Stanley Center
FOR PEACE AND SECURITY

MASS VIOLENCE & ATROCITIES

The Business Case for Building Resilience and Pursuing Peace

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This Discussion Takeaway captures the major discussion points and policy recommendations from the roundtable on mass violence and atrocities chaired by Michelle Breslauer, director of the Americas Program at the Institute for Economics and Peace; it was organized by Stanley Center for Peace and Security program officer Jai-Ayla Quest and Stanley Center for Peace program associate Kelsey Shantz. Peace and Security Funders Group program associate Genevieve Boutilier served as the rapporteur. Additional information about this roundtable and others held as a part of the 59th annual Strategy for Peace Conference is available on the center's website.

According to the Institute for Economics and Peace (IEP), violence cost the global economy $14.8 trillion in 2017.[1] Research has proven the cost-effectiveness of successful prevention and peacebuilding efforts, demonstrating that prevention is financially more cost-effective than response during or post-conflict. A robust private sector is critical to building resilient societies, yet detailed analysis of how the private sector can effectively engage in and benefit from peacebuilding actions remains murky and not yet clearly defined to include appropriate understanding of business perspectives and interests.

This roundtable brought together diverse participants to consider the larger, structural implications of private sector engagement and framed the conversation using two main questions: (1) How can the peacebuilding community effectively engage the private sector? (2) Once the private sector is engaged, how can the peacebuilding community best achieve its objectives for collaboration? A more detailed policy dialogue brief is forthcoming.

Setting the Stage: Rationale, Status, and Key Evidence

There is a strong rationale for private sector engagement in peacebuilding and resilience efforts, which includes two approaches: (1) the economic and profit-driven argument for engagement and (2) the moral argument in pursuit of sustainable business practices. While both arguments can be strong on their own, participants discussed that a blend of the two may be most effective and in fact reflects the emerging trends of socially minded consumer and business practices.

Peacebuilding and prevention actors should demonstrate to private sector actors the specific impacts they can have on peace and resilience and the unique value add of their role. The peacebuilding community should also be prepared to illustrate how engaging in upstream prevention and resilience efforts in turn benefits the private sector.

The benefits of peace for business are clear. IEP's Business and Peace 2018 report found that the economic performance of a country and its levels of peace are mutually reinforcing—as peace increases, so does better economic performance and vice versa.[2] Less peaceful countries tend to experience economic stagnation, making them more vulnerable to political instability resulting from poverty, unemployment, and inflation. Early investment in countries with potential for increased peacefulness will see greater returns on investment; returns are up to 8 percent higher in countries with low levels of peace.

The report, *Business and Peace: Sketching the Terrain*, discusses how companies can directly or indirectly prevent or mitigate violence in countries where they operate.[3] Direct interventions were typically taken on by large, influential companies that can operate unilaterally. Small and medium enterprises (SMEs) or smaller corporations are able to engage more effectively by collaborating with one another, allowing resources and capacities to be pooled for greater impact. Additionally, the International Alert report, *Local Business, Local Peace*, found that companies are more likely to engage if they are connected to their host communities and other sectors within the community.[4] These companies often have valuable, context-specific knowledge of the conflict and a greater stake in the outcomes of their engagement. Above all, business actors should be understood as part of a societal ecosystem, with recognition that their role connects to peace (or violence) in many different ways.

Analysis of Current Actions, Frameworks, and Networks

The policy conversation on this topic is wide-ranging, with many perspectives to consider. While some find the conversation to be well developed, others feel it needs to evolve and work to align disparate points of view. Participants mostly agreed, however, that the body of research making the business case for peace is sufficient and may not benefit from additional broad analysis. Yet there remain knowledge gaps to be filled related to sector- and community-specific needs and actions.

Participants concluded that leveraging existing networks and platforms is essential to moving forward a positive agenda for private sector engagement in peace. Before the peacebuilding community works to establish new networks, it should consider ongoing networks and actions and utilize their existing learnings. The following section includes examples of some of the current networks and existing tools available to representatives from business and civil society in the pursuit of peace.

Thousand Currents' Buen Vivir Fund seeks to transform impact investing through a process similar to participatory grantmaking. An assembly of investors and groups with on-the-ground expertise have equal decision-making power in allocating resources, and loans are structured to shift risk away from grassroots groups to the investor, who can more easily absorb it.[5]

The Peace Nexus Fund developed *Peacebuilding Business Criteria*, which can be useful for guiding private sector actors on how to engage more deeply in peace, going beyond corporate social responsibility or compliance. The criteria list six issue areas under which to engage (labor, sourcing, community relations, governance, products, and security), the objectives that should be met, and indicators to guide evaluation. This provides a framework from which businesses can examine their existing structures with a peacebuilding lens.[6]

The Fundación Ideas Para La Paz, based in Colombia, developed an independent, sustainable platform that allows businesses to approach conflict and risk mitigation through the lens of human rights. The platform has ignited businesses to participate in peace initiatives and allows them to convene and network with one another on these issues.[7]

Because of its desired impacts, Sustainable Development Goal (SDG) 16: Peace, Justice, and Strong Institutions, is another useful framework to guide private sector engagement in peacebuilding activities. In fact, through the UN Global Compact, some large, multinational corporations are already starting to do this.[8] SMEs have a different but equally important role to play in supporting SDG 16. Pursuing anticorruption, maintaining strong institutions for equal access, and fostering an enabling environment for business are all viable entry points for SMEs to engage in resilience efforts.

Challenges: Credibility of Peacebuilders and Effective Messaging

Participants identified five key challenges to emboldening relationships and collaboration between the peacebuilding and business communities.

First, the peacebuilding community's perceived record of failure weakens its credibility. According to the World Economic Forum, as of June 2018, 1 percent of the world's population is refugees—the highest this figure has ever been.[9] Additionally, IEP's *Global Peace Index 2018* found that the world is getting less peaceful; 2018 marked the fourth consecutive year in which peace has deteriorated. Based on these statistics, roundtable participants acknowledged that it could seem like the peacebuilding community is failing to institutionalize many of its learnings or live up to many of its commitments.

Second, the peacebuilding community has not systematically gathered a strong evidence base of what specific peacebuilding actions are most impactful, nor of the chain of causality that then leads to positive outcomes. Part of this problem comes from the reliance on linear theories of change that do not take into account the complex, systemic nature of the various other factors that impact the success of a particular peacebuilding action.

Third, the jargon used when discussing peace can be alienating to those outside of this community. "Global peace" is a lofty goal that can be difficult to comprehend and visualize, particularly in

a world that is saturated with images of war and conflict. This issue of lacking a common understanding of language and practice could be damaging to building strong networks that bridge the gap between the private sector and the peacebuilding community. It is important for the peacebuilding community to develop concise, easily digestible messages to appeal to those outside of the field.

Fourth, participants discussed that peace has a branding problem. This problem is a result of the peacebuilding community's failure to develop clear and easily understood messaging around peacebuilding strategies and tactics, which goes beyond just communicating with the private sector. In some conversations, peace seems too "soft" and unaffecting, partly due to the ambiguity surrounding what peace looks like in practical terms.

Fifth, trust and relationships between these two sectors have not been systematically developed, largely due to the siloed nature of existing conversations. Current conversations around this topic tend to lack sufficient private sector participation, or lack participation outside of the "usual suspects." In addition, many in the peacebuilding community are not educated on the private sector, particularly as it pertains to investing and capital markets. This knowledge gap is a significant barrier to building trust between the two sectors.

Outcomes and Recommendations

While participants initially focused the conversation around the role of SMEs in peacebuilding and resilience efforts, the conversation ultimately expanded to include investment funds and capital markets. Because investors bankroll multiple ventures, they will likely have more interest in the peacefulness of the entire ecosystem. From this angle, it may be a more fruitful entry point for the peacebuilding community to focus on this demographic, thus making a larger impact. One challenge moving forward will be to connect the larger, global ecosystem of investing to specific, local contexts.

The following recommendations are intended primarily for nongovernment and philanthropic entities, academics, and practitioners working in peacebuilding and resilience efforts but can also be useful for private sector actors looking to engage in these efforts.

Knowledge Building
Curate and present existing frameworks, research, and case studies for private sector consumption.

- Leverage existing frameworks for analysis (e.g., IEP Pillars of Positive Peace, Interpeace Frameworks for Assessing Resilience, Peace Nexus Foundation Peacebuilding Business Criteria, UN Framework of Analysis for Atrocity Crimes) and curate existing case studies (e.g., International Alert *Local Business, Local Peace*), rather than expending effort and resources creating new case studies and research.

- Highlight SMEs, suppliers, corporations, and investors already engaging in resilience efforts as specific examples of how a prevention and peacebuilding lens can be established in similar institutions.

Identify and address knowledge gaps that exist within the peacebuilding community.

- Attend private sector gatherings (e.g., impact investing conferences, social enterprise convenings around tech for good summits) to better understand goals and objectives of the private sector and identify any knowledge gaps of theirs regarding peace, resilience, business, and investing.

Strategies and Tactics
Collaborate across sectors and demonstrate the value of a resilience lens.

- Learn from the ways the climate change community has collaborated with the private sector and determine what is replicable for peacebuilding and resilience efforts.

- Engage across sectors to promote a peacebuilding and resilience agenda through intersectoral conversations in diverse locations, including business schools, to seed the importance of a resilience lens.

Build trust with private sector actors.

- Overcome any barriers of trust through relationship building and meaningful engagement between the private sector and the peacebuilding community.

- Pursue authentic engagements and equal partnerships with the private sector to overcome any hurdles of business actors being seen as only revenue sources and funders.

Set clearly defined, context-specific goals to guide private sector engagement.

- Acknowledge that states still bear the ultimate responsibility for resilience and prevention.

- Break down peace into specific steps needed for achievable progress, and use those elements (e.g., social cohesion, anti-corruption) to guide private sector engagement.

- Build partnerships where collaboration is prioritized, with specific roles for each stakeholder. The private sector may provide funds, expertise, or opportunities; civil society may provide on-the-ground knowledge and tools to work with local communities; and state government may set the regulatory framework.

Messaging
Design messaging specifically to engage SMEs and larger investor markets.

- To encourage effective private sector engagement in fragile states, identify concrete cases of success and the resulting outcomes and impacts.

- Dispel the notion that the private sector is operating outside the parameters of peacebuilding and translate linkages between private sector engagement and peace and resilience efforts.

- Describe peacebuilding efforts in ways that align with the value chain, industry, or mission of private sector companies.

Translate and demystify risk for private sector engagement in fragile contexts.

- The private sector's first agenda is not to build peace; thus peacebuilders should recognize dominant factors that drive private sector decision making—one of which is risk.

- Financial risk and return on investment are key considerations for businesses, as are legal and public perception factors, when engaging in sensitive or fragile contexts. Develop partnerships to foster cross-sectoral support to measure and mitigate these risks.

Areas for Further Exploration

Explore the role of the media in solving a peace-branding problem.

- In the media, there are few examples of what peace or resilience look like, but many images of what conflict and war look like. While shifting this perception will be challenging, the peacebuilding community should engage with the media to amplify more stories of peace and resilience.

Explore the relationship between the private sector and the state.

- In many fragile contexts, particularly in post-conflict countries where the state is weak, the private sector can play an important mediation role. This role may not be anticipated, so it may be useful to consider how the peacebuilding community can support the private sector if it finds itself occupying that space.

Explore the relationships between local and global.

- More analysis of the relationships between governance levels (e.g., local, state, multinational, global) is necessary to more accurately understand and mitigate risk and understand all the ways these different levels can collaborate.

Conclusion

Peacebuilding actors must commit to strengthening their own understanding of the private sector and building up existing networks that can help bridge any gaps between these two communities. Preexisting private sector and peacebuilding frameworks can be adapted and translated, and caution should be exercised against calls for additional analysis to preserve resources for and promote collaboration on existing research. The peacebuilding community has unique value add for private sector conversations, particularly as they pertain to fragile contexts; thus it is important not to lose sight of the value of intersectoral conversations.

The analysis and recommendations included in this Discussion Takeaway draw upon the major themes of discussion put forward at the Stanley Center for Peace and Security's 59th annual Strategy for Peace conference roundtable "The Business Case for Building Resilience and Pursuing Peace." Participants neither reviewed nor approved this publicaton. Therefore, it should not be assumed that every participant subscribes to all of its recommendations, observations, and conclusions.

[1] Institute for Economics and Peace, *Global Peace Index* 2018: *Measuring Peace in a Complex World*, June 2018, http://visionofhumanity.org/reports.

[2] Institute for Economics and Peace, *Business and Peace* 2018, September 2018, http://visionofhumanity.org/app/uploads/2018/09/Business-and-Peace-2018.pdf.

[3] Jennifer Oetzel et al., "Business and Peace: Sketching the Terrain," *Journal of Business Ethics*, No. 89, Supplement 4 (March 2009): 351 doi: 10.1007/s10551-010-0411-7

[4] Canan Gunduz, *Local Business, Local Peace: The Peacebuilding Potential of the Domestic Private Sector*, ed. Jessica Banfield and Nick Killick, International Alert, July 2006.

[5] Thousand Currents, Buen Vivir Fund, https://thousandcurrents.org/buen-vivir-fund.

[6] Thomas Carr and Anne Gloor, *Peacebuilding Business Criteria*, PeaceNexus Foundation, January 2018, https://peacenexus.org/wp-content/uploads/2017/03/PBBC-final-January-18.pdf.

[7] Fundación Ideas Para la Paz, "Guías Colombia," http://www.ideaspaz.org/tools/guias-colombia.

[8] United Nations Global Compact, "Peace, Justice & Strong Institutions," https://www.unglobalcompact.org/take-action/action-platforms/justice.

[9] Alex Gray, "1% of the World's Population Are Now Refugees," World Economic Forum, June 2018, https://www.weforum.org/agenda/2018/06/refugees-now-make-up-1-of-the-worlds-population.

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