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Unpacking the puzzle of business (not) for peace

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Well-documented cases where companies are badly effected by conflict at either the community or broader societal levels underlie the frequently repeated assertions that "peace is good for business", and that there is a "business case for peace". To the extent that these statements are broadly true, one might reasonable expect to systematically find concerted efforts by private sector actors to reduce violence, manage conflict, and lay the foundations for peaceful development in the fragile and conflict affected societies of which they are part. Yet the lived experience of the people in these places, however, reveals that cases of companies taking such action are exceptional.

Unpacking this puzzle – enterprises that experience many costs of conflict, but all the same either do not engage meaningfully to address key driving factors of conflict or in fact knowingly contribute to them – requires us to examine the wider context in which companies operate in environments of conflict and fragility. This study does so by examining in turn three factors: the political economy shaping the private sector, disincentives for the private sector to engage for peace, and practical limitations of companies as peacebuilding actors. These factors help to explain the exceptional nature of those businesses that engage decisively for peace. Unpacking them may also open new entry points for shaping a private sector more likely to take become an engaged and effective peacebuilding partner.

Introduction

Our two-year research project on the private sector as a peacebuilding actor allowed us to do deep dives into about a dozen fragile and conflict affected contexts. These studies, along with extensive additional primary and secondary research, explored the strategies and approaches of companies who set out to intentionally, positively alter the dynamics of social and political conflict in the places in which they worked. The research also allowed us to explore the policy environments in which these and other companies operate.

The evidence makes clear that companies are negatively effected by conflict in fragile environments. The case study on Norsk Hydro in Brazil, for example, points out that 50 violent deaths per year per 100000 people living in the industrial city of Barcarena put it among the most violent cities in the Western hemisphere – more violent than war-affected countries such as Somalia or South Sudan, and many multiples above the average of 8 violent deaths per 100000 people per year that the World Bank reports for FCAS countries taken as a whole. As the dominant employer in the city, virtually all of the violence touches the company's employees, family members, and neighbors. It is impossible, Hydro managers say, for this pain not to follow employees to the workplace, affecting productivity and safety. Particularly smaller-scale contractors and suppliers are subject to criminal extortion, and the company's own security-related costs are high. Violent schools cannot produce the quality of employees Hydro needs, adding to conflicts over in-migration and "foreign" workers; municipal conditions make it harder for Hydro to attract and retain the quality of staff its operations require. And it is not just the violence; popular protests on issues from teachers not being paid to the perceived unfairness of new motorcycle taxi regulations end up as expensive and disruptive blockages of the gate in front of Hydro's smelter. Hydro is also under increasing pressure from its external stakeholders because of the conditions in which it operates.

Such stories underlie the frequently repeated assertions noted in other outputs of this project (Miklian, 2016; Ganson, 2017) that "peace is good for business", and that there is a "business case for peace". And indeed, companies such as Hydro and others featured in this project's cases are taking action. To the extent that these statements are broadly true, however, one might reasonable expect to systematically find concerted efforts by private sector actors to reduce violence, manage conflict, and lay the foundations for peaceful development in the fragile and conflict affected societies of which they are part.

Yet the lived experience of the people with whom project teams consulted in all of the countries in which research took place reveals that these cases are exceptional. In South Africa, for example, commentators noted that business was still at best indifferent in its responses to issues such as the collapse of the education system that feed long-standing grievances of the majority, and at worse actively colluding – as shown by the scandals of this year alone involving global names such as SAP, KPMG, McKinsey & Company, and Bell Pottinger – to make a fragile political situation worse. The case on Sierra Leone comparing the pre-civil war period with the contemporary period reveals that the role played by businesses has not significantly changed: Middle class business operators function through informal channels, creating high cost, inferior products paid for by public monies, while large enterprises in the natural resources sector make illicit payments in increasingly innovative forms. Echoes of past entanglements of armed actors with economic interests are heard in the allegations that government security forces are being used to suppress citizen protests against mining and plantation company excesses. In these and other contexts, informants report that is rare to find business actors – particularly those in the formal sector operating at any scale – who are active participants in peacebuilding efforts, yet alone at their forefront. Rather, the private sector in the aggregate remains in many fragile contexts one of the vectors for persistent and growing instability.

Unpacking this puzzle – enterprises that experience many costs of conflict, but all the same either do not engage meaningfully to address key driving factors of conflict or in fact knowingly contribute to them – requires us to broaden the lens to examine the wider context in which companies operate in environments of conflict and fragility. This section does so by examining in turn three factors encountered in the research: the political economy shaping the private sector, disincentives for the private sector to engage for peace, and practical limitations of companies as peacebuilding actors. These factors help to explain the exceptional nature of those businesses that engage decisively for peace. Unpacking them may also open new entry points for shaping a private sector more likely to take become an engaged and effective peacebuilding partner.

The nature of business in fragile and conflict affected states

Imbedded in the many calls for business to take on greater peacebuilding roles (Miklian, 2016) is the presumption that business actors are autonomous agents who may take a decision to assume a more peace-positive role. The "private sector", however, is not only the community of individual business actors; it is more broadly understood also the many rules and decisions at local, national and international levels of the system – and therefore the decision-makers – that determine who may operate what kind of business, and how. "License to operate" is increasingly understood as a social construct, recognizing the roles of communities and other stakeholders in granting or withholding support for a business venture. But it is first and foremost a set of hurdles, formal and informal, set by those actors who control the levers of government in fragile and conflict affected states. Since in almost all cases the government of a fragile and conflict affected state is a conflict actor, the private sector that emerges, survives and in some cases thrives is the product of a conflict-rife political economy.

All of the countries in which the company case studies for this project were situated are characterized to a lesser or greater extent as limited, as opposed to open, access orders: elites control access to important economic opportunities through informal manipulation of patronage, tenders or licensing processes (among other means), thereby advancing their economic interests and further consolidating their political power. What can arise is an unholy alliance of government officials and ostensibly private sector actors, with the boundaries between them largely blurred. In the Sierra Leone case, for example, President Stevens made the businessman and political ally Jamil Sahid Mohamed a shareholder in the national diamond mining company in 1971. With the acquiescence – and enrichment – of Stevens, he smuggled large amounts of diamonds out of the country, helping explain the reduction in official exports of diamonds from slightly above a half million carats in 1980 to below 50,000 carats in 1988. In the modern period, the quid pro quo for access to mining concessions or land for plantations in Sierra Leone include private plane travel, free fuel for elites, and jobs for exceedingly high salaries for nationals with connections.

The mechanisms in Sierra Leone by which the alliances are cemented between business and government actors who are key actors in the conflict system are largely informal. However, governments of fragile and conflict affected states appear increasingly adept at controlling the formal levers of control over private sector enterprises as well. In Nigeria, for example, the government is now a majority shareholder in all oil companies, often enough vetoing as "excessive" the social spend proposed by their private sector partners to, at least in part, mitigate the impacts and share the benefits of oil development. In Ethiopia, the growth of the formal private sector is driven largely by contracts with the government – state owned companies dominate the banking, telecommunication and transportation sectors, for example – while in Rwanda, the army and/or the dominant political party directly own majority shares in most all private sector enterprises of any scale. Business practice will therefore necessarily tend to mimic the broader conflict dynamics of the system, as the space for autonomous positive private action closes.

The situation in fragile and conflict affected states is not uniform; in Kenya, for example, the case demonstrates how the "limited" and "open" access orders co-exist, opening space for some businesses less aligned with particular political actors to participate in violence reduction initiatives. To the extent that the private sector is defined in the most basic terms as that part of the economy not controlled by government, however, it is important to query to what extent the actors being called on to take a greater peacebuilding role are private at all. As demonstrated in the cases of Sierra Leone and South Africa, many private sector actors unwilling to become entangled in conflict dynamics will have chosen not to invest, will have discontinued operations, or will not have been granted formal license to operate. Others will have been weeded out by politically-sanctioned, unfair competition. The conflict system appears to shape those enterprises that remain far faster and more profoundly than they can shape the system in positive ways.

These dynamics of the political economies of fragile and conflict affected states help explain, first and foremost, why business is not necessarily good for peace, simply through the jobs, tax revenues or other economic impacts of its investment, presence and operations. In fragile and conflict affected states, in which elites within both the political and bureaucratic classes exercise inordinate control over the formal economy, the distribution of benefits and risks from economic activity remain skewed and highly contested; additional resources, particularly at scale, mean additional fuel on the fire. In many of the countries in which the cases unfold, efforts to accelerate economic growth and promote private sector development without attentiveness to these realities has predictably increased fragility and, in many cases, led to overt violence.

These dynamics also help explain why, in many of the cases, the companies engaged in peacebuilding were to some extent political outsiders. In Kenya, for example, the companies at the center of the KEPSA initiative to mitigate risks of election violence were those who were less aligned with partisan politics and who were more likely to advocate for an increasingly open economic order. In Cyprus, the business community engaged in peacebuilding often felt marginalized by the political process that unfolded largely at international levels. Unifrutti-Tropical Philippines Inc. was a new entrant to its local context, not yet entrenched in the pre-existing political economy. The success of these companies was not (or at least not entirely) tied to the predominant political order.

Disincentives to corporate peacebuilding

The assertion that peace is good for business is generally premised on the costs of conflict (some of which are illustrated above) and the business opportunities lost in the chaos of volatile environments. The cases make clear, however, that these are only some of the elements that influence business decision making vis-à-vis peacemaking and peacebuilding activities. Additional factors must be considered for the equation to add up to an understanding of why some private sector actors participate in, while others stand aside from or even oppose, peacebuilding efforts. These factors include the significant business pressures many companies feel in such places; risks of reprisals that companies face when tempted to engage in peacebuilding activities; and the other options companies can consider for managing the costs and risks of fragile and conflict-prone environments. More profoundly, many companies would need to put their status quo arrangements at risk – whether a cozy relationship with the government in power, or an economic system that favors the interests of capital over labor and communities – were a profound transition towards peaceful development to occur. This means that even for businesses for whom peace may be beneficial, peacebuilding may not be; and for many others, peace itself might be risky business.

The risks of peacebuilding

Numerous informants recounted how difficult it is simply to survive as a business in a fragile and conflict prone environment. A hotel manager reported that he has had to build his own power generation and water desalination plants, due to failures of public services. One mayor in Sierra Leone, elected on a pro-business platform, stated that he flatly refused to register his businesses with national authorities as required by law; this would open him to predation by civil servants. Smaller businesses in Uganda reportedly stay far from the formal banking system for the same reasons, preferring to store money anonymously as mobile phone credits. Local management of one international company reported they often feel consumed with the day-to-day stresses of managing in a volatile political and social environment, including avoiding crises where possible and dealing with those that inevitably occur. Such companies small and large, engaged in the day to day work of business survival, do not feel that they have time or energy to engage in more profound reflection, planning and action for systems change.

The dual realities of fragile and conflict affected states are that the national government is almost always a conflict actor, and that the government exercises inordinate control, formal and informal, over economic access and opportunity. Companies report that they face reprisals when their actions intended to ameliorate causes of conflict or promote more peaceful approaches are perceived to be in opposition to entrenched interests. One senior manager reported in one of the project consultations that he went to sit with a government minister to raise a human rights issue, related to the resettlement of communities for the expansion of a fruit plantation. His intent, he said, was to raise the issue quietly and constructively. The next day, inspectors appeared at his factory and shut it down due to alleged health and safety violations. The message was clear: he should stay out of issues that shouldn't concern him.

The chilling effect of such actions on business engagement for positive change seems clear. The South Africa case, for example, recounts how in 1987, black leaders asked that a group of business leaders join them in a statement to the press calling for the lifting of the state of emergency and certain restriction orders, as it was increasingly impossible for moderate leaders to exercise any influence over escalating violence in the townships. But no more than six business leaders in the entire country would sign onto the statement, and the idea was shelved. Similarly, anti-apartheid activists that same year arranged for 18 leaders from the black community to meet with business leaders. Eighteen business leaders attended a preparatory briefing, but only 6 remained to meet with the black leaders after twice as many excused themselves. Even those business leaders inclined to explore avenues for positive change found the concrete realities and risks too daunting.

Given these real costs of engaging for positive change – at some level opposing the policies and interests of the government on whom the company depends for its license to operate, formal and informal – those companies that can do so reportedly seek other ways in which to manage the costs and risks of conflict. These underline the difference in perspectives and interests between local operating companies and headquarters far removed from the peacemaking or peacebuilding environment. Local actors are more likely to experience, if not first hand than at least second hand, the pain and loss of conflict. They may be more inclined to take courageous action as citizens and neighbors – and also as the managers on whom business failure will be pinned in the case of disaster. Headquarters executives, however, may be disinclined to take business risks for political activity. They develop a variety of strategies – from portfolios of investments that contain the risk of any one fragile context, to political risk insurance and international arbitration agreements with fragile state governments – that lowers the downside risks of conflict. And they extract a risk premium in the form of the high returns that these environments provide: as reported by the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group in 2010, 'The potential for high returns over a short payback period is likely to convince some investors to operate in a high-risk environment'; across sectors, company size and geographical origin, business opportunities outweigh risks, even without peace.

These dynamics of peacebuilding risk may help to explain why those businesses that emerged in the cases as prominent peacebuilding actors were substantial actors within their respective conflict systems, apart from any peacebuilding role. In South Africa, the business founders of the Consultative Business Movement (CBM) were heads of enterprises that controlled meaningful parts of the country's economy and wealth. This provided them independent power bases sufficient for them to flaunt apartheid laws forbidding contact with the ANC, for example, without fear of legal or economic reprisal. Both Unifrutti-Tropical Philippines Inc. and ISAGEN in Colombia were poised to become dominant economic forces in their respective local environments, creating a magnet for other parties, including government actors, to at least come to the table. The greater likelihood of a private sector actor playing a predominant systems role at the local level may additionally help explain the higher number of "peace writ little" (local level) cases identified relative to the number of "Peace Writ Large" (national level) initiatives. In Cyprus, Colombia as well as Kenya, however, less dominant businesses banded together through new or existing associations to play a national peacebuilding role, while in South Africa, the platforms eventually put in motion by the CBM created opportunities for a broader cross-section of companies to join in peacebuilding.

The costs of peace

More profound for the incumbent private sector in a fragile and conflict affected state than the risks of peacebuilding may be the costs of peace. Even businesses uncomfortable with or threatened by the status quo of conflict may be more interested in stability than in the renegotiation of the social contract that lies at the heart of peacebuilding. The Kenya case, for example, notes how businesses genuinely engaged to reduce election violence. They admittedly did so out of both economic interests – those most active in KEPSA were in the flower, tea and tourism industries most hard hit by events of 2007-8 – and value-driven motives – with some KEPSA leaders described as 'low ego' patriots who desired to fulfill the country's potential. But businesses also compromised their standing as neutral brokers when KEPSA took a position against protesters and for the government in the 2011 popular agitations to further devolve government power beyond the provisions of the 2010 constitution. They did so even understanding that one of the longstanding grievances that influenced the violence in 2007–2008 was the question of whether or not Kenya should be divided into federal units that would increase power of local ethnic groups. The case recounts how the private sector did not oppose devolution per se, but rather opposed further political and institutional change that it could neither predict nor control.

Similarly, the South Africa case explores how at least some meaningful proportion of the private sector wanted the political situation to change, but itself did not want to change. Even after the 1973 Durban strikes made clear the need to change the basis of labor relations – with large businesses increasingly supporting legislation to recognize black labor unions – companies attempted to undermine works committees elected by black workers through liaison committees they had set up; true labor-management reform came first (if still only reluctantly) to foreign companies facing the greatest international scrutiny. More than a decade later, the South African Federated Chamber of Industries dissolved itself rather than adopt measures to implement the anemic *Charter of Social, Economic and Political Rights* it had adopted in 1986 under pressure from foreign members who felt increasing political pressure back home. It was even impossible at the founding meeting of CBM to agree to include 'democracy' in the new organization's name.

While "peace" has no universal definition, it to some degree must include a foundation of greater fairness and justice. Yet, as the Kenya, South African and other examples suggest, even those businesses not deeply entrenched with the political elite may benefit from an unjust system. One commentator in Sierra Leone put it starkly:

> We have no unique resources and no internal market. We have a cost of transportation twice the regional average and an untrained workforce. The only reasonable assumption is that a company invests here at least in part to take advantage of the situation.

What ever else peaceful development would mean if it comes to Sierra Leone and similarly situated countries, it will almost certainly include more robust and better enforced environmental, social and labor regulations. It will likely include a more open access order that creates more opportunity for the many and therefore subjects incumbents to greater competition. And, in the view of many, it will entail a fairer division of the profits of business between labor and capital. Businesses profiting from the economic status quo – and particularly those more deeply complicit in it creation and maintenance, as is still often the case in Sierra Leone – are unlikely to be enthusiastic peacebuilding actors. Indeed, some South African commentators perceive a contemporary business community that promotes policies that exacerbates inequality, un- and under-employment – and therefore grotesque levels of poverty – not only through indifference, but intentionally because of capital's dependence on a low wage economy. To the extent that this is true, business remains not only on the sidelines of peacebuilding, but a central conflict actor.

These dynamics may help to explain why the companies in the vanguard (at least among their business colleagues) of socio-political change are often facing existential threats. The Kenya case recounts how election related violence contributed to a 24 per cent reduction in flower exports and at least a 40 per cent decline in tourism in the year after the 2007 election; tea plantations were specifically targeted for violence. Neither ISAGEN in Colombia nor Unifrutti-Tropical Philippines Inc. had an investment to move forward with at all had they not engaged in their extensive efforts to build sufficient consensus for positive change. And a rallying cry for CBM in South Africa was that business might influence change, but it could no longer stop it. The threshold for the calculus of costs, risks and benefits to add up to private sector engagement for peacebuilding appears relatively high.

Limitations on business as a peacebuilding actor

For a company to intentionally engage and seek to change key driving factors of conflict and fragility in ways that are good not only for itself but for the society around it, the preceding analysis indicates that the motivational bar is high. But the question is not only whether a business wants to be a peacebuilder, but also whether it can be. The cases developed for this project along with related research indicate that the answer to this latter question has at least three inter-related dimensions, explored below: its capabilities for peacebuilding; the strength of its working relationships with peace-aligned actors; and its ability to harmonize its agenda with the agenda of other stakeholders. Private sector actors in in fragile and conflict affected states typically appear to be challenged across all of these dimensions.

Missing capabilities

Understanding of peacebuilding effectiveness has grown enormously in the past decades. The goal of peacebuilding is increasingly understood as a system that reinforces peaceful development rather than conflict and violence. It therefore requires focus on the positive and negative factors that are driving the evolution of the system, and that, if they were changed, would lead to a significant change in the system. It requires focus on the resilience of social institutions, and attentiveness to the motivations for violence. And it requires linkages of individual and personal change efforts (targeting skills, attitudes, perceptions, ideas and relationships with other individuals) with socio-political change (including governance reform as well as social norms, group behavior, and inter-group relationships), as well as linkages of efforts to reach broad segments of the population with efforts to reach key people (Ganson, 2017). In light of these principles for peacebuilding effectiveness, the starting point for contemporary peacebuilding practice is generally a systems map of key actors and the key driving factors of cohesion and division, onto which current and possible future peacebuilding interventions can be mapped (Ernstorfer, 2017).

Particularly the larger companies surveyed in the cases and related research conduct any number of analyses. These include business studies to assess the potential profitability and “net present value” of a potential major investment; they may include political risk analyses to assess the dangers in the environment to the company’s people, assets, operational continuity or reputation; and they increasingly include social and environmental impact analyses or human rights due diligence exercises required by investors and project finance lenders. Unsurprisingly, these analyses put the company at the center of the analysis: the risks the fragile environment poses to the business, the risks the company potentially poses to others, and the costs, benefits and risks to the company of different courses of corrective action. The company there for a business purpose does business analyses.

As explored above, however, that business purpose only rarely includes the reordering of power relationships and institutional arrangements at the heart of peacebuilding. It should not be surprising, therefore, that none of the cases or related research of this study uncovered a company systematically conducting the analysis that is increasingly expected for effective peacebuilding. Indeed, the findings of a 2010 study by the UN Global Compact and the Principles for Responsible Investment still ring true today:

> Individual company and industry initiatives to promote conflict-sensitive practices have not been widely embraced and have not yielded a cumulative positive benefit to conflict-affected communities.

Companies do not appear to be investing in even the analysis and planning that would allow them to be less surprised by conflict drivers, and that would allow them to reduce their negative impacts, intentional or not, on conflict and violence. As explored in the Sierra Leone case, this may be exacerbated by international frameworks that invite companies to see the root causes of conflict and fragility as “gaps” in social services or economic opportunity that they should analyze and then try to help fill.

Peacebuilding requires more than analysis and planning; it requires courageous and effective personal action. Mary Anderson already in 2008 noted that, for managers to be effective peacebuilders, they must be able to

> establish comfortable, trusting, and transparent relationships with diverse people who may not share their values; use specialized mediation skills to identify common concerns that can unite antagonists while also respecting fundamental differences and opposing positions; and have the ability to be calm and comfortable in situations of danger, threat, and emotional and physical stress.

She concludes that these ‘are not common, everyday skills found among corporate managers’. Again, our research confirmed these long-held understandings of the core capabilities of peacebuilding, finding even recognition of the need to cultivate them absent in all but the most exceptional companies. They seemed most notable among leaders of local enterprises (e.g., Unifrutti, ISAGEN, CBM, KEPSA) who had a strong personal commitment to a peaceful future for their country.

Finally, there is a strong organization dimension for private sector actors whose purpose is not peacebuilding *per se* to become effective peacebuilders. As illustrated in the Unifrutti case, new mindsets and practices had to be implemented throughout the company’s operations, from land acquisition to employment to government relations. The ISAGEN case illustrated the need for that company to subject most all of its planning and operational decision-making to what might be considered radical transparency and consensus building vis-à-vis community members. The Norsk Hydro case in Brazil reflects that the company needed to find ways of making its power in the system – particularly its influence with government actors – more ‘permeable’ and subject to influence by a broader range of stakeholders, including the traditionally voiceless and vulnerable. While the specifics can be anticipated to vary from company to company and context to context, it appears clear that effective private sector peacebuilding has governance, decision-making, and operational dimensions not typically part of the business and peace discussion.

It should be noted that corporate capabilities for effective peacebuilding may be symptomatic rather than causal. Participants in this project's consultations reflected, for example, that companies did not have the capabilities for effective environmental performance until advocates around the globe increasingly questioned the impact of business on the planet in the 1960s, and pushed for regulation; workplace health and safety capabilities did not systematically emerge until these issues were internalized by industrial companies as business issues of efficiency, profitability and sustainability in the 1980s, also with pushes from regulators and labor unions. Capability gaps may therefore be understood in conjunction with the analysis above, describing the risks, costs and sometimes even irrelevance of peacebuilding from a company perspective.

Still, the breadth of capabilities required for effective peacebuilding – across planning, interpersonal and organizational dimensions – also helps to explain why businesses appear more likely to participate in peace-positive action when they have a structure in which they can participate than when required to act on their own. The cases illustrate that some of the most prominent business-oriented vehicles for peacebuilding are not lead by business. Neither CBM nor KEPSA, for example, was a "business" organization as typically understood. Rather, they operated as multi-stakeholder initiatives engaging individual business leaders who may not have had the full support of the companies from which they were drawn. They were driven by independent staff who led context and conflict analysis, peacebuilding planning, and convening and facilitation of dialogue between diverse role players. As such, they represent a professionalized peacebuilding space in which a business vanguard for peacebuilding might be formed and nurtured. They were intentionally separate from the formal organized business organizations that were more aligned with the status quo, and therefore more likely to suffer from a least-common-denominator dynamic that allows them, like the ill-fated South African Federated Chamber of Industries, to move only as fast as their slowest members.

Weak relationships

A company that wishes to play a constructive role in addressing key driving factors of conflict and fragility – even one that overcomes the capabilities hurdle – must realize that the company's engagement in is not a unilateral decision; its actions in peacebuilding must also be accepted by other parties. This in turn is dependent on the quality of its working relationships with a wide variety of role players, including direct parties to the conflict, other stakeholders in the company's operations, and peacebuilding actors.

Yet companies often start off on the back foot. Companies bring with their legacies of animosity and mistrust, often enough in conflict-prone environments through complicity in past violence and injustice. In Colombia, for example, ISAGEN had to do business in an area where everyone knew someone in the rebel movement, aware that many companies had commissioned death squads and supported *mana dura* (iron hand) strategies of the government to oppose them; in Kenya, there had to be distancing by KEPSA from close business allies of political actors who in fact commissioned electoral violence; and in South Africa, no conversation between business and mass movement leaders could take place without questions of land taking and labor looming large. Company's past or current labor, environmental, land, procurement, social investment, or other practices often enough put them in conflict with other actors, making them unlikely allies.

It is certainly not impossible for the same companies to play both positive and negative roles in conflict and peace. Mining companies in South Africa, for example, were champions for change at the national level in South Africa (where there support for CBM was acceptable to mass movement leaders), even while their local operations were still focal points for violence driven by apartheid policies and practices in which the mines actively participated. Yet this should not be assumed. Norsk Hydro in Brazil has found that its relationships with stakeholders are compromised, even though it is a relatively new entrant to the country; it carries with it the legacies of the company from which it had purchased mining and industrial assets. In rural Sierra Leone, people talk about the mining companies collectively; they may not know (or care about) differences in ownership or management, tied as these companies are to the same underlying drivers of conflict that include exclusion of local voices from national agreements on allocation of mining lands and terms of the concession agreements. It appears that the full range of a company's impacts in a complex environment – past and present, direct and indirect, individually and by association – will shape its relationships and thus its ability to play a peace-positive role.

Furthermore, companies are judged by the company they keep. For the reasons described above related to the political economy of fragile states, above, other role players may experience businesses as closely aligned with a government they consider the key cause of conflict. It was common in the Niger Delta, for example, to hear people say about the oil companies, 'they are the government'. Companies for reasons of security or operational continuity may also be quick to call on the security apparatus to deal with disruptive protesters. One oil company executive framed this as normal use law enforcement in the context of illegal behavior, claiming that the company all the same had good relationships with local communities as a result of their social investment practices. When this perspective was tested with community leaders, however, a very different picture emerged:

> Let's be clear. They give us what they think they have to, to keep us quiet. And we treat them as politely as necessary to get what we can. But if we could blow them up and make them leave tomorrow, we would.

As a result of the company's close relationship with the government and its security forces – which allowed them to resort to power rather than negotiation when difficult issues needed resolution – the company was seen by community members to directly increase their insecurity and sense of injustice. This overwhelmed any relationship gains from even ostensibly progressive social investment practices.

Finally, companies may be limited by the company they may not keep. Business leaders of CBM flouted South African national law by meeting openly and repeated with ANC leaders whom the government had banned as communists and terrorists. ISAGEN skirted the laws against negotiations with FARC rebels, knowing that community members would take draft agreements to FARC commanders to be marked up and returned for modification. Unifrutti directly and explicitly accommodated MILF commanders in their business dealings to achieve their social license to operate. Peacebuilding requires parties to connect across conflict lines, and to negotiate new power relations and institutional arrangements, which these companies did. Yet many of the practices observed in the successful cases of positive business engagement for peace were then, or today would be, forbidden by company guidelines, international lending practice, international policy, or national law.

The variety of dynamics contributing to weak company relationships with the actors around them helps to explain the prevalence in successful cases of intermediary structures to help manage business-society conversations in relation to conflict and peace. In Colombia, ISAGEN advocated for and provided financial and material support to both a *mesa de transparencia* (transparency roundtable) and an *observatorio de derechos humanos* (human rights observatory). These structures, in which ISAGEN itself was an observer rather than a decision maker, were facilitated by third parties in ways that helped to create a climate in which the company could proceed with its hydropower project. In South Africa, CBM co-facilitated (together with the South African Council of Churches) the National Peace Accord in 1991. One of its innovations was national, regional and local “peace committees”. Tens of thousands of business, civil society, security apparatus, government, labor and mass movement leaders were exposed to conflict resolution methodologies that allowed them to analyse and engage to contain violence and create public accountability and pressure for peace. In these cases and others, businesses needed to advance their agenda at tables convened and facilitated by others.

Divergent agendas

We have arrived at a point of analysis of business participation in peacebuilding where a variety of hurdles will have to be assumed to have been overcome. We posit a company that wishes to play a constructive role in addressing key driving factors of conflict and fragility, despite possible entanglement in a political economy of conflict and the risks and costs of peacebuilding. It has invested in the requisite capabilities and has managed the challenges of weak relationships to come to the peacebuilding table together with other peace-minded actors. One limitation on business as a peacebuilding actor remains to be explored: the agenda to be pursued at that table. The cases and related research show that there are substantial challenges in harmonizing the expectations of other parties with the boundaries businesses set around the conversation, the actions they are willing to support, and how long they are willing to stay at the peacebuilding table. Businesses are inclined to want to contain the agenda, limit commitments and leave the table far long before other role players would agree that peace has been achieved.

Understanding these challenges requires recognition that businesses cannot be neutral in discussions of peace. They are stakeholders in the future configuration of society, with preferences and interests. Only with some assurance that these can and will be accommodated in movements for social change will incumbents be willing participants in broader peacebuilding efforts. This is illustrated in the South Africa case by a turning point in the tide of support of business for a democratic transition: a 1990 meeting, organized by CBM, between 40 ANC representatives, including Nelson Mandela, and 350 senior business leaders. The meeting reportedly reduced mutual distrust and started work towards a new national economic framework by using the rubric of “the apolitical economy” – a shocking reframing for many business leaders after the relentless propaganda of the apartheid government that had attempted to color the ANC as communists bent on nationalizing company assets and destroying private enterprise.

The extent to which a common vision for the future will be shared by businesses with other actors agitating for social change, however, may be limited. For every KEPSA member who could be described as a ‘low ego patriot’, that case shows, there were others intent on protecting their partisan political or economic interests. These actors might be willing to deal with the eruption of election violence that threatened profitability and business continuity, but they remained disinclined to engage around the issues of land, identity and governance that kept the volcano smoldering. Similarly, a company in the Niger Delta supported a peacebuilding organization in its mission to intervene to resolve conflicts and prevent violence, much of which affected the company directly or indirectly. But when that same organization decided that it would register it members to act as election monitors – attempting to address election fraud, a key driver of violent incidents in which they were often called to intervene – the company said that its funding could not be used for what it considered "political" activity. This caused no small degree of lingering resentment with its civil society counterparts.

There appears to be a preference among businesses – whether realistic or not – for stability without fundamental social transformation. The decision of KEPSA to take sides between the government and protesters over the adequacy of the devolution provisions of the 2010 constitution was discussed above. In Colombia, business support for peacebuilding efforts – in terms of both participation and financial resources – dropped significantly when President Uribe came to office, promising to crush the rebels. In South Africa, the case traces an arc followed from active support of the apartheid regime by the majority of the business community, to late and reluctant support for an inevitable transition, to the almost immediate disbanding of CBM after "economic growth and wealth creation" had been imbedded in national policy, and property rights protected in the new Constitution. Theuns Eloff, who led CBM, explained that 'Business' hopes for the new South Africa had been fulfilled to a larger extent' – despite lingering crises of basic education, HIV/AIDS, housing, land reform, jobs with dignity, and so on that continue to preoccupy its former civil society partners in the peace committees to the present day.

This analysis may bring us full circle to our starting point of the nature of the private sector in fragile and conflict affected states, which the South Africa and Sierra Leone cases remind us do not spontaneously change because a peace accord has been reached. The default position of companies may be towards accommodation of the government that provides its formal and informal license to operate, and through regulatory and other structures that shape the business environment, determines the boundaries of its profitability. This keeps business aligned with government even when it brings it into opposition with other stakeholders and peacebuilding interests. In South Africa, for example, businesses are accused of perverting Black Economic Empowerment policies – meant as a form of redress for historical discrimination – to build alliances with politically connected people who can solve their political problems, including conflicts with labor unions and local communities. In the Unifrutti case, the company fully accommodated, and indeed increased the power of, the existing strongman who was described as having the power of "life and death" over his subjects. Private sector interests in its own stability – which in most cases implies the stability of a government in power even if it remains a conflict actor – means that business may part ways with other peacebuilding actors over questions of social justice, human rights, democratization, reconciliation, or reparation for abuses of the past.

This helps to explain the conflicted nature of business engagement in peacebuilding efforts – sometimes weakly in, sometimes out, and sometimes opposing. Companies may perceive interests in greater peace, and at the same time interests in the maintenance of a system beneficial to them that also underlies conflict. The cases and related research show that business engagement is greater when the "consensus space" for peace is inclusive of a vision for the private sector attractive to them. Under this analysis, CBM could play its role because it was "in the center" between the apartheid regime and the ANC. It could emphasize dialogue, trust building and consensus building, because the solution space those activities enabled brought society closer to what business in any case wanted. Today's relative business inaction – apathy some say, or even antipathy – in the face of profound socio-political conflict may be as a result of it no longer occupying the social center. Further steps towards peace would require not only social change, but business to change in ways that it does not find advantageous.

These dynamics may also help to explain the exceptional nature of the companies and their leaders at the forefront of business peacebuilding efforts. ISANGEN in Colombia as a state-owned enterprise had internalized its role as a catalyst of Colombia's development in the public interest; XXXX in Colombia was not a for profit enterprise per se, but rather a cooperative that existed to promote its member's well being; Unifrutti's founder and CEO was motivated by religious values; and the leaders of CBM in South Africa answered neither to shareholders nor to headquarters offices abroad, so could pursue their own vision for a new South Africa. Furthermore, the hybrid nature of CBM and KEPSA as professionalized peacebuilding organizations with business membership allowed them greater freedom to act on the basis of mixed business and civic motivations. It appears that any "business case" for engaged and effective peacebuilding must go beyond the accounting ledger to engage a richer, more mixed and sometimes even conflicted set of private sector motivations for peace.

Business as a (un)natural peace actor

The preceding analysis is from one perspective sobering. It suggests that the business case for private sector peacebuilding, as such, is weak. It appears particularly important not to confound the assertion that "peace is good for business" (that is, will lead to a bigger and more robust private sector) with one that "peacebuilding is good for a particular business now operating in a fragile and conflict affected country". The barriers to entry for business and peace are high, and the barriers to exit from transformational efforts low – either through the marginalization through a variety of mechanisms of the most ethical and forward-thinking businesses in the political economy of conflict, or through the needs of business being more aligned with stability than peace. Furthermore, businesses face demonstrated limitations in their capabilities and relationships that undermine their capacity for constructive action with others.

On the other hand, the analysis makes clear that the motivations and capacities for business to engage in peace-positive action are not fixed. They are a function of a cluster of understandable, inter-related dynamics, and subject to influence. These may be reasonably predictive of a company's willingness or lack or willingness, and ability or inability, to engage in peace-positive action, depending on the degree to which they are positively or negatively expressed for a particular company in a particular environment:

- Interests: how business incumbents see the future and their place within it
- Affinity: who the business chooses to be and with whom it chooses to be associated
- Incentives: benefits arising from a more peaceful environment
- Disincentives: costs and risks of peacebuilding and peace

- Capabilities: analytic, interpersonal, and organizational
- Autonomy: willingness and ability to confront powerful actors and take risks
- Networks and support structures: With peers and with diverse peace-inclined actors.

These elements are not fixed, but change with a variety of forces including the context; leadership; pressure from internal and external constituencies including peer companies, employees, customers, governments, financiers, and others; legal, regulatory and contractual requirements; and other factors. For change agents inside and outside of companies interested in engaging businesses in more peace-positive action, they provide potential entry points for positive influence.

Implications for Policy Actors

The evidence from this research demonstrates that, in the fragile and conflict affected countries under analysis, the private sector remains on the whole one of the vectors for persistent and often growing instability and its impacts that fall disproportionately on the most vulnerable. The similarity in the dynamics by which this occurs suggests that this will be true – as supported by the secondary research – in many other places. But the evidence also shows that exceptional private sector enterprises can and do make a measurable contribution to moderating the dynamics of conflict and supporting the dynamics of peaceful development, particularly at more local levels. They do so using approaches that suggest principles and models at work from which other companies, and those seeking to influence them, can certainly learn.

Policy – used broadly here to encompass the many decisions at national or international levels that influence how the private sector is structured, supported and regulated in fragile and conflict affected contexts – also appears to play a prominent role in determining the kinds of outcomes a country will experience from private sector development. It does not appear to be any particular policy intervention that plays a decisive role. Rather, it is the aggregate impact of action and inaction across a variety of dimensions of regulation and restraint, promotion and development, that better explains outcomes. Where policy interventions help contain key driving factors of conflict and promote key dynamics of peace, they can be considered peacebuilding interventions. But as is true for enterprise level resources, policies that facilitate large resource flows into fragile contexts without adequate measures to mitigate and manage their conflict impacts are almost inevitably more likely to be negative than positive. They reinforce pre-existing negative dynamics within conflict-prone political economies; they do not alter them for the better.

A variety of additional lessons come out of the study that merit particular attention as policy initiatives related to economic development, private sector promotion and business and peace are formulated, executed, monitored and evaluated:

- Private sector resources are potentially peace-negative or peace-positive – but are easily negative
- Company roles matter more than resources in terms of peacebuilding
- Conflict sensitivity is essential at the enterprise level

- The selection of private sector partners matters
- Policy must become conflict sensitive if it is to mitigate conflict risks
- De-risking is particularly risky business
- Peacebuilding frameworks are required for policy if intended to impact peace
- Support structures and networks matter

Each of these is explored in turn below. Taken together, they provide a clearer roadmap for policy makers who wish to orient private sector development and company efforts towards an exit from destructive conflict and fragility.

Resources companies bring are potentially negative or positive – but are easily negative

The evidence makes clear that a growing private sector is not, in and of itself, peace positive. The distribution of benefits and risks from a particular private sector initiative or from economic growth more generally remain skewed and highly contested in the political economy of conflict; additional resources, particularly at scale, mean additional fuel on the fire. These dynamics express themselves in a variety of ways, as seen most prominently in the Sierra Leone, South Africa, and Kenya cases:

- Efforts to accelerate top line GDP growth, tax revenues, or even job expansion without attentiveness to inter-group conflict dynamics – whether inter-ethnic, center-periphery, elite-excluded or rural-urban – will predictably increase fragility.
- Large-footprint investments such as plantation agriculture, mining, oil and gas, and large scale infrastructure projects that are the mainstay of fragile state investment touch land, environmental degradation, lack of local voice, company and government impunity, and other issues that are often key drivers of fragile state conflict and violence.
- There are cumulative impacts on conflict when the entire weight of the private sector feels to many fundamentally skewed in favor of foreign investors and elites and away from the interests of the informal sector, communities, labor and the environment.

The bar for the resources that accompany private sector development turning peace positive is therefore high: they must avoid exacerbating these many conflict dynamics and find ways of reinforcing or creating more positive ones. Policymakers must avoid the trap of believing that GDP growth rates, or FDI flows, or business starts are indicators of peace being built.

Company roles matter more than resources in terms of peacebuilding

In the cases where companies successfully acted intentionally to dampen drivers of conflict or support dynamics for its peaceful resolution, it was the conversations they were able to catalyze and the changes in power relationships and institutional arrangements that resulted that seemed to capture the potential for private sector peacebuilding. Some examples from Section 3, which looks across the cases, are given below:

- The company used its broad access to key people – national and local, insiders and outsiders, powerful and vulnerable – to get the system in the room.
- The company used its status as an important economic actor, current or potential, to insist that parties deal with key drivers of conflict and peace in their area of operations.

- The company used its social capital to help strengthen the voices of the marginalized, giving them access to key people and platforms for their voices to be heard.
- The company helped establish trustworthy institutions for dialogue, decision making and conflict resolution that were professionally staffed and facilitated by third parties.

Policy makers may underestimate the value of spaces for dialogue, planning, and decision making related to private sector development. They may treat it only instrumentally – a necessary expenditure of time and money on the road to implementing a particular policy or initiative – rather than as a peacebuilding tool. The evidence suggests, however, that this re-ordering of power relationships and institutional arrangements through concerted engagement is not, from a peacebuilding perspective, the appetizer; it is the main course.

Conflict sensitivity is essential at the enterprise level

The analysis makes clear that conflict sensitive business practice is critical for business to play a peace positive role. It is the foundation on which sufficient analytic understanding of the context, stronger relationships with stakeholders, avoidance of harm, and a shared agenda with agents for positive social change can be built. Indeed, at the level of a company's local operations and impacts, there is little difference between exceptional social performance in the form of enhanced conflict sensitivity, and "peace writ little".

Such practice is much more difficult than typically acknowledged, however, due to the ways in which key dynamics of conflict and fragility – including weak rule of law and government implication in resource conflicts and insecurity – conspire to complicate both company actions and outsiders' attempts to influence them. A 2010 study by the UN Global Compact and the Principles for Responsible Investment found that "conflict-sensitive practices have not been widely embraced", and the study finds scant evidence that this has changed.

Policy makers must therefore look for ways to support conflict sensitive business practice, in particular by intervening in the conflict-prone political economy to help level up the playing field on behalf of companies that would like to do better. They must also look for ways of enforcing more conflict sensitive action through the leverage points of finance, insurance, and home country and international accountability, knowing that conflict sensitive action may reduce profitability and therefore be resisted.

The selection of private sector partners matters

The barriers to entry for business and peace are high. Even for businesses for whom peace may be beneficial, peacebuilding may come with government reprisals or other forms of pushback; and for many others, the changes in the business environment brought about by peace may be, even in light of the costs of conflict, less advantageous. The barriers to exit from transformational efforts are also low, with the needs of business being more aligned with stability than with the broader social and economic peace that other actors may desire.

Effective policy will therefore not assume a "business case" for peace-positive action. The companies and their leaders found at the forefront of business peacebuilding efforts are exceptional: a state owned company with a development mandate; a cooperate that was not a profit making venture per se; companies and leaders with deeply ingrained religious values; closely held companies freed from reporting profit and loss to shareholders; and so on. All went well beyond the accounting ledger to find their motivations for what was often slow, risky (from a business perspective) and even personally dangerous engagement.

Policy makers may also have to look beyond incumbents. Many businesses within limited economic orders are deeply complicit in the system at the heart of the conflict. Many others choose to mitigate conflict risk through means (such as portfolio investments, insurance, or security measures) that they find are less likely to compromise their project plans or net present value calculations than would laborious consensus building processes. The past years have seen significant innovation in the finance of fragile state investment; greater innovation may also be called for in the creation of new vehicles for patient, inclusive and less profit-driven private sector development in conflict prone environments.

Policy must become conflict sensitive if it is to mitigate conflict risks

The case evidence and related research of this study indicate flaws in mental models and theories of change predominant in the business and peace literature. These are also apparently driving much of the policy and practice relating private sector development in fragile and conflict affected contexts. It appears widely believed that policy and aid interventions that support private sector development help ameliorate key factors of conflict and fragility, in a relatively linear fashion:

Policy support, infrastructure investments in roads and ports, and concessionary project funds may enable a palm oil plantation meant to create jobs and increase tax revenues for public services, for example, and so are presumed to reduce fragility. The reality, however, is that the very dynamics of political fragmentation, mistrust, exclusion and grievance that make a context fragile in the first place also undermine policies and initiatives meant to address it:

As seen in the Sierra Leone case, the negotiation table setting up the investments may include perspectives of the national government but not of local and traditional authorities; state security services may be deployed to displace people from their traditional lands or stifle their protests. The private enterprise set in motion by these dynamics in turn frustrates a well informed but still relatively powerless civil society, increasing its sense of grievance; and undermines resilience as the macro-economic context and business environment increasingly favor large international players in the formal economy focused on exports over smallholders in the informal economy focused on food for local consumption. Meanwhile, tax revenues that disappear to the capital fuel protests by communities struggling with the negative impacts of in-migration and unregulated environmental degradation without adequate resources to manage them. The policy intervention and investment support posited to reduce fragility may in fact have the opposite impact.

This analysis underscores that conflict sensitivity at the enterprise level is insufficient to mitigate conflict risks. The above scenario could unfold even with a company building the road and another operating the palm oil plantation that applied conflict sensitive practices reasonably well within their more direct spheres of influence. It is beyond the scope of most any individual private sector actor to fully mitigate the impact on conflict of the regional distribution of private sector projects, the aggregate attentiveness or inattentiveness to the interests of domestic actors and the informal sector vis-à-vis those of large and often foreign enterprises, or unregulated in-migration. Policies and initiatives to promote economic growth, shape the investment and business climate, and promote private sector development must themselves be conflict sensitive if they are to promote peaceful development, rather than reinforce conflict and fragility.

De-risking is particularly risky business

Enterprise and policy level conflict sensitivity come together in contemporary policy discourse around "de-risking" private sector development to drive ever greater investment flows into fragile and conflict affected states. The vast majority of business actors in fragile environments unsurprisingly think in business terms. To the extent that they are further able to reap the upside rewards of fragile state investment without bearing the commensurate downside risks, it is incredulous to believe that they will invest in the analysis, planning, engagement, slower implementation and sharing of benefits at the risk of lower profitability that may be required by conflict sensitive practice.

Changes in corporate policy, operations and capabilities in other complex domains – such as environmental performance and workplace health and safety – came at least in part because companies were exposed to more risk, not less. Similarly, the cases and related evidence show that the risk frame is the most powerful motivator of company action with regard to conflict dynamics in difficult environments: the risk of not being able to move forward with a project; the risk of operational disruption or project failure; or the risk of a sea change in the political climate that would compromise the company's very presence. Indeed, many advocates already see the ability of companies to make high levels of returns in fragile states without being required to internalize the risks they pose to others a key contributor to chronic conflict.

Yet there seem in current policy plans to be no consideration of the possible negative impacts on social, political and conflict dynamics of de-risking private sector investment, and therefore no mitigation plans to adequately address them. Neither does there seem to be any consideration of the absorptive capacity of fragile and conflict prone environments to manage even greater inflows of what will inevitably be contested resources. In short, this is an example of conflict-insensitive policy.

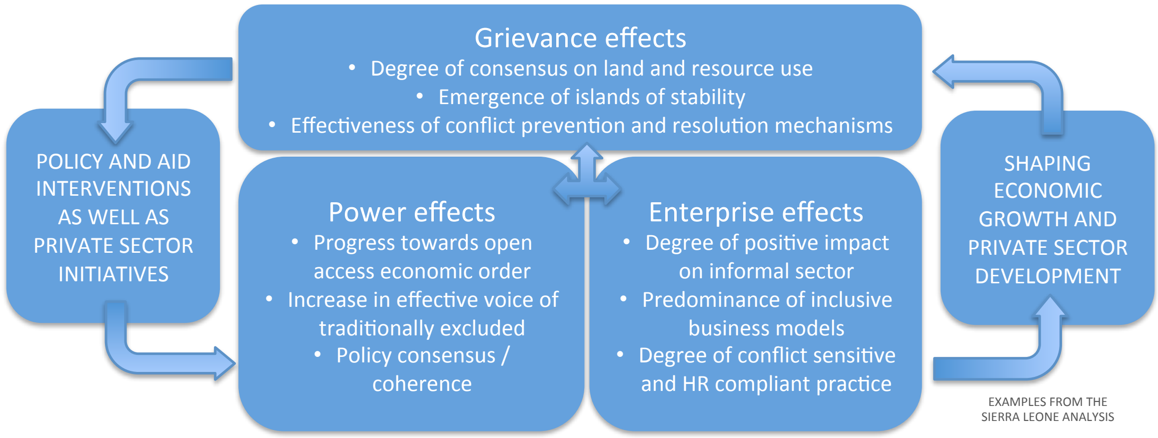
Peacebuilding frameworks are required for policy if intended to impact peace

This analysis underlines that, at local levels, there is less need to distinguish between peacebuilding and conflict sensitive business and policy practice; the key drivers of conflict and fragility, as well as the key capabilities for resilience and peaceful development, will tend to overlap significantly with the actual and potential direct and indirect impacts of private sector development and company operations. The analysis also strongly suggests that, particularly for actors such as companies and private sector policy actors whose primary purpose is not "peacebuilding" per se, conflict sensitivity analysis – followed up by rigorous conflict sensitive practice – is the soundest foundation for planning and action.

Conflict sensitivity is insufficient, however, to reach peacebuilding goals. The same will be true for application of human rights or social performance frameworks that attempt to re-order company-society relations. To the extent that policy actors aspire to support change in the key driving factors of conflict and violence sufficient to achieve "Peace Writ Large" – that is to say, resilience against outbreaks of violence and other forms of destructive conflict, and coalitions sufficient to sustain positive change at national levels – then the playing field moves to the accompaniment of those actors who can analyze the key drivers of conflict and peace, who can conceptualize tailored strategies for containing conflict dynamics and supporting peace dynamics, and who have the courage and capacity to take effective action. To the extent that these principles are well established in the peacebuilding field, this can all be summarized rather simply: if one wants peace, one needs to support peacebuilding efforts sufficient to reorder conflictual power relationships and institutional arrangements.

For policy actors exploring the possibilities to harness private sector actors and strategies in support of peacebuilding, it appears particularly important not to conflate "doing good in conflict-prone environments" with peacebuilding. There are many human needs – from health to livelihoods to education – in difficult places, and the private sector may play a role in helping to meet them. But unless efforts weaken the pillars of the system that created inequality and deprivation in the first place, or strengthen key dynamics of peaceful change, they remain fundamentally palliative. They are also fundamentally unstable; policy actors seem far too often surprised when farmers leave their fields or worker put down their tools to re-engage in violent conflicts. Yet they do so because of their allegiance to conflict actors, to principles, or to a vision of the future that are easily understandable; these have simply not been analyzed or addressed through even positive economic activity.

For peacebuilding purposes, then, new measures and metrics for private sector promotion and business development will need to be implemented. These need to be tied closely to an understanding of the key driving factors of conflict from a macro-level perspective, and to a widely-shared vision of what these might look like in a scenario of positive change. An example from the Sierra Leone analysis is given below.



Applying such metrics, policy that was sensitive to the political economy of fragility would not proceed with a proposed investment scheme that further concentrates power, for example, but would favor one that helps create a more open economic order; policy actors and donors would be far more in tune with policy coherence and policy consensus inclusive of civil society and opposition voices than they are today. At the enterprise level, policy might favor companies and initiatives with a direct enabling impact on the informal sector (as did Ethiopia to lift tens of millions of smallholder farmers out of poverty), rather than on projects that bring national tax revenues but little local benefit. And they might insist on conflict prevention and resolution systems sufficient to keep grievances from escalating. In other words, these metrics help actors turn power, enterprise and grievance dynamics in positive directions.

Support structures and networks matter

As illustrated in the many examples of this study, effective peacebuilding is analytically intensive, time consuming, stressful on relationships at both institutional and interpersonal levels, often dangerous, and a long term endeavor. This helps to explain the prevalence in successful "business and peace" cases of rigorous support structures. In Colombia, ISAGEN advocated for and provided financial and material support to both a *mesa de transparencia* (transparency roundtable) and an *observatorio de derechos humanos* (human rights observatory); In South Africa, CBM supported the establishment and operation of more than one hundred local Peace Committees and their regional and national support structures; and in Kenya, KEPSA represented a professionalized secretariat through which businesses could support and participate in election violence reduction efforts. Such structures were identified as key success factors in these and other cases.

Policy actors needn't wait, however, for exceptional private sector actors to opportunistically step forward. Some companies may have the foresight, resources, and incentives to help organize and provide support for data collection, analysis, convening, capacity building, expert input, collaborative planning, operations management or conflict interruption. Yet these are perhaps best understood as public goods that are typically lacking, compromised or uncoordinated in fragile environments, and that can be supported as a matter of public importance. The evidence suggests that doing so may lower barriers to entry to peace-positive action by private sector and other actors; may reduce duplication of effort and provide greater attentiveness to coherence and cumulative impacts; and may support conflict sensitive practice by private sector and policy actors alike. Among a coalition of the willing, they also appear to provide support for more effective peacebuilding action.

Conclusion: The (un)exceptional nature of business and peace

The evidence of this study strongly suggests that the more exuberant claims of business and peace need to be approached with caution. Businesses are part and parcel of the conflict-prone political economy, and appear to have no magical force field that allows them or the resources associated with private sector development to avoid entanglement in entrenched conflict dynamics. They appear to have no special powers to change the trajectory of a fragile place towards peace without intense, deliberate and courageous action.

The study rather suggests that the challenge of business and peace from a policy perspective is in the first instance the same as for humanitarian and development assistance more generally: how to design and implement policy initiatives in ways that “do no harm” and create positive externalities wherever possible. That is to say, it is a challenge of understanding and applying conflict sensitivity principles and practices to policy interventions relating to the private sector in peacebuilding environments. It is also the same challenge as for peacebuilding more generally: how to build a holistic understanding of the system; to develop strategies inclusive of the private sector and its political economy to alter key dynamics of conflict and peace in positive directions; and to align strategies and initiatives across a wide range of actors to achieve coherence and cumulative impact. That is to say, it is a challenge of thinking and acting at a systems level to achieve systems change.

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