



# Peace and the private sector

## Opportunities for private sector involvement in peacebuilding

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*The Ottawa Dialogue Policy Briefs series is intended to stimulate discussion around key issues in the field of Track Two Diplomacy. They are published three times a year. Each Policy Brief is written by a leader in the field. Your feedback and comments on this Brief are welcome and may be sent to Ms Mina Vaish at [ottawadialogue@uottawa.ca](mailto:ottawadialogue@uottawa.ca). The author of each Policy Brief is entirely responsible for its contents.*

### Executive Summary

The private sector is a vast and often untapped resource for peacebuilding efforts. The need for a sustainable business-peacebuilding nexus is amplified by existential threats such as climate change coupled with dwindling resources available for peacebuilding initiatives. There is well-established evidence and data that support the notion that peace is good for business and a growing desire to implement business practices to develop an environment where business is good for peace. The specific recommendations suggested in this paper on how businesses can contribute to peacebuilding include: continuing to invest further in risk management and “do no harm” responsible business practices; leveraging corporate resources to advance the UN Sustainable Development Goals 2030 and the eight pillars of Positive Peace (IEC) by corporate social responsibility and environmental sustainability efforts; to support, through grants and donations, arms-length, independent peacebuilding organizations; to build social cohesion and community connections by dialogue initiatives; and to lend technology and innovation to build peace. Traditional peacebuilding powers such as governments and multilateral organizations must welcome the private sector as a valuable partner in global peacebuilding efforts by providing space, research, data, and education to encourage more private sector partnerships for peace.

# Key Takeaways

## **Private sector opportunities for involvement in peacebuilding may include:**

- Expanding on corporate risk management “do no harm” business strategies.
- Develop and support corporate social responsibility and environmental sustainability efforts aimed at supporting the UN Global Compact sustainable business practices.
- Adopting an “all-in” focus on the achievement of the Sustainable Development Goals (SDGs) by 2030 to advance peace, and thereby increase the overall positive economic environment for businesses.
- Leveraging the power of corporations by focusing on investment on the Positive Peace (IEC) eight pillars.
- Expanding private sector investment in arms-length, independent, and neutral peacebuilding NGOs by donations and grants to support peacebuilding efforts.
- Building social cohesion and community connections by dialogue.
- Contributing innovation and technology to peacebuilding efforts.
- Supporting, where appropriate, organizations and NGOs, which are active in the peacebuilding space.

## **Governments, NGOs, and multilateral organizations should:**

- Encourage the private sector’s full and meaningful participation in peacebuilding efforts.
- Make space for innovative partnerships and engagement with the private sector.
- Work with the private sector to identify conflict risk potential from business operations and assist in mitigating conflict igniters/drivers.
- Demonstrate, by research, data and science, how peace is good for business and how business must also be good for peace.

# Introduction

The private sector is a vital and abundant source of innovation, expertise, and financial resources to contribute to peacebuilding. As governmental and multilateral resources dwindle in the wake of the COVID-19 pandemic,<sup>[1]</sup> the Ukraine and Middle East conflicts, and other global shocks, the peacebuilding community must consider a valuable and often overlooked partner in peacebuilding- the private sector. The private sector has a vested interest in peace, as peace is good for business. According to the Institute for Economics and Peace (IEC),<sup>[2]</sup> the cost of violence and conflict to the world's economy is an astonishing \$17.5 trillion (as of 2021), or 12.9% of the global gross domestic product (GDP). The cost of conflict to each person on earth is approximately USD \$2,200. The IEC further estimates that only 0.12%<sup>[3]</sup> of the total cost of conflict is being spent on peacebuilding and related peace process activities. This is alarming: the very processes intended to build and sustain peace receive funding equivalent to less than 1% of the total cost of conflict. The IEC identifies a significant economic cost-benefit if funding for peacebuilding were to increase: For every dollar spent, there is a 16X<sup>[4]</sup> dividend to future conflict cost reduction (meaning investing a dollar today reduces the cost of future conflict by 16 times). Furthermore, the lingering effects of violent conflict, especially civil conflict, may significantly negatively affect a nation's GDP and economic growth potential for years to come.<sup>[5]</sup> Military expenditures, which often increase during times of conflict, add to a negative effort on economic growth by diverting resources away from economic growth needs. This is substantiated by the World Bank in its report "Measuring the Peace Dividend"<sup>[6]</sup> (a peace dividend is the economic boost to a nation's economy whereas military investment is re-directed to social or economic investment following a period of conflict) in which it found that military spending is "economically unproductive" for a positive business environment, also substantiated by the International Monetary Fund (IMF) who similarly concluded that the peace dividend results in a significantly higher GDP and economic benefits for society and business in the long run.<sup>[7]</sup>

It is apparent that current funding and support mechanisms for peacebuilding are wholly insufficient as they exist today. Peacebuilding is a sustained effort- it involves incremental steps over a long period of time where positive peace elements are nourished, supported, and invested in. It is time to consider a more expansive "all-in" approach.

- [1] Veron P, Sherriff A. (2020). International Funding for Peacebuilding: Will COVID-19 Change or Reinforce Existing Trends. ECDPM. Available at: <https://ecdpm.org/application/files/6116/5546/8617/ECDPM-Discussion-Paper-280-International-Funding-Peacebuilding-COVID-19-Change-Reinforce-Existing-Trends.pdf>
- [2] Institute for Economics and Peace. (2023, June). Global Peace Index 2023: Measuring Peace in a Complex World, Sydney. *Vision Of Humanity*. Available at: <http://visionofhumanity.org/resources>.
- [3] Vision Of Humanity. (n.d). Current Spending and Cost-Effectiveness of Peacebuilding. Available at: <https://www.visionofhumanity.org/measuring-peacebuilding-cost-effectiveness/>
- [4] *ibid*
- [5] de Groot, O. J., Bozzoli, C., Alamir, A., & Brück, T. (2022). The global economic burden of violent conflict. *Journal of Peace Research*, 59(2), 259-276.
- [6] Knight, Malcolm; Loayza, Norman. *Measuring the peace dividend (English)*. DECnotes ; no. 6 Washington, D.C. : World Bank Group.
- [7] Schiff, J. A., Bayoumi, T., & Hewitt, D. P. (1993). Economic Consequences of Lower Military Spending, *IMF Working Papers*, 1993(017), A001. Retrieved Nov 21, 2023, from

While private sector inclusion in peacebuilding has long been advocated for and criticized<sup>[8]</sup> why the urgency now? The answer may lie in the critical achievement of the UN Sustainable Development Goals of 2030 (SDGs) as a tool to propel sustainable peace and security. The SDGs are a global effort to develop seventeen key development areas by the year 2023, which, if achieved, could create a global transformation of human and planetary sustainability. The goals, although development-related, (such as economic growth, good health, quality education, eliminating poverty, climate action, and gender equality) have an impressive side-effect: they also mirror the “nutrients” to positive peace (“positive peace” is a term coined by the IEC defining it as the “attitudes, institutions and structure that create and sustain peaceful societies”).<sup>[9]</sup> This mirroring effect may be a catalyst to promote positive peace. On the converse, violent conflict has been identified as a major barrier to successful achievement of the SDGs.<sup>[10]</sup> The possibilities of peace investment and the SDGs are explored by the Business 4 Peace<sup>[11]</sup> mandate, an initiative by the UN Global Compact that specifically engages the private sector in building peace by business practices (practices by businesses to accomplish corporate missions and mandates). Although voluntary and non-binding, the UN Global Compact has been working diligently on engaging the private sector with stakeholder dialogue, innovative partnerships, and reducing corporate risk by responsible business practices. Perhaps signaling a shift in thinking, entities such as the UN and some governments who previously advocated for the preservation of public governance in peacebuilding now recognize the importance of the business-peace nexus.<sup>[12]</sup>

This paper will outline opportunities for private sector involvement in building peace through not only financial support but also institutional knowledge, technology, community connections, and other resources available to the private sector.

### **Opportunities could include:**

- risk assessment and “do no harm” measures,
- investing in eight Positive Peace pillars described by the IEC,
- specific funding and support for independent, impartial, and arms-length peace processes or organizations that promote peace,
- building social cohesion and connections through dialogue and mediation efforts,
- contributing innovation and technology and
- playing a critical role by enacting business practices such as corporate social responsibility and sustainability practices aimed at developing peaceful societies and advancing the 2030 UN’s Sustainable Goals and expanding the work of the UN Global Compact.

[8]Schouten, P., Miklian, J. (2020). The business–peace nexus: ‘business for peace’ and the reconfiguration of the public/private divide in global governance. *J Int Relat Dev* 23, 414–435. Available at: <https://doi.org/10.1057/s41268-018-0144-2> and Mehlum, H., Moene, K., & Torvik, R. (2006). “Institutions and the resource curse”, *Economic Journal*, 116(508), pp. 1-20.

[9]Institute for Economics & Peace. (2022, January). Positive Peace Report 2022: Analysing the factors that build, predict and sustain peace, Sydney. Available at: <http://visionofhumanity.org/resources>

[10]United Nations; World Bank. (2018). Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict. Washington, DC: World Bank. Available at: <http://hdl.handle.net/10986/28337>

[11]Business 4 Peace is a network of businesses affiliated with the UN Global Compact that promotes peace.

[12]Schouten, P., Miklian, J. (2020). The business–peace nexus: ‘business for peace’ and the reconfiguration of the public/private divide in global governance. *J Int Relat Dev* 23, 414–435. Available at: <https://doi.org/10.1057/s41268-018-0144-2>

# Defining Peacebuilding

This paper aims to evaluate the possibilities for the role of the private sector in peacebuilding. Peacebuilding is essentially a holistic model of intervention-its objective is to strengthen and invest in the foundational pillars of peace that build a long-term environment favourable for peaceful societies. They are the “nutrients” of positive peace- the elements that favour a sustainable society that can bounce back from conflict shocks to an equilibrium of peace or relative peace.

The UN refers to peacebuilding as “...efforts to assist countries and regions in their transitions from war to peace and to reduce a country's risk of lapsing or relapsing into conflict by strengthening national capacities for conflict management and laying the foundations for sustainable peace and development.”<sup>[13]</sup> This definition begins to explore the linkage between sustainable peace and development. Peacebuilding efforts are usually done either post-conflict termination/mitigation or as part of durable peace efforts. It is distinguished from other efforts such as peace enforcement, peacekeeping, and post-conflict transformation.<sup>[14]</sup> Although Lund refers to peacebuilding in the “Curve of Conflict” as activities following a period of violence and conflict, peacebuilding is an active and ongoing process, even in peaceful societies. It is important to keep in mind that peacebuilding is a dynamic process that is ever-changing and ever-demanding. Peacebuilding requires a long and committed effort for it to flourish, and it is a fallacy to assume peaceful societies do not need investment in peacebuilding. Hence, the stability of investment in peacebuilding and the commitment of the investors are vital factors to its effectiveness.

Many peacebuilding architectures emphasize the role of human rights, development, peace, and security elements as pillars of the efforts of peacebuilding. Architectures, such as those formulated by the UN,<sup>[15]</sup> set out several elements that support national and international peacebuilding efforts:

- prevention of conflict or early warning,
- the rule of law,
- sustainable development,
- access to justice and transitional justice,
- peacebuilding tools such as dialogue and mediation
- good governance, democracy, human rights, and gender equality.

Private businesses, by the nature of their operations, scope, and connections, have tremendous power to influence and support these elements in their local, regional, national, or international communities. The mere operations of corporations, by responsible and ethical business practices aimed at protecting the foundational pillars of peace architecture, have the innate ability to advance peacebuilding.

[13] There are many definitions used to define peacebuilding. This paper utilizes the UN definition and terminology. United Nations. (n.d.). Terminology peacekeeping. United Nations. Available at: <https://peacekeeping.un.org/en/terminology>

[14] Lund, M. (2021, November 24). Curve of conflict. United States Institute of Peace. Available at: <https://www.usip.org/public-education-new/curve-conflict> (assessed October 13, 2023)

[15] UN. (n.d.). United Nations A S General Assembly Security Council. Peacebuilding and Sustaining Peace. Available at: [https://www.un.org/peacebuilding/sites/www.un.org.peacebuilding/files/documents/sg\\_report.peacebuilding\\_and\\_sustaining\\_peace.a.76.668-s.2022.66.corrected.e.pdf](https://www.un.org/peacebuilding/sites/www.un.org.peacebuilding/files/documents/sg_report.peacebuilding_and_sustaining_peace.a.76.668-s.2022.66.corrected.e.pdf)



# Is Peace Good for Business?

*It is counter-intuitive for corporations to invest in nations where there is prolonged conflict, or the possibility of long-term conflict.*

*“Economic performance and peace are often mutually reinforcing. That is, better economic performance assists in building peace and vice-versa. Together they can form a virtuous cycle. Similarly, a worsening performance in peace hinders economic growth, forming a vicious cycle. The economy and peace can therefore be thought of as a system that can move in either a beneficial or destructive direction.”- (IEC, Business and Peace Report 2019).*

To understand the motivation for the business community to invest its valuable resources in peace, we need to answer a fundamental question: Is peace good for business? The answer is unequivocally yes. IEC’s research findings in its report “Business and Peace Report 2021”<sup>[16]</sup> provide compelling evidence of the correlation of countries with higher levels of peace and higher (Gross Domestic Product) GDP growth and better macroeconomic performance. The IEC’s research found that over the last 60 years, countries with a high Global Peace Index (GPI) experienced two percent higher GDP growth than those with lower peace rankings, and also found that nations whose Positive Peace ranking was improving or higher, had stronger economies, lower inflation, better corporate profits, and lower interest rates. Peaceful countries receive more foreign direct investment (FDI) and the World Bank’s Ease of Doing Business<sup>[17]</sup> research indicates a correlation between peace and better legal remedies and contractual enforcement than exist in less peaceful countries. Other researchers found an inverse relationship between income and political instability to investment growth by the private sector<sup>[18]</sup> In other words, poverty and political instability (both conflict drivers) negatively affect investment growth and thereby dissuade business from investment in that region or country. Similarly, while peace is good for business, conflict and violence is often correlated with a worsening economic and business environment.<sup>[19]</sup> Stephenson et al.<sup>[20]</sup> argue that FDI is imperative to peace in fragile nations to accelerate employment and economic stability.

[16] Institute for Economics & Peace. (2021, May). Business & Peace Report 2021: Peace: A Good Predictor of Economic Success, Sydney. Available at: <http://visionofhumanity.org/resources>.

[17] World Bank. (2020). Doing Business 2020. Washington, DC: World Bank. DOI:10.1596/978-1-4648-1440-2. License: Creative Commons Attribution CC BY 3.0 IGO

[18] Alberto, A., & Perotti, R. (1996). Income distribution, political instability, and investment. *European Economic Review* 40(6): 1203-1228. Available at: [https://dash.harvard.edu/bitstream/handle/1/4553018/alesina\\_incomedistribution.pdf](https://dash.harvard.edu/bitstream/handle/1/4553018/alesina_incomedistribution.pdf)

[19] Forrer, J., Fort, T., & Gilpin, R. (2012, September). How Business Can Foster Peace. Washington DC; USIP.

[20] Stephenson, M., Douw, J. & Draper, P., (2023). *How Do Trade and Investment Contribute to Peace and Stability? What Should Policymakers Do?*, OBSERVER RESEARCH FOUNDATION. India. Available at: <https://policycommons.net/artifacts/4305808/how-do-trade-and-investment-contribute-to-peace-and-stability-what-should-policymakers-do/5115967/>

Corporations also seek political and conflict stability for long-term investment and trade. It is counter-intuitive for corporations to invest in nations where there is prolonged conflict or the possibility of long-term conflict. In times of crisis and conflict, the IEC found an elasticity of peace; nations with a high investment in positive peace bounce back from conflict “shocks” more rapidly than those with a lower investment in these pillars. This is more favourable to business activity. Furthermore, the lower a nation’s positive peace index, the higher the chance that conflict will erupt there and stay unresolved for longer periods of time, and therefore be unfavourable to business activity.

## Is Business Good for Peace?

*“Access and flow of water, land degradation, floods and pollution, in addition to competition over extractive resources can directly exacerbate tensions and lead to eruption of conflicts, as is the case for resource depletion issues such as deforestation, soil erosion and desertification” (UNEP, 2019).*

While there is solid evidence that peace is good for business, is business good for peace? The answer is complex and not always affirmative. In fact, the private sector can be a significant conflict ignitor. There has been a plethora of historical situations where some actors in the private sector - by their operations and for-profit mandate - have created or propelled significant conflict. One of the main criticisms of private sector involvement in peacebuilding is that the private sector may have a for-profit vested interest in certain countries or regions with protracted conflict to benefit from extractive industries and resource-rich countries where it operates, potentially propelling violence and conflict due to Indigenous, land or mineral rights, amongst other conflict ignitors. Business practices can also ignite conflict<sup>[21]</sup> where practices may clash with cultural and social values. Business practices such as unfair employment, corruption, and inequitable distribution of resources are manifestations of opaque business operations that operate in silos and can impact poorly on positive peace. According to the UN Environmental Program (UNEP),<sup>[22]</sup> environmental factors are rarely the cause of violent conflict, however, it is the impacts of environmental stresses and the exploitation of natural resources that can contribute to violent conflict.

On the other hand, research has indicated that foreign direct investment (FDI) reduced international conflict and improves relations amongst nations.<sup>[23]</sup>

[21] Forrer, J., Fort, T., & Gilpin, R. (2012, September). How Business Can Foster Peace. Washington DC: USIP.

[22] Andersen, I. (2019, November). Curbing negative environmental impacts of war and armed conflict. UNEP. Available at: <https://www.unep.org/news-and-stories/statements/curbing-negative-environmental-impacts-war-and-armed-conflict>

[23] Hasan, M, Arif, M. & Xuan, L. (2013 January). Does FDI Promote Peace? A Relationship Between Foreign Direct Investment (FDI) and Global Peace. *Journal of Economics and Sustainable Development*, 4(19). Available at: [DOES FDI PROMOTE PEACE? A Relationship Between Foreign Direct Investment \(FDI\) and Global Peace](https://www.researchgate.net/publication/266411111) (researchgate.net)

More and more businesses are adopting a risk management approach to operations<sup>[24]</sup> and in some cases, have legal requirements to consider their impact on society. Businesses are embracing, perhaps subconsciously, the pillars of the SDGs and Positive Peace, and are poised to contribute to the evolution of peacebuilding by corporate action. Governments, multi-lateral organizations and even the private sector itself should continue to invest further in understanding the linkage between private sector operations and their impacts on peace.

The balance of this paper will focus primarily on how businesses can contribute to positive peacebuilding.



[24] Dresse, A. Østergaard Nielsen, J. Fischhendler, I. (2021). From corporate social responsibility to environmental peacebuilding: The case of bauxite mining in Guinea, *Resources Policy*, 74 (102290), ISSN 0301-4207, <https://doi.org/10.1016/j.resourpol.2021.102290>. (<https://www.sciencedirect.com/science/article/pii/S0301420721003019>)



# The Business–Peace Nexus:

There are several ways the private sector can contribute positively to peacebuilding:

## I. By Corporate Risk Management/Do No Harm Principles:

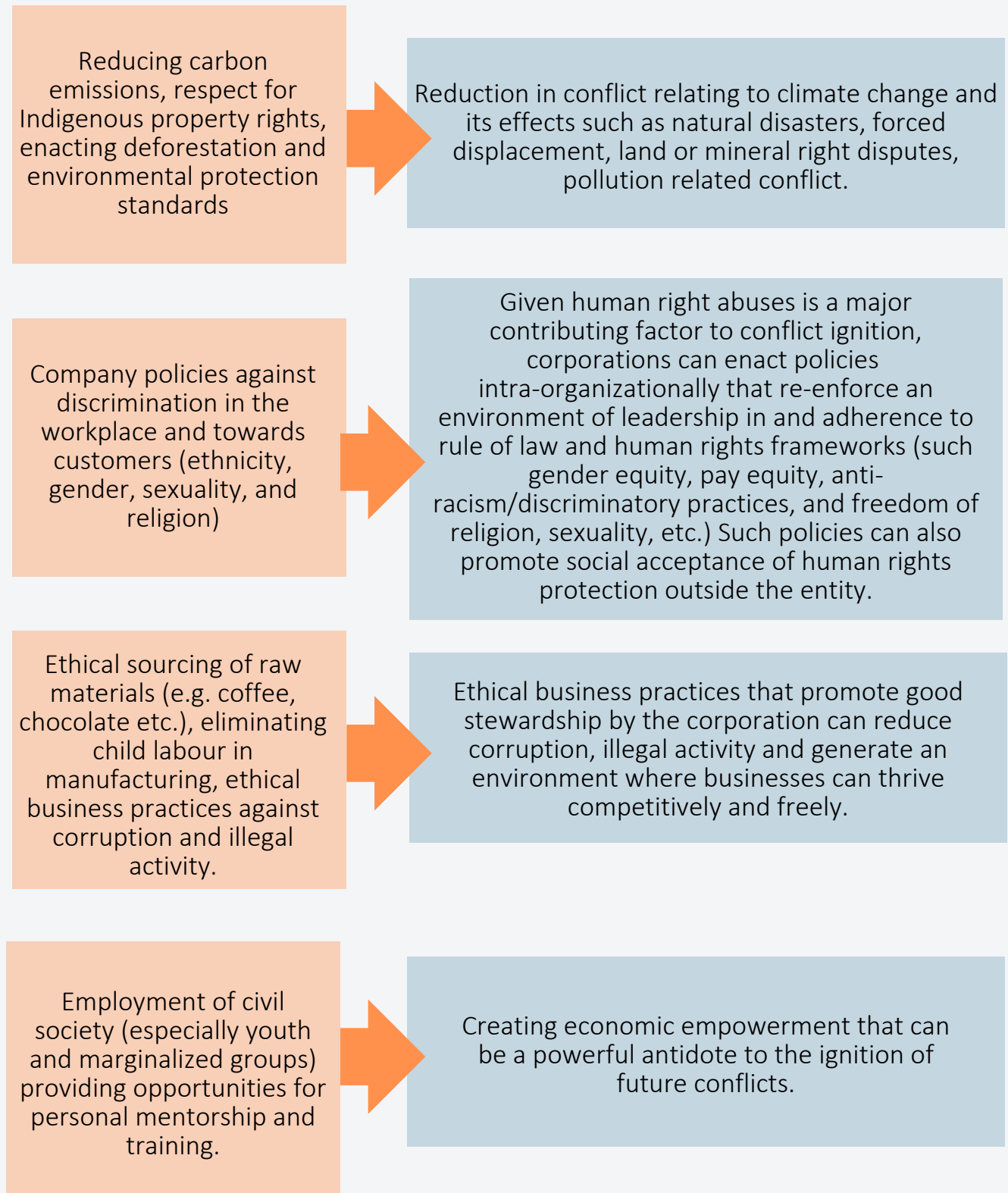
In the last few decades, there is growing evidence that more and more businesses are recognizing the importance of corporate social responsibility (CSR) and Environmental, Social and Governance (ESG) guidelines to a company's favourability amongst its customers and thus, revenues. Investors and consumers are starting to demand CSR and ESG as part of corporate strategy and have aligned their consumer choices in accordance. Corporate social responsibility is “..based on the principle that corporations should share some of the benefits that accrues from the control of vast resources. CSR goes beyond the legal ethical and financial obligations that create profits.”<sup>[25]</sup>The idea that a corporation only exists to maximize profits and shareholder wealth is challenged by the notion that corporate responsibility extends to broader humanity and to the planet. According to a recent study by Deloitte's,<sup>[26]</sup> 93% of business leaders believe corporations need to be “stewards of society”. ESG guidelines further impose a duty on corporations to consider impacts of their business operations on the environment and on society when making decisions or investing. In January 2023, a bold law came into effect in the European Union (EU) called the Corporate Sustainability Reporting Directive (CSRD),<sup>[27]</sup> which requires many corporations to report on the risks and opportunities posed by their operations on humanity and the planet (the directives of the EU are expected to augment other global north directives). This duty clearly progresses the role of the corporation beyond mere profits and more towards societal impact. This type of peacebuilding effort is likely the most attractive to corporations as it likely will have the greatest chance of a positive business reputational dividend with little downside to the corporation.

[25]Williams, A. (2020, February 28). *Corporate Social Responsibility*. Oxford Research Encyclopedia of Business and Management. Available at: <https://oxfordre.com/business/view/10.1093/acrefore/9780190224851.001.0001/acrefore-9780190224851-e-12>.

[26]Deloitte. (2019, January). The rise of the socially responsible business. Available at: [deloitte-global-societal-impact-pulse-survey-report-jan-2019.pdf](https://www.deloitte.com/global/societal-impact-pulse-survey-report-jan-2019.pdf)

[27] European Union. (2022, December 14). DIRECTIVE (EU) 2022/2464 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL. Official Journal of the European Union. <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A32022L2464>.

Figure 1: Examples of Corporate Social Responsibility Translating into Peacebuilding Efforts:



## II. The Global Commitment to the Sustainable Development Goals 2030 (SDGs): In particular, Goal 16: Peace and Just Societies.

*“Sustainable development cannot be realized without peace and security; and peace and security will be at risk without sustainable development.”*  
- UN SDG Goals

The SDGs, as they pertain to peacebuilding, focus on development goals that the international community believes will foster peace and just societies. These are global commitments to the advancement of the development of society for the health of the planet, all that live on it, and humanity. These goals create targets based on indicators and were agreed to by consensus by all UN member states in 2015. Goals 16 (Peace, Justice, and Strong Institutions) and 17 (Partnerships for the Goals) illustrate why partnership with the private sector is so attractive. Conflicts arising from intra/interstate SDG impasses require a collective and expeditious “all-in” response from the collective global community concerns- from climate change and biodiversity depletion, cyber warfare, depleting water resources, and public health emergencies such as the recent COVID-19 pandemic. The UN Global Compact (UNGC) corporate membership of 21,000 organizations in 160 countries proves there is an appetite for a mechanism to promote involvement by businesses in the achievement of the SDGs<sup>[28]</sup>

*“Colgate-Palmolive has always been rooted in business integrity. The Global Goals is an excellent framework...I think it is very important for the public and private sector to come together if we are going to move these Goals forward.”*  
- Ann Tracy, VP of Sustainability and Environment, Colgate-Palmolive.

The UNGC could, however, benefit from a specific focus on private sector support for formal structures such as mediation, dialogue, and other conflict resolution processes to underpin the achievement of the SDGs. In addition, the UNGC could take a more active role in promoting private sector engagement in investing in what is needed to build sustainable peace- over years, and across borders- as the interests of consumers, supply chain stakeholders and corporations themselves ultimately benefit from peaceful societies.

Unfortunately, the architects of the SGD targets for Goal 16 did not consider specific targets for peacebuilding efforts as valuable objectives under Goal 16 for promoting peaceful societies. Precise measures to encourage and support peacebuilding efforts - such as the use of informal mediation and dialogue processes, is a critical missed opportunity of the SDGs to accelerate Goal 16’s achievement by way of use of these tools.

However, there are some mechanisms in the current SDGs which could promote mediation, dialogue and peacebuilding tools not only intra-organizationally, but also as part of a broader allegiance to forwarding SDG Goal 16 as a foundation to peaceful societies and therefore, a positive business environment.

[28] UNGC. (2015). United Nations Global Compact [online] Available at: <https://www.unglobalcompact.org>

[29] For more on the role of informal dialogue in peacebuilding see, The Economist. (January 25, 2020). Not Your Average Diplomats; and Jones, P. (2015). Track Two Diplomacy: In Theory and Practice. Palo Alto: Stanford University Press.

Figure 2: SGD Goal 16 Peace, Justice and Strong Institutions Targets and Indicators Pertaining Peacebuilding Efforts: Opportunities for Corporate Engagement

SDG # 16 Targets by 2023	Measured indicators	Examples of intra-organizational engagement	Examples of a broader corporate engagement to achieving SGD Goal 16
<p>Target 16.3: Promote the rule of law at the national and international level and ensure access to justice for all.</p>	<p>Indicator 16.3.1: Proportion of the population who have experienced a dispute in the past two years and who accessed a formal or informal dispute resolution systems.</p>	<p>Access to intra-organizational mediation, dialogue systems, arbitration clauses as alternatives to litigation, including transparent dispute resolution processes for employees, suppliers, partners. Formalized dispute resolution systems as part of corporate dispute resolution policies.</p>	<p>Advocating for mediation and dialogue processes to promote peaceful resolution of conflict locally, nationally, internationally.</p> <p>Encouraging, supporting (and sometimes even facilitating) Track 2 peace processes such as dialogues to provide a space for parties to begin discussions</p>
<p>Target 16.7: Ensure responsive, inclusive, participatory, and representative decision making at all levels.</p>	<p>Indicator 16.7.2: Proportion of population who believe decision-making is inclusive and responsive by sex, age, disability, and population group</p>	<p>Intra-organizational dialogue and inclusion in decisions, including collective bargaining dialogue, needs of marginalized or minority groups, etc.</p> <p>Creating spaces for women and minority groups to be elected to Boards and positions of decision-making authority.</p>	<p>Participating in dialogue processes with government to inform policymaking.</p> <p>An example is the extensive dialogue discussions between private-public sector during the COVID-19 pandemic.</p>
<p>Target 16 b: Promote and enforce non-discriminatory laws for sustainable development</p>	<p>Indicator 16 b: Proportion of population reporting having personally felt discriminated against or harassed in the previous 12-months on the basis of a ground of discrimination prohibited under international human rights law.</p>	<p>Incorporating broad and encompassing non-discrimination HR policies and to protect employees.</p> <p>Implementing human rights advisory panels or directors to ensure all elements of operations of the corporation meet international human rights law.</p>	<p>Advocating and supporting non-discrimination measures aimed at broad application to civil society.</p>

### III. By Leveraging the Power of the Corporate Resources Towards the Eight (8) IEC Positive Peace Pillars:

Large multinationals, medium size regional or national companies, and local businesses hold incredible power due to their often collective or individual resources in human expertise and knowledge, and innovation and technology. Of the eight pillars of Positive Peace,<sup>[30]</sup> the private sector has the capability of contributing to seven pillars of positive peace through their core operations or CSR actions alone. For example, the private sector holds valuable institutional knowledge of equitable, inclusive, and diverse policies and procedures enacted by organizations that support positive peace pillars of acceptance of rights, gender, and human rights. Another example is the structure of corporations themselves, especially publicly listed ones. The stock and security exchange market’s regulatory frameworks allow for an increase in the transparency of business operations and reduce corruption.

The private sector’s inherent role in societies allows for greater penetration of the foundation pillars to seep into everyday life, thereby having the potential to reach every employee, employer, customer, consultant, and supply chain partner.

Table 1.1: Examples of Private Sector Contributions to IEC Positive Peace Pillars

Positive peace pillar	Private sector benefits	Specific examples
Pillar 1: Good relations with neighbours	Private companies can act as agents of change and good relations amongst nations and citizens by their business activities.	Singapore Airlines launched “Miles of Good” campaign <sup>[31]</sup> to give back to front line workers of COVID-19 in any country. The cross border and global reach of this initiative is an example of the ways business can contribute to good relations with citizens across the globe. In 2020, Netflix pledged to invest USD \$100 million in financial and business organizations that would support black-owned business in order to propel “racial equity.” <sup>[32]</sup>

[30]Institute for Economics & Peace. (2022, January). Positive Peace Report 2022: Analysing the factors that build, predict and sustain peace, Sydney. Available from: <http://visionofhumanity.org/resources>

[31]Paul, M. (2022, December 12). Miles of good! Singapore Airlines’ new campaign thanks essential workers. Travel Daily Media. <https://www.traveldailymedia.com/miles-of-good-singapore-airlines-new-campaign-thanks-essential-workers/>

[32]Netflix. (2020, June). [Building economic opportunity for Black communities - About Netflix](#)

Positive peace pillar	Private sector benefits	Specific examples
Pillar 2: High human capital	The private sector is a wealth of high human capital resources, including skilled labour.	Following 9-11 in New York City, some 100 private construction companies assisted in the reconstruction of the World Trade Center area, including donating materials and skilled labour to assist in the reconstruction efforts.
Pillar 3: Low levels of corruption	Corporations can lend expertise relating to fraud detection, anti-money laundering detection technology and public market securities scrutiny of operations.	Scotiabank of Canada's <sup>[33]</sup> work in anti-money laundering has helped identify often-hidden crimes like human trafficking, child exploitation, and tax evasion within Canada and across borders.
Pillar 4: Acceptance of the rights of others	Inclusive workplaces, anti-racism, gender policies	German company Volkswagen <sup>[34]</sup> appointed a human rights officer to oversee all operations meet human right standards of the UN Global Compact and the International Bill of Human Rights. The officer ensures adherence to the company's human rights principles and oversees that operations meet these standards everywhere they operate, sell and produce vehicles.

[33] Howser, A. (2021, August). Teaming Up to Fight Financial Crime. *The Banker*. Available at: [https://www.scotiabank.com/content/dam/scotiabank/corporate/news/assets/TheBanker\\_Article\\_.pdf](https://www.scotiabank.com/content/dam/scotiabank/corporate/news/assets/TheBanker_Article_.pdf)

[34] Volkswagen Group. (n.d.). Human rights. Policy Statement of Volkswagen G. Available at: <https://www.volkswagen-group.com/en/human-rights-16108>



Positive peace pillar	Private sector benefits	Specific examples
<p>Pillar 5: Free flow of information</p>	<p>Technology companies exert tremendous power (sometimes positive, sometimes negative) over free flow of information. While the role of technology companies in the free flow of information is highly complex, some positive contributions such as anti-censorship, access to satellite based internet services, and false information screening can equip society with tools to communicate and learn.</p>	<p>Google’s Digital News Innovation Fund supports projects that fight misinformation such as Debunk (web-scraping tools that detect disinformation).<sup>[34]</sup></p> <p>Also, satellite internet services can assist in overcoming internet censorship.</p>
<p>Pillar 6: Equitable division of resources and equal treatment</p>	<p>Corporations can model equitable division of resources by enacting pay and income equity structures, and promoting awareness for gender based violence and gender inequality.</p>	<p>Anglo-American, a large international mining company, founded “Living with Dignity”<sup>[35]</sup> as a program in South Africa aimed at raising awareness of gender-based violence and inequalities due to gender.</p>

[34] Google (n.d.). Digital News Innovation Fund. Available at: <https://newsinitiative.withgoogle.com/dnifund/report/battling-misinformation/>

[35] Botes, H. (2019, March). Living with dignity – preserving our right to dignity at work. Anglo American. Available at <https://www.angloamerican.com/our-stories/people/living-with-dignity-preserving-our-right-to-dignity-at-work>

## IV. Private Sector Funding for Independent, Impartial and Arms-length Organizations that Work to Build Peace:

*“Bank of America empowers women, social enterprise with \$1.0 million gift to Georgetown University’s WPS “Georgetown’s tradition of service closely aligns with our commitment to making corporate social responsibility the core of our business, and both these programs support our efforts to foster economic empowerment around the world.”*  
- Bank of America.

Non-government organizations (NGOs) that work in peacebuilding are primarily reliant on funding from the government or entities closely related to the government, the United Nations, and other multilateral organizations.<sup>[36]</sup> The funding can be fleeting, subject to political support and change, and can also be perceived by some as having a vested interest in the donor’s interests (for example pro-liberal rules-based donor nations and multilaterals for example). NGOs need more sustainable funding to “maintain their operations and effectiveness, and to innovate.”<sup>[37]</sup>

A way forward, in certain cases, may be an arms-length approach to private investment in peacebuilding activities. NGOs that work in peacebuilding can act as a buffer- even those with a vested interest in a particular region- by diluting the direct investment in a particular country or region, and funding efforts on a wider scale of peacebuilding efforts by the NGO. This could include efforts relating to research, advocacy for peacebuilding tools, inclusive process design, ethics, and other activities aimed at a broader peacebuilding agenda. For example, Bank of America donated to Georgetown University’s Women Peace and Security program USD \$1.0 million to support corporate social responsibility of women’s empowerment, which is closely aligned to UN Security Council Resolution 1325’s participation pillar. This donation was not specifically intended to be used in areas where Bank of America operates (predominately continental USA), but more broadly towards SDG #5 on women’s equality and empowerment on a global scale. Private business and foundation donations and grants from organizations such as the Gates Foundation, the MacArthur Foundation, Pfizer, and Coca-Cola contribute to peacebuilding efforts by the Carter Center.<sup>[38]</sup> The activities of the Carter Center relating to peace include conflict resolution, conflict transformation, election monitoring, peace-health nexus and technology access. Such donations and grants must consider the longer-term need for funding and resources for peacebuilding- the stability of funding is a key requirement of such organizations.<sup>[39]</sup>

[36] Veron P, Sherriff A. (2020). International Funding for Peacebuilding: Will COVID-19 Change or Reinforce Existing Trends. ECDPM. Available at: <https://ecdpm.org/application/files/6116/5546/8617/ECDPM-Discussion-Paper-280-International-Funding-Peacebuilding-COVID-19-Change-Reinforce-Existing-Trends.pdf>

[37] Milante, G., & Lilja, J. (2021, June 22). Financing peacebuilding ecosystems. SIPRI. Available at: <https://sipri.org/commentary/blog/2021/financing-peacebuilding-ecosystems>.

[38] Carter Center. (n.d.). Conflict Resolution Program. Available at: [https://www.cartercenter.org/peace/conflict\\_resolution/index.html](https://www.cartercenter.org/peace/conflict_resolution/index.html)

[39] Veron P, Sherriff A. (2020). International Funding for Peacebuilding: Will COVID-19 Change or Reinforce Existing Trends. ECDPM. Published 2020. Available at: <https://ecdpm.org/application/files/6116/5546/8617/ECDPM-Discussion-Paper-280-International-Funding-Peacebuilding-COVID-19-Change-Reinforce-Existing-Trends.pdf>

# Opportunities for the private sector to convene informal dialogue processes

Private sector leaders may be uniquely positioned to support those who convene parties in informal dialogue processes aimed at conflict transformation, dispute resolution and other objectives, often to set the stage for further discussions and negotiations.<sup>[40]</sup> While the interests of a corporation to intervene in peace processes may ultimately be in their shareholders' interests, where corporate interests can focus on the objective of building peaceful societies as an ingredient for good business, the interests of civil society and the private sector may be very aligned.

While corporate support for peacebuilding is often discussed in a general sense, there are relatively few known examples of direct involvement by a particular business in a specific peacebuilding dialogue. One such is the involvement of the mining company Consolidated Goldfields in talks leading to the end of the apartheid era in South Africa. Consolidated was a UK-based company, founded in 1887, with extensive interests in South Africa.

## The South Africa Case<sup>[41]</sup>

Though informal dialogues between individuals on both sides of the apartheid issue had been underway for some years, little progress had been made. As the situation in South Africa continued to deteriorate, the prospect of a years-long and extremely violent transition to majority rule became more likely. Major international investors came under increasing pressure, both within South Africa and internationally. In the latter context, international sanctions became an ever-greater problem for business.

In the late 1980s Michael Young, the Public Affairs Director of Consolidated, with the secret support of senior company officers, invited leading Afrikaners and members of the opposition African National Congress (ANC) to secret, informal and unofficial talks. These were held at the company's country retreat outside London, Mells Park House. Notable participants in the Mells Park House talks included Thabo Mbeki from the ANC (who later succeeded Nelson Mandela as President of South Africa) and the brother of Willem de Klerk, who was the last apartheid-era President of South Africa.

Over several rounds of dialogue, the participants in the Mells Park House discussions were able to work out a set of understandings that supported discussions for the release of Nelson Mandela from prison and the initiation of a political process that led to majority rule in South Africa. Of course, many other events, such as the end of the Cold War, set the context for the success of the Mells Park House process. But it is widely acknowledged that the Consolidated initiative was a key element in brokering the relatively peaceful transition of South Africa.

[40] The Economist. (January 25, 2020). "Not Your Average Diplomats." Available at: <https://www.economist.com/international/2020/01/23/conflict-resolution-relies-increasingly-on-diplomatic-back-channels>

[41] Harvey, R. (2001). *The Fall of Apartheid: The Inside Story from Smuts to Mbeki; Liz Carmichael, Peacemaking and Peacebuilding in South Africa* (Chapter 4). Basingstoke: Palgrave Macmillan; and Lieberfield, D. (2005). Contributions of a Semi-Official Pre-negotiation Initiative in South Africa: Afrikaner-ANC Meetings in England, 1987-1990 (Chapter 6), in Fisher, R.J. (ed.), *Paving the Way: Contributions of Interactive Conflict Resolution to 17 Peacemaking*. Lexington Books. Lexington: MA. p.105-125.

Although Consolidated had an obvious corporate interest in a stable transition in South Africa, and can therefore not be said to have been an impartial facilitator of these discussions, Young conducted the discussions impartially and did not place corporate interests on the table. Nevertheless, this project was considered controversial when it was initiated. Young was told by senior officers of the company that he would be “disowned” and fired if it became public in ways that discredited Consolidated in the eyes of its shareholders. In the event, the Mells Park House process is today considered one of the great success stories in the field of informal peacemaking dialogue.

While the South African case was a successful intervention by the private sector in a large-scale national peacebuilding initiative, conversely, a cautionary approach to private sector engagement in facilitating dialogue amongst disputing parties is pragmatic where interests or perceived interests/biases of business may cause harm to a conflict situation or where national public interests supersede those of the disputants.

Dialogue processes are equally important for input for government policymaking especially since policy affects business and business operations both positively and negatively. Examples include the Canadian government’s engagement with the private sector in a series of national dialogues aimed at multi-stakeholder policymaking<sup>[42]</sup> to support the SDGs achievement and the World Health Organization’s (WHO) multi-private sector engagement in the fight against COVID-19 and development of regulation of private health care systems in Africa.<sup>[43]</sup>

Another goal of the SDGs that has received tremendous attention is Goal# 13: Climate Action. Many global citizens believe that climate change is our most pressing existential threat to humanity and that the clock is ticking on irreversible change to our ecosystems, oceans, and land. Climate change will undoubtedly accelerate conflict due to natural disasters, resource scarcity (such as fresh water and viable agricultural land), and forced displacement and migration. The involvement of business in dialogue and problem-solving related to climate change is vitally important to consider and support and the inclusivity of the private sector as part of peacebuilding is equally important as other stakeholders, such as women and youth.

## V. Social Cohesion and Connections

Private businesses- whether small, local businesses such as restaurants, retail outlets, local establishments, or large multi-nationals- can often foster social cohesion and connections to the local community. Businesses are often the pulse of communities and have the unique ability to dialogue across cultural, ethnic, income, and gender lines. These social connections may play a role, for example, in fundraising for local families, and donations to food banks.

[42] Global Affairs Canada. (2023, January). Private Sector Engagement for Sustainable Development. Available at: [Private Sector Engagement Strategy \(international.gc.ca\)](https://www.international.gc.ca)

[43] Clarke, D. (2020, March). Supporting Private Sector Engagement During COVID-19. WHO’s Approach. Available at: [private-sector-engagement---supporting-private-sector-engagement-during-covid-19-who-s-approach.pdf](#)

Businesses are often the pulse of communities and have the unique ability to dialogue across cultural, ethnic, income, and gender lines. These social connections may play a role, for example, in fundraising for local families, and donations to food banks. Businesses employ local communities and impact the connections between employment, and home with regular frequency and intimacy. As such, businesses can play a role in education, information sharing, and skills development for civil society. Additionally, many businesses understand the local context, have intimate knowledge and interaction with local people, and can influence a wider societal peacebuilding effort. Local businesses can act as early warning detection of conflict or violence and can exert pressure on the government and conflicting parties to negotiate and participate in dialogue.

## **VI. Corporations can contribute innovation and technology to build peaceful societies**

In some situations, corporations can positively contribute to the use of innovation and technology to build peaceful societies. For example, IBM has used its substantial power to advocate for a reasonable standard of care to be imposed on technology companies who have access to big data to monitor postings and "quickly identifying and deleting content focused on child pornography, violence on child-oriented sites, or online content promoting acts of mass violence, suicide, or the sale of illegal drugs."<sup>[44]</sup> Artificial intelligence, satellite-based internet access that could circumvent state blackouts, financing fraud detection and ways to improve cyber security are all value-added, technology-based private sector contributions to peacebuilding issues. When in hands of bad actors, technologies can pose challenges to societal cohesion and stability (e.g. exploitation of synthetic media). There are also concerns relating to how big data synthesis is being used, and interpreted, which can also fuel conflict.

Thus, those in peacebuilding should establish partnerships with technology companies that could foster greater innovation in peacebuilding, as tech companies may have access to ideas, skilled labour, and technology necessary for a fundamental shift in how peacebuilding is done in the future. For example, NATO leaders launched a series of private-sector dialogues aimed at involving the private sector in its security and technology efforts.<sup>[45]</sup>

## **VII. Corporate Weariness to Engage in Peacebuilding:**

At the same time, caution needs to be exercised. Corporations rightfully have reservations about engaging in peacebuilding, due to a reluctance to merge corporate reputation with an often volatile and unpredictable situation. Peacebuilding assistance is not always palatable to many organizations, as the challenges are immense and complex. For example, in 2016, Colombia invited the private sector to engage in implementing the peace agreement. However, surveys from the Bogota Chamber of Commerce revealed frustrations with the "complexity, messiness, and changeability of government programmes and structures related to the peace process."<sup>[46]</sup>

[44] Hagemann, R. (2022, January 7). IBM: A precision regulation approach to stopping illegal activities online. IBM Policy. <https://www.ibm.com/policy/cda-230/>

[45] NATO(2021). NATO 2030: NATO-Private Sector Dialogues with GLOBSEC. Available at: [NATO-2030-NATO-Private-Sector-Dialogues-with-GLOBSEC---Final-Policy-Takeaways.pdf](https://www.nato.int/docu/2030/2030-Private-Sector-Dialogues-with-GLOBSEC-Final-Policy-Takeaways.pdf)

[46]Martin, M. (2020, July). Assessing private sector engagement in the Colombian Peace Process. London School of Economics. Available at: <https://www.lse.ac.uk/ideas/Assets/Documents/project-docs/un-at-lse/UN-Policy-Brief-July-2020.pdf>(Accessed October 13, 2023).

Other businesses preferred to stay away from aligning with the word “peace” and preferred to focus on a benign categorization, such as corporate social responsibility. The repercussions of corporate alignment with peacebuilding for a particular conflict or region may be weighted down with risks of blame, unwanted allegiances, and in some rare cases, security risks such as hostage taking, gang violence and even death. Corporate investment via CSR and peace foundational pillars identified in the SDGs and Positive Peace pillars may be ideal mechanisms to buffer the risk associated with direct investment in conflict zones. Clearly, the direct role played by business in such things as the South Africa case referenced earlier is not for everyone and not for all cases. That being said, where arms length (usually financial) support for quiet and informal dialogues can play a role in promoting the resolution of specific conflicts, corporate support can be crucial. In order to avoid suspicions of playing a role in particular conflicts where corporate interests are in play, general support for organisations active in the field of informal dialogue could be considered. This would permit private sector actors to encourage these processes generally, without leaving themselves open to charges of direct investment in conflicts where they have vested interests.<sup>[47]</sup>

## **Conclusion: What can Governments and Multilaterals Do to Encourage Private Sector’s Meaningful Participation in Peacebuilding?**

Governments and multilateral organizations hold tremendous power and resources that can be used to encourage the private sector’s full and meaningful participation in peacebuilding efforts. Governments and NGOs can make space for innovative partnerships and engagement with the private sector and can work to assist corporations in identifying conflict risk potential from business operations and assisting in mitigating conflict ignitors/drivers. Partnerships between private and public sector entities can develop ways to demonstrate, by data and science, how peace is good for business and how business must also be good for peace. While the UN Global Compact is a good start to achieving these objectives, national and regional governments can expand on opportunities to engage with the private sector to be an equal partner in peaceful societies.

The private sector is illustrating, by its actions, its policies and its will, that it wants to be an active partner in peacebuilding efforts, especially those relating to corporate social responsibility aimed at creating a better planet for all that live on it. Existential threats such as climate change require an all-in approach to building peace and the data is clear that peace is good for business. The peacebuilding community needs to welcome the private sector with open arms and work with it to find meaningful ways to propel peacebuilding efforts which multiply the investment effects of funding for peacebuilding. Simultaneously, the private sector, which already recognizes the economic benefits of peaceful societies for business, must find ways to translate this into greater support for peacebuilding action, both generally and, in some cases, for specific peacebuilding efforts in conflict zones.

[47] The state of the field is discussed, and several of its leading players identified in The Economist (2020, January 25). “Not Your Average Diplomats,” previously cited.