Kelley School of Business - Indiana University*

Brian Ganson, Head of The Africa Centre for Dispute Settlement, *University of Stellenbosch Business School*

Susan Joachim, Private Investor in Sri Lanka, former member of *Business for Peace Alliance*

Maroun Kairouz, Chief of Staff to the President, *World Economic Forum*

Itonde Kakoma, Member of Leadership Team, *Crisis Management Initiative*

Michael Keating, Executive Director, *European Institute of Peace*, former Special Representative of the Secretary-General (SRSG) and former Head of the *United Nations Assistance Mission in Somalia*

Andrej Kirn, Humanitarian Agenda Lead, *World Economic Forum*

Daniel Medina, academic and co-author of "Corporate Strategies to Assist Post- Conflict Peacebuilding in Colombia", *Universidad de los Andes*

Jerome Nhan, Corporate Relations Officer, *United Nations High Commissioner for Refugees*

John Pax[313], *PeaceNexus*

Robert Sadleir, President and Founder, *Initiative to Value Human Life*

Jörgen Sandström, Head of Mining and Metals Industry, *World Economic Forum*

Per Saxegaard, Founder and Executive Chairman, *Business for Peace Foundation*

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