“There can be no successful business in an unsuccessful society and there can be no successful society without successful business. Prosperity requires peace.”

Kofi Annan (1999)

“In the twentieth century war was pronounced, belatedly to be too important to be left to the generals; in the twenty-first century peace, prosperity, and security have already ruled out to be much too complex to be left to the politicians.

In a dangerous, high-speed, information logged, globalized world, disastrously divided between the prosperous and the impoverished, the old distinctions between war and peace, civil and military, national and international, private and public have become increasingly blurred.”

Sir Brian Urquhart (2004)
Abstract

This paper discusses the potential of the generic ‘peace-through-commerce’ project using the medium of three case studies, specifically Afghanistan, Sudan and Darfur, and Rwanda with its neighboring states. It first engages with the relevant literature, noting how published work on peace through commerce may helpfully be cross-referenced with analyses and learning from other sub-genres. Including but not limited to: business ethics, corporate social responsibility, globalization, cultural difference, development, as well as conflict resolution and peacebuilding itself.

What emerges from the case studies is an insight into the diffuse myriad of means through which commerce may variously bolster or undermine the pursuit of peace. It is the substantive argument of the paper that much more needs to be understood about the workings and behaviour of Small/Medium Enterprises (SMEs) and Multinational Corporations (MNCs) before they can be relied upon as a universal panacea for conflict resolution and peacebuilding. Even in developed and stable contexts, as highlighted by the current Global Economic Crisis (GEC), controversy continues about the propensity of particular enterprises to ensure economic health and growth. These uncertainties are increased when enterprise is introduced either during or after a conflict because of the volatile nature of this environment. However, real experience shows that there is potential capacity to engender societal harmony through the peace-through-commerce movement.
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<td>AISA</td>
<td>Afghanistan Investment Support Agency</td>
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<td>Afghanistan New Beginnings Programme</td>
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<td>BHF</td>
<td>Business Humanitarian Forum</td>
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<td>CERP</td>
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<td>Government of National Unity</td>
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<td>GoSS</td>
<td>Government of South Sudan</td>
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<td>IDP</td>
<td>Internally Displaced Person</td>
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<td>IGO</td>
<td>International Governmental Organization</td>
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<td>ISAF</td>
<td>International Security Assistance Force</td>
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<td>MNC</td>
<td>Multinational Corporation</td>
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<td>Relief to Development Continuum</td>
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Preface and Acknowledgements

My personal experiences of managing companies in developing and post-conflict countries contributed to the shape of this essay. Creating, in the first place a yearning to explore this topic, in order to widen my comprehension of the environments in which I operated (somewhat precariously balanced between the disciplines of business and development).

Writing this paper has been a journey and it also tracks a journey. One that was not planned and has taken me to places I would have never dreamt of going, and which has allowed me to talk to people I have always wanted to meet. The paper is an exploration of the wide range of topics from various fields that I had to look to in order to go about my day-to-day tasks. It builds on the work submitted when I was undertaking the taught part of the course regarding R2D, CSR and livelihoods. When I re-read those papers, I can see how much I have grown not only in my professional awareness and responsibilities, but also in my own personal development and depth of understanding on a topic that will always be an art rather than a science. The three case studies used in this paper, were chosen because they raised similar opportunities and challenges to those I had experienced in my working life. I was unable to write about my personal experiences in any detail because of confidentiality agreements, which still bind me to my former employers.

I would like to thank lecturers at Oxford Brookes; the undergraduate ones for making me ask questions and go off exploring, the postgraduate ones for teaching me about development and the challenges it brings, not only in theory but in practice. I would also like to thank the many people I have met over the years who have an inherent desire to improve the lives of others whilst going about their daily business, they have inspired me greatly.

‘Peace cannot be achieve through violence, it can only be attained through understanding.’
Ralph Waldo Emerson (Date Unknown)
1. Introduction

This paper examines the role of business in peacebuilding during or in the aftermath of conflict. As Weiss et al. establish, there are three principle responsibilities within the obligation to rebuild war-torn societies: peacebuilding, security and justice, and reconciliation (Weiss et al. 2001: p.39-45). Implicit within all of those responsibilities, it is contended here, is the propensity for a stable and growing economy to harmonize social relations and therefore reduce the potential for further conflict.

It is an unavoidable truth that businesses of varying scales, up to and including multinational corporations, are deeply embedded in the processes which produce both war and peace. As Bais and Huijser state with regard to developing countries, ‘…rebellion and civil war occur only if they are financially rewarding.’ (Bais and Huijser 2005: p.12). The control – or potential loss of control – of vital economic resources are of course not concerns which engage only those countries that are still developing. Every major conflict between communities of developed nations also has some link to the economic dimensions of power and status. The very complexity of a market economy means that private enterprise incorporates those organizations that will profit from conflict, even if their host community is a net loser in military terms.

These capacities are discussed in this paper with reference to developments which have followed on from the United Nations Global Compact of 2000. Substantively the thesis uses the medium of three particular case studies to explore operations in real environments on both a micro and macro-scale. The first case study focuses on the situation in Afghanistan, and the efforts of particular businesses in this volatile context. The second case study takes as its focus on enterprises located within the ongoing crisis in Sudan and Darfur. The third is based on the activities of the Dutch brewing company, Heineken, in post-conflict Rwanda and neighbouring states.
It is argued that there are important similarities running between these three contexts, which make them especially enlightening in terms of the generic peace-through-commerce paradigm. All have been victim to protracted conflict, and are prey to both ongoing violence and an uneven regional cessation of hostilities. The host countries are the subject of international diplomatic efforts for peace, as well as initiatives to repair their fractured societies through commercial means. All three locales, as will be discussed, feature not only complex hierarchical, social, cultural and gender divides but also generational rifts which impact upon their capacity to regain any former occupational and economic patterns.

Alongside these similarities run significant contrasts. Most of the reported work going on in Afghanistan has focused on the pursuit of regeneration through businesses funded by a mixture of government, non-governmental organizations (NGOs) and private equity investment. Whilst not entirely absent from the Sudanese context, the latter has featured more heavily on the capacity of grass-root entrepreneurial activity and SMEs. The third study, based on Heineken’s activities in Africa concentrates solely on a corporate presence and its efforts to conduct business during and after a notoriously barbarous conflict. The specific case studies were chosen to highlight how the peace-through-commerce model of necessity embraces a multitude of dynamics, all implying different demands and pressures on the process. In the face of such complexities, it is evident from the surrounding literature and discussion that increasing expectations are being invested in this process as a means of augmenting conflict resolution and peacebuilding efforts.


2. **Research Methods**

Although it does refer to positivist data where appropriate, the research undertaken for this thesis was predominantly undertaken as a desk study and so qualitative in character: it is therefore important that it takes into account the relevant concepts and approaches from that discipline.

One of the most comprehensive expositions on qualitative research may be found in Denzin and Lincoln’s *Handbook of Qualitative Research*, (1994), and their edited collection of papers, *Collecting and Interpreting Qualitative Materials*, (1998). As Denzin and Lincoln explain, ‘…qualitative research, as a set of interpretative practices, privileges no single methodology over any other…nor does qualitative research have a distinct set of methods that are entirely its own.’ Therefore, phenomenological research frequently incorporates a blend of ‘…semiotics, narrative content, discourse, archival, and phonemic analysis, even statistics’. They contend that it is the eclectic nature of approaches within the word *qualitative* which denotes the character of the discipline: specifically, it ‘Implies an emphasis on processes and meanings that are not quite rigorously examined, or measured…in terms of quantity, amount, intensity, or frequency. Qualitative researchers stress the socially constructed nature of reality…’ (Denzin and Lincoln 1998: p.5-8).

Overall as Hakim has pointed out in  *Research Design: Strategies and Choices in the Design of Social Research*, (1994), qualitative research presents particular problems attached to the attribution of causality in the analysis of results. As he has indicated, ‘Qualitative research can deal with causes only at the level of the intentional, self-directing, and knowledgeable individual, whereas case studies can deal with a greater variety of causal processes.’ (Hakim 1994: p.9).
Responsible research also implies maintenance of the appropriate ethical approach. Ethical issues are examined in detail in Mauther, Birch, Jessop, and Miller’s *Ethics in Qualitative Research*, (2002), which reminds us that ‘…the political and personal perspectives of researchers inform the intentions we have for the research. They are also the means by which we evaluate the impact and indirect implications of our research.’ (Mauther et.al. 2005 p.33). As Padgett reflects in *Qualitative Methods in Social Work Research, Challenges and Rewards*, (1998), ‘Our integrity as researchers depends on honoring our ethical responsibilities at both the micro level (protecting our respondents) and the macro level (selecting socially responsible topics, disseminating their findings, ensuring no misuse) (Padgett 1998: p.44).

This integrity is defined not only by the ethical treatment of testimony, but also by its objective use in the assembly of discourse in contentious areas. Padgett continues, ‘…the absence of a standard formula for presenting the findings of a qualitative study is liberating, but also imposes a good deal of conscious decision making on the part of the researcher.’ (Padgett 1998: p.106). In other words, it is important to avoid the subjective use – or omission - of particular facts, in support of a particular perspective or interpretation of events. Such an approach might produce a pleasingly cogent text, but it is less likely to be a faithful representation of events.

When the relevant discourses are dominated by Western, American or Eurocentric perspectives, it is doubly important to actively maintain a balanced point of view. This consideration raises the related area of cultural identity in research. Just as perceptions about the character of commerce, diplomacy and politics are mediated through cultural difference, so the research process itself is couched in terms defined by the available sources. This point is made powerfully in Kamenou’s *Methodological Considerations in Conducting Research Across Gender, Race and Culture: a Challenge to Context Specificity in Diversity Research Methods*, (2007) ‘…assumptions made by the participants regarding the cultural identity of the researcher within a study can shape interviewees’ accounts.’ (Kamenou 2007: p.2003).
In addition, further considerations of gender must be made in cultures where patriarchy is a predominant feature as women’s voices may be less prominent. There is therefore an onus on the researcher to restore these voices to the debate wherever possible, or, as a minimum, indicate their absence as a balance to testimonies, which claim to speak on behalf of whole communities. As Onubogu and Etchart point out, ‘…gender balance does not mean the inclusion of a few highly placed international women but listening and responding to the diverse experiences of women who have lived through the conflict.’ (Onubogu and Etchart 2005: p.41).

These are not merely academic points. For example, in their work on entrepreneurship in post-conflict Sudan, Abdelnour et al. explicitly acknowledge that the Participatory Social Assessment (PSA) methodology they employed is qualitative in nature, implying a responsibility for self-criticism amongst field researchers. Significantly, they also state that the latter had to negotiate with local, self-appointed power brokers before they could access the views of the general population. Despite having authority from tribal leaders, their researchers were confronted by youths who ‘…requested funds, spoke excellent English…and had a clear system of authority and rank. These youth are likely ex-combatants…after much discussion, the group accepted…the research agenda…’ (Abdelnour et al. 2008: p.296). This, as will be discussed later, is a pattern repeated elsewhere, and therefore a significant one in the weighing of research evidence.
3. Literature Review

As Hakim states, ‘…a review of the literature and existing studies is…part of the ground-clearing and preparatory work undertaken in the initial stages of empirical research.’ (Hakim 1994: p.17). The initial stages of this research involve the surveying of literature for both the empirical facts and theoretical frameworks, which apply in this topic. These lay far beyond the work devoted specifically to the relationship between commerce and peace and relevant literature was gathered from a seemingly inexhaustible range of diverse fields. This process was very informative however with the space limitations set by this paper, the written synopsis here has been restricted to the following areas:

- **Business Ethics and Corporate Social Responsibility,**
- **Globalization,**
- **Cultural Difference,**
- **Conflict Resolution and Peacebuilding,**
- **Peace-Through-Commerce.**
3.1 Business Ethics and Corporate Social Responsibility.

In his *Capitalism at the Crossroads: Aligning Business, Earth and Humanity*, (2007), Hart argues that ‘…properly focused, the profit motive can accelerate (not inhibit) the transformation toward global sustainability, with nonprofits, governments and multinational agencies all playing crucial roles as collaborators and watchdogs.’ (Hart 2007: p.3). Despite Hart’s reassurances however, it is equally the case that the profit motive may do the precise opposite, although in reality, neither sinister nor benign motives operate exclusively. In Altman’s *Decomposition of the Corporate Body*, (2007), the author surmises that ‘…from a Kantian perspective, a corporation can have no responsibility at all. Insofar as it is a tool, and a good tool performs its designated function well, a good corporation maximizes profits for its shareholders.’ (Altman 2007: p.261).

These types of baseline assessments of business ethics co-exist along with a fundamental shift in the nature of dialogue, which companies prefer to have with stakeholder communities. Although the precise benefit to society of the corporation is difficult to adduce in positivist terms, statistical definitions may at least be attached to the quantity of communications about such intentions. As Brewster points out, ‘…according to research by Deloitte, the number of FTSE 100 companies producing a standalone corporate responsibility report - as opposed to separate reports on issues such as "community" and "environment" - is at a new peak, more than tripling since 2002 to 69 last year.’ (Brewster, *Financial Times*, 2007).
A problem being contemporaneous with these seemingly benevolent developments are shocking revelations about visceral corruption within the corporate body. As a senior UK judge recently affirmed, illegal acts by corporations ‘…will always be unethical…’, adding that legal activities may still be ‘…unethical and cause damage to a company’s reputation.’ (Woolf, 2008: p.12). It is difficult to estimate the residual impact of such notions upon the social capital of business within the peace-through-commerce notion. As Chryssides and Kaler indicated in Essentials of Business Ethics, (1996), ‘The scandals which linger in the public mind give rise to the conviction that maxims such as “business is business” or principles like ‘caveat emptor’ (let the buyer beware) fall far short of what the public have a right to expect. Businesses are therefore increasingly coming under pressure to define their standards and often to express those formally in written codes practice.’ (Chryssides and Kaler 1993: p.3).

It is far harder to prove whether the higher visibility of ethical dialogues indicates a fundamental or permanent shift in ethical attitudes or contingent stakeholder / shareholder behaviour. As Vickers explores in Business Ethics and the HR Role: Past, Present, and Future, (2005) ‘…ethics and values are now being emphasized to a higher degree than they were in the 1990s; however, this will not automatically lead to a new era of long-term stability. To engage in Hegelian language…a new thesis will inevitably be affected by a new antithesis…’ (Vickers 2005: p.45).

It would require a longitudinal as well as a cross-sectional form of research to vindicate this perspective, although there is collateral elsewhere in the relevant literature for the idea that ethics are mediated through ephemeral shifts. An example being Conroy and Emerson’ research in Ethical Cycles and Trends: Evidence and Implications, (2008), ‘…ethical attitudes may follow a cyclical pattern about a long-term trend in similar fashion to the economy. That is, society’s ethical attitudes may follow a general long-run trend with attitudes constant, increasing, or decreasing in their acceptance of ethically questionable behaviour, but that attitudes may also oscillate in a cyclical pattern around the trend.’ (Conroy and Emerson 2008: p.907).
In her paper entitled *The Purpose of the Corporation* in William’s *Peace Through Commerce*, (2008) Smurthwaite debates the nature and role of the corporation. She concludes after a comprehensive review of academic literature, that the corporation has responsibilities and therefore is part of society. These responsibilities are not just legal but are moral, an idea which has been explored in more depth through the Corporate Social Responsibility (CSR) paradigm.

The concept of CSR is not new and some academics argue that the principles of business philanthropy have been practiced as far back as Roman times (Hopkins 2007). An early contributor to the subject was Adam Smith whom in his 1776 book *The Wealth of Nations* stated, ‘when business is free to pursue profit and efficiency it eventually benefits the ‘common good’ serving both its interests and those of society.’ (Jonker and de Witte 2006: p.67). But it is Bowen, to whom CSR’s modern roots are attributed from his 1953 papers identifying the potential for developing the relationship between the business world and society (Gray et al. 1996). Business academic Marsden continued this work and created a model of corporate citizenship in which he proposed that corporations can enrich society by finding strategic value in non economic activities through focusing on the triple bottom line of sustainable development which is: economics, environment and society (Hawkins 2006).

CSR has since entered main stream debate in Western societies, and Hopkins (2007) reflects that as people’s concerns are becoming increasingly interrelated there has started to be a sharing of views regarding human and environmental issues which can be addressed through commerce: ‘We have become, of necessity, full participants in the growing networked society and there is a call for engagement that we all must answer’ (Heseltine 1999: p.34).
It may of course be argued that the dividend from socially responsible corporate behavior lays, in part, in satisfying public relations. For example, the investors behind the nominally ethical *Body Shop* cosmetics chain were once dubbed a ‘…collection of amoral city financiers, asset-strippers and fund managers in the City of London, who eat communities for breakfast…’ (Hill *Financial Times*, 2007). Perhaps surprisingly, this criticism came not from an irate anti-capitalist campaigner, but from a net beneficiary of such activities, Dame Anita Roddick herself. In a similar view, Jean-Louis Home, formerly of Heineken’s African operation explains quite frankly that, ‘…the risk of operating in developing countries is not so much an issue of finances but of reputation. How can we operate in Congo-Kinshasa without hurting our reputation in the United States? Our problem is not so much the African government but the activist in San Diego.’ (Bais and Huijser 2005: p.51).
3.2 Globalization

Globalization has altered our views and ideas on how the world is governed and, also how business can or should be conducted. Held, contends that globalization leads “Away from a world based exclusively on state politics to a new more complex form of global politics and multilayered governance.’ (Held 2004: p.162). From a business perspective, one conclusion that is pervasive in the related literature is that globalization is a phenomenon, which is as protean as it is diffuse. As Berger has argued in How We Compete, What Companies Around the World are Doing to Make it in Today’s Global Economy, (2006), ‘…globalization may be the most important change in our lifetime, yet virtually everything people think they know about it’s consequences comes either from opinions…or…general economic theories. Analyses based on hard evidence from the experience of societies dealing with these pressures are few and far between.’ (Berger 2006: p.7). In Business Ethics & Values, (2006), Fisher and Lovell argue that ‘…globalization is a process which is bringing societies that were previously economically, politically and culturally diverse into convergence. That is being achieved by a combination of the success of capitalism, the growth of a common mass culture…and the wish of people in all societies, through their rationale to choose the same goals’ (Fisher & Lovell 2006: p.256).

There are many perspectives to balance this, including some which attribute less universally benign outcomes to the phenomenon. As Hurrell and Woods argue in Inequality, Globalization and World Politics, (1999), ‘…economic liberalization is exacerbating the gap between rich and poor within virtually all developing regions. At the same time, other elements of globalization are increasing the inequalities of political power and influence, as well as highlighting new dimensions of inequality.’ (Hurrell & Woods 1999: p.1). However, those who perceive precedents in earlier movements to establish international trading empires and networks also challenge the idea of globalization as a novel panacea. As Risse seeks to explain ‘While these early transnational movements did not enjoy modern communications technologies such as the Internet, their strategies were remarkably similar and sometimes no less effective than those of their modern successors.’ (Risse 2002: p.256).
3.3 **Cultural Difference**

In *The World is Flat: The Globalized World in the Twenty-First Century*, (2005), Friedman discusses the impact of the Middle East courier firm *Aramex* upon the lives of its employees. He exhorts the reader to ‘…imagine how much dignity they feel…by succeeding…not in the traditional Middle Eastern way by inheritance, by selling land, or by getting a government contract, but by working for a real company, an Arab company.’ He continues ‘…it is no accident that the three thousand Arab employees of *Aramex* want to deliver only packages that help economies grow and Arab people flourish – not suicide bombs.’ (Friedman 2005: p.566). It seems fair to argue that Friedman is here employing generalized stereotypes about Middle Eastern societies, rather than an in-depth understanding of the peace-through-commerce mechanism. However, his illustration does reveal how cultural understanding – or the absence of it – may impinge upon the relevant dialogues within this discourse of peace-through-commerce.

As Bais and Huijser point out, ‘Multinational corporations…willing to play a stabilizing role in conflict regions will always be faced with considerations that are not easily compatible with norms and values based on Western ethics…’ The point here is that ethics have not been developed in a ‘universalist’ framework: consequently, ‘…cultural differences play an important role in the interpretation of these principles.’ (Bais and Huijser 2005: p.27). The onset or intensification of the processes within globalization has increased the analytical focus on the cultural factors within multinational cooperation. As Risse et al. indicates in their *Handbook of International Relations*, (2002), ‘…globally operating MNC’s do not all look alike, but maintain distinct institutional features pertaining to their organizational structure and culture which originate from the national institutional environment in which the mother company operates.’ (Risse 2002: p.261).
In reality, it is very difficult to maintain a viable distance between business issues, corporate responsibility and cultural difference. As Bernard Pe-Win, a business professional with a long track record in the UK and Hong Kong points out, ‘…the West is impatient. American businessmen live from one quarter to the next. At the other end of the spectrum is China, where the business world has a vision of half a century. Western politicians are also impatient: they want to see fast results or they will start threatening punishment.’ (Bais and Huijser 2005: p.69).

It is also important to acknowledge the fact that cultural forms and histories contain residues of former hierarchies and assumptions about the primacy of particular knowledge. As Agrawal explains in *Dismantling the Divide Between Indigenous and Scientific Knowledge*, ‘The confusing rhetoric of indigenous vs. Western knowledge…(fails)...to address the underlying asymmetries of power and control that cement in place the oppression of indigenous or marginalized social groups. By advocating that indigenous knowledge should be stored in international and national archives, available to all comers, *neo-indigenistas* only help undermine the control that the poor exercise over their knowledge.’ (Agrawal, 1995: p.431).

Assumptions about mutual understanding also have specific implications within the enterprise culture and corporate community. Bais and Huijser point this out, ‘Companies operating in conflict regions will not only be confronted with different political or local aspects of culture but also with differences in organizational culture.’ (Bais and Huijser 2005: p.30). The work of Hofstede and his successor theorists highlights the fact that, even within developed economies and industrial sectors, cultural apprehension of factors such as power distance, long or short-term orientation, and individualism/collectivity, can influence strategy (*Gerte Hofstede Cultural Dimensions* Website, 2009). Despite the narrow empirical base of this research, it has considerably raised awareness of the issue within human resources thinking. As Leopold et al. point out, the cultural variables suggested by the model are ‘intuitively appealing’, because of their relationship to the practical management process (Leopold et al. 2005: p.307).
3.4  Conflict Resolution and Peacebuilding

The term peacebuilding became an international concept when UN Secretary Boutros Boutros-Ghali defined it in 1992 as post-conflict ‘action to identify and support structures which tend to strengthen and solidify peace to avoid a relapse in to conflict.’ (UN 1994: p .3). Post-conflict reconstruction was seen at this time as a temporary stage in the unilinear transition from war to peace and considered part of the ‘relief-to-development’ continuum and so it became part of the broader remit of the development agenda. However since then there has been increased recognition that ‘Post-conflict development is something that defies the exact boundaries of traditional norms of assistance: it is neither sustainable development not is it humanitarian response.’ (Tschirgi 2004: p.6).

Since then, the UN has increasingly realized that peacebuilding requires the full range of its capabilities including its military, political, humanitarian, human rights and socio-economic divisions. During this time, the UN also started to pursue the active engagement of external actors with multiple mandates and capacities (UN 2004). Despite this range of resources and post-conflict peacebuilding becoming an international commitment, it still remains a ‘fragile undertaking with mixed results…and no commonly agreed post conflict peacebuilding policy or doctrine.’ (Tschirgi 2004: p.i).

This has prompted many to speak out against the continued use of liberal peace as the dominant paradigm for international post-conflict assistance today (Collier 2003, de Soto and del Castillo, 2004). In Roland Paris’s book At War’s End: Building Peace After Civil Conflict (2004) he cites his case for believing that economic and political liberalization are particularly ill suited and counterproductive in post-conflict peacebuilding since they promote economic and political competition at a difficult and fragile phase. He goes on to recommend a more gradual peacebuilding strategy, which he calls ‘institutionalization before liberalization’ (Paris 2004).
Tschirigi in his paper *Post Conflict Peacebuilding Revisited: Achievements Limitations and Challenges*, (2004), and Boyce’s’ *The International Financial Institutions: Post Conflict Reconstruction and Peacebuilding Capacities* (2004) explore in depth the reform they believe is required by the UN, IMF and World Bank in order to better stimulate post-conflict reconstruction.

Ramsbotham, Woodhouse and Miall’s *Contemporary Conflict Resolution* (2005), asserts that the broad development of the peace process as a whole is the hardest aspect of any reconstruction process to measure. As Castillo points out, ‘…reconstruction involves stabilization and structural reform and the creation of an adequate macro and micro-economic framework for the reactivation of licit investment and sustainable and equitable growth.’ (Castillo 2008: p.3).

As Abdelnour et al. states ‘…one of the situations in which sustainable local enterprise may not be expected to flourish is in war zones and post-conflict economies dominated by centralized power structures and an absence of goodwill (social capital), (Abdelnour et al. 2008: p.287). However, as will be seen in the case studies there is substantial evidence to counter argue this statement. Underdevelopment and conflict are not automatic correlatives, but as the research of Paul Collier and his colleagues in *Breaking the Conflict Trap: Civil War and Development Policy*, (2003) reveals a clear relationship between a weak economy and conflagration is revealed. As they put it, ‘…the poorest group of countries, with stagnant economies and a history of past conflicts, are most at risk. Middle-income countries have a lower risk of civil war and this risk is diminishing over time as development proceeds.’ (Collier et al., 2003: p.187). Collier an Oxford economist developed a model with his colleague to examine contributing factors towards conflict, the findings of which are listed in Table 1. By using this to highlight what factors cause conflict to occur in the first place, it can be assessed that businesses can potentially have a role in conflict prevention.
Table 1. Summary of Findings, Collier-Hoeffler Model (Collier et al. 2003)

- Primary commodity exports substantially increase the risk of armed conflict because they provide opportunities for extortion, making rebellion feasible.
- Diasporas substantially increase the risk of conflict because they provide sources of financing.
- Low forgone earnings increase the risk of armed conflict because they reduce its costs.
- High male secondary enrolment, per capita income and GDP growth reduce the risk of conflict because they increase the forgone income and therefore the cost of conflict.
- Low population density increases the risk of conflict.
- Inequality, political rights, ethnic polarization and religious factionalism were insignificant in predicting the onset of armed conflict.
- Societies characterized by ethnic and religious diversity have a lower risk of armed conflict because it makes rebel cohesion more costly.
- Societies characterized by ethnic and religious diversity in which one group is dominant have a higher risk of armed conflict because it makes rebel cohesion less costly.
- The longer the period after a previous conflict, the lower the risk of conflict renewal because the value of rebellion specific capital decrease, and hatred is gradually eroded.
Conflict Sensitivity Approaches (CSA) were created within the NGO sector to give those working practicing a better understanding of the environment in which they operated in order to better ensure that they ‘do not harm’ (Anderson 1999). A central component of conflict sensitivity is the undertaking of a conflict analysis. Over recent years a wide range of these analysis tools and checklists have been created and many NGOs have started sharing their knowledge in this field with businesses (International Alert 2006). Table 2, shows an example analysis questionnaire in the context of post-conflict economic recovery in order to adopt a ‘conflict lens’ when monitoring and evaluating an organization’s operations. Businesses may also find this approach useful in determining risk and in making a solid commitment to their host country’s issues.

The gender aspects of conflict resolution are explored at depth in Gender Mainstreaming in Conflict Resolution: Building Sustainable Peace, (2005), a Commonwealth Secretariat publication edited by Baksch, Etchart, Onubogu, and Johnson. Onubogo and Etchart’s Achieving Gender Equality and Equity in Peace Processes argues that an effective peace process should take implicit account of women’s experiences during the conflict, and capacity for economic rebuilding. (Onubogo and Etchart 2005: p.40). This point is endorsed by Abdelnour et al., who explain the disruption to society either during or after a conflict can have the effect of freeing female entrepreneurship from its customary constraints, ‘…many would never have been allowed to work if their communities were not in turmoil…’ or might ‘…never have considered starting a venture until their spouses were displaced, killed or maimed during conflicts…’ (Abdelnour et al. 2008: p.288).
### Table 2. Conflict Sensitivity Questionnaire (International Alert 2006)

<table>
<thead>
<tr>
<th>Conflict Profile and Causes:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• What pervasive political, economic and socio-cultural factors persist in the policies, structures and fabric of a society that fed violence in the past, and may do so in the future?</td>
<td></td>
</tr>
<tr>
<td>• Which factors further contribute to a climate conducive to violence, its escalation or recurrence?</td>
<td></td>
</tr>
<tr>
<td>• What is the history of the conflict and peace process?</td>
<td></td>
</tr>
<tr>
<td>• What are emergent political, economic and socio-cultural issues?</td>
<td></td>
</tr>
<tr>
<td>• What are specific conflict prone or –affected regions of the country, or parts of the population?</td>
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</table>

<table>
<thead>
<tr>
<th>Actors:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>• Who are relevant actors, both from a peace building and economic recovery perspective?</td>
<td></td>
</tr>
<tr>
<td>• What are their stated goals and positions, as well a interests and needs with regard to economic recovery and peace consolidation?</td>
<td></td>
</tr>
<tr>
<td>• What are their capacities and means, as well as challenges in supporting or hindering economic recovery and peace building efforts?</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Dynamics and Scenarios:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• What have been the main stages of conflict to date? What are likely future patterns?</td>
<td></td>
</tr>
<tr>
<td>• What are/or have been current and past conflict trends?</td>
<td></td>
</tr>
<tr>
<td>• How are the profile, causes, and actors evolving and changing over a relevant timeframe?</td>
<td></td>
</tr>
<tr>
<td>• What are windows of opportunity? Which factors support them, and how can they be strengthened?</td>
<td></td>
</tr>
<tr>
<td>• What scenarios can be developed from an analysis of conflict profile, actors and causes to determine possible future dynamics (best case, middle case, worse case scenarios)?</td>
<td></td>
</tr>
</tbody>
</table>
3.5 *Peace-Through-Commerce*

In 1748, Baron de Montesquieu declared, “...peace is the natural effect of trade.” (de Secondat, 1748: bk.2 ch.2). Since then, much has been debated as to the usefulness of commerce in reducing war. Today, peace-through-commerce is a social movement, a school of thought and even a trademarked brand. This chapter explores the plethora of literature, discussions and websites dedicated to the subject, in order to introduce key themes and give an overview of current topics.

Bais and Huijser’s, *The Profit of Peace: Corporate Responsibility in Conflict Regions* (2005), provides a useful preparatory synopsis of the topic of peace-through-commerce. In 2005 there were over 60,000 multinational corporations operating in over 70 conflict regions, (Bais and Huijser 2005: p.15), and there is no reason to suppose that this ratio is radically different in 2009. As they put it, ‘...it may seem a strange notion to give the private sector a role in conflict prevention or resolution, but multinational corporations...do have some characteristics that make them suitable companions in a well-tailored strategy for peace and security.’ (Bais and Huijser 2005: p.12). They go on to make the interesting comparison that commerce and aid both function (in broad terms) on the basis of meeting human needs, of which many of them are basic (Bais and Huijser 2005).

The last few decades have seen the emergence of a new body of agencies operating within the international community: Scherrer terms this group the ‘civil society’. As she goes on to explain, ‘...The civil society sector, composed of international organizations, international non-profit organizations, and other associations, has proved to be very effective in resolving humanitarian problems.’ (Scherrer 2008: p.267). Although this particular view could be contended, the diplomatic and commercial expansion of this discourse has been attended by a commensurate growth in academic analysis and correspondingly, there is now a burgeoning body of literature on the subject of generic peace-through-commerce (Fort 2007).

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1 [www.flowidealism.org](http://www.flowidealism.org)  [www.businessfightspoverty.org](http://www.businessfightspoverty.org)  [www.developmentandbusiness.org](http://www.developmentandbusiness.org)
In much the same vein, Brown et al’s *Trade, Aid, and Security: An Agenda for Peace and Development*, (2007), revives, albeit in modified form, the liberal idea of commerce as guarantor of peace: ‘In theory at least, if trade and aid policies are carefully designed and implemented they should encourage peace and security. Trade can establish incentives for peace by building a sense of interdependence and community. Trade can also be a powerful driver of economic growth and stability, reducing poverty and providing means to resolve disputes.’ (Brown et al. 2007: p.xiv).

*The Business of Peace*, (2001) written by Jane Nelson is considered the seminal work from which the generic peace-through-commerce project was initiated. In which she developed five core principles for corporate engagement:

- Strategic commitment to developing and embedding policies that address human rights, corruption and security issues,
- Risk and impact analysis with respect to the nature of the conflict in which the company does its business,
- Dialogue and consultation with the relevant stakeholders,
- Developing mutually beneficial and transparent partnerships with government, other companies and NGOs, and
- Developing accountability metrics in order to evaluate corporate actions.

These principles have since been built upon by the UN Global Compact (see Table 3), a voluntary initiative that has not only successfully created international and local level dialogue between the different actors involved in peacebuilding and commerce. But have also produced a wide ranging volume of work including the creation of conflict assessment and survey tools, profiling of multi-stakeholder communications, providing outlines for revenue transparency, certifying commodity extraction in a way that does not benefit warring factions, and developing human rights protecting security arrangements (Williams 2008). The Global Compact’s work was further endorsed worldwide by the creation of the Millennium Development Goals (MDGs).
Table 3. Principles of the United Nations Global Compact (Williams 2008)

1. Businesses should support and respect the protection of international proclaimed human rights within their sphere of influence; and

2. Make sure that they are not complicit in human rights abuses.

3. Businesses should uphold the freedom of association and the effective recognition to the right of collective bargaining;

4. The elimination of all forms of forced and compulsory labor;

5. The abolition of child labor; and


7. Businesses should support a precautionary approach to environmental challenges;

8. Undertake initiatives to promote greater environmental responsibility; and


10. Business should work against corruption in all its forms including corruption and bribery.
NGO International Alert established the concept of ‘Peace Entrepreneurship’, a discourse through which it encourages businesspeople to undertake practical measures to ensure best practice when operating in intra or post-conflict environments (International Alert 2006). Positive actions that companies or individuals can complete are shown in Table 4.

**Table 4. Peace Entrepreneurship Activities (International Alert 2006)**

<table>
<thead>
<tr>
<th>Political</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Peace advocacy and lobbying</td>
</tr>
<tr>
<td>• Facilitation and support of political-level peace processes</td>
</tr>
<tr>
<td>• Participation in multi-stakeholder political level peace processes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Addressing socio-economic exclusion</td>
</tr>
<tr>
<td>• Addressing war economies</td>
</tr>
<tr>
<td>• Job creation</td>
</tr>
<tr>
<td>• Lobbying for government reform</td>
</tr>
<tr>
<td>• Joint economic activity across conflict divides</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Participation in Disarmament, Demobilization and Reintegration</td>
</tr>
<tr>
<td>• Collection of Small Arms and Light Weapons</td>
</tr>
<tr>
<td>• Early warning and community security</td>
</tr>
<tr>
<td>• Negotiating security with armed groups</td>
</tr>
<tr>
<td>• Crime prevention</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Participation in dialogue initiatives</td>
</tr>
<tr>
<td>• Promoting reconciliation in the workplace</td>
</tr>
<tr>
<td>• Joint activity across conflict divides</td>
</tr>
</tbody>
</table>
Timothy Fort in his book *Business, Integrity and Peace* (2007), expands on the notion of peace-through-commerce and corporate responsibility to create the concept of ‘Total Integrity Management’. An avid speaker on the topic, he believes this approach will allow corporations to become instruments of peace, without wholesale changes in corporate governance but rather the creation of a personal and reflexive approach involving legal, managerial and spiritual approaches to business ethics. In this work, he uses metaphors and equations to create a framework for reassessing the globalized world’s trust and value system.

- **Hard Trust** involves compliance with the law providing that the law is just,
- **Real Trust**, which characterizes the traditional idea of trust, involves corporations incorporating moral values, fairness and respect for the rights of stakeholders in business practices, and
- **Good Trust**, which goes beyond the social expectations of what a person/company ‘should do’ and instead has a ‘passionate commitment to ethical behavior as part of one’s identity’ (Fort 2007: p126).

He concludes the book feverously ‘If ever there was a time and place for corporations to consider why they should behave ethically, it may be now. That’s not just because the district attorneys of the world have them in prosecutorial crosshairs. It is also not just because the media, the internet and the NGO community have honed modern telecommunications to make corporate reputation increasingly important…the world is a more dangerous place now than ever before because disaffected individuals and countries can get their hands on materials that could have devastating consequences if used. Certainly governmental action to prevent such things from happening is critical. But corporations are global actors and if sustainable peace has anything to do with how people perceive the justness of their plights, then to the extent corporations can develop the moral maturity to be honest brokers, to be good citizens then they may just do more than what they thought possible’ (Fort 2007: p.239).
Entrepreneurship in Emerging Regions of the World: Theory, Evidence and Implications (2008), details public/private attempts to nurture society through business in the Balkans. Concluding that, ‘…institutional entrepreneurship is constituted through a variety of convening and partaking inter-organizational relationships that converge over time…in emerging regions, the transformational challenges are too complex for any single grouping of organizations to deal with…’, moreover institutional change and regional development occurs slowly and incrementally through their countless and semi-autonomous exchange and resource mobilization activities.’ (Fletcher, Huggins and Koh 2008: p.148). This highlights the importance of realistically taking account of timeframe limitations when assessing potential of peace-through-commerce projects.

As Abdelnour et al. optimistically points out that, ‘…there are growing number of success stories outlining the innovative and effective ways in which micro, small and large businesses have been able to contribute to crisis prevention and conflict resolution around the world and support sets of tools and resources…’ (Abdelnour et al. 2008: p.285). NGOs focused on conflict resolution or prevention are not the only institutions that have put their faith in the healing powers of small enterprise: national governments in developed economies are now doing the same. The important point here is that; whilst elements such as entrepreneurship and SMEs are extensively evaluated elsewhere, it is insufficient to simply graft them onto the peace project as an unmediated failsafe, expecting that their coral-like aggregations of commercial activity will progressively bind together a fractured social fabric.

In its Report on the Implementation of the European Charter for Small Enterprises in the Member States of the European Union, (2005) even the arch-interventionist EU has warned off its own bureaucrats from intrusion into a sphere where, it tacitly admits, it can do more harm than good. ‘Many measures do not produce visible short-term results and progress in all areas cannot be assessed on a yearly basis. Nor should member states strive to launch a great number of measures every year. Consolidation, evaluation and improvement of existing measures is equally important.’ (European
Similar vagaries attend entrepreneurship within an official perspective, a difficulty rooted in the problems of defining the phenomenon in a systematic way.

Castillo’s *Rebuilding War-Torn States*, (2008) furnishes a depressing if pragmatic assessment of the overall prospects for peace-through-commerce: as he puts it, ‘…the UN reckons that countries in post-conflict transition have roughly a fifty per cent chance of reverting to war or chaos.’ (2008: p.2). Rational expectations and goals are imperative for an organization operating in post-conflict environments to have, regardless of whether they are working for profit or not.

There remains a wider notion of suspicion towards companies that use their ability to contribute to post-conflict efforts within the public and NGOs. Wenger and Moeckli in *Conflict Prevention: The Untapped Potential of the Business Sector*, (2003) state that companies are often seen as being ‘part of the problem rather than potential agents of positive change.’ (2003). Which is perhaps not a wholly unbased conclusion when as ‘Foreign investors have been linked to the emergence or exasperation of conflict around the world for centuries.’ (Haufler 2003 p: 660). Therefore, it is important for companies to try and increase credibility in their actions, this can be done through being transparent but also through collaborations with NGOs, who rightly or wrongly have a great deal more trust placed in them (Davis, 2008).

Both MNCs and NGOs face similar challenges in post-conflict environments, for example corruption has been a factor that business has always had to deal with in its day-to-day operations and ethics and recently it has also become a major item on international security agendas (UN 2005). Corruption has been identified as a direct threat to peacebuilding, by undermining fiscal revival, reducing the legitimacy and ability of public institutions and jeopardizing support from international donors and foreign investors alike (Le Billon 2005).
For an in-depth analysis of the cultural similarities between NGOs and MNCs and how accountability can be strengthened through dialogue and partnerships, see Chapter 7 in *The Profit of Peace* (Bais and Huijser 2005). In it they explore the many ways the sectors different approaches and experiences can be combined to produce mutual opportunities and successes. A summary of the relative strengths and weaknesses of the different actors with a role to play in the globalised world, that Wenger and Moeckli believe contribute to conflict prevention are presented in Table 5.

**Table 5. Conflict Prevention Actor Profiles (Wenger and Moeckli 2003)**

<table>
<thead>
<tr>
<th></th>
<th>States</th>
<th>IGOs</th>
<th>NGOs</th>
<th>MNCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived need to act</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>--</td>
</tr>
<tr>
<td>Commitment to act</td>
<td>--</td>
<td>+</td>
<td>+</td>
<td>--</td>
</tr>
<tr>
<td>Interdependence of action</td>
<td>+</td>
<td>--</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Resources to invest in conflict</td>
<td>-</td>
<td>-</td>
<td>--</td>
<td>+</td>
</tr>
<tr>
<td>prevention</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global reach</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Local acceptance and knowledge</td>
<td>-</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>International acceptance</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>--</td>
</tr>
<tr>
<td>Swiftness and flexibility</td>
<td>-</td>
<td>-</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Legitimacy</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>--</td>
</tr>
</tbody>
</table>

**Key:** + = strength, - = weakness, -- = serious weakness.
4. **Merging the Disciplines: Peace-Through-Commerce in Context**

The old notion that economic liberalization could in itself, offer the means of a beneficial interdependence between nations was found to have overlooked two related factors. Firstly, the complexities of the ruling power block in any given national community and secondly, the division of commercial firms into those who manufacture the means of conflict, and those who can provide the opportunities for concord. As Risse states, the collective free-trade optimism of theorists like Adam Smith, John Stuart Mill and Immanuel Kant were substantially undermined by: ‘...the First World War, which was fought among highly interdependent nations, discredited the idea that economic interdependence alone is a sufficient condition for peace in the absence of democracy.’ (Risse 2002: p.257). Risse here is referring to the way in which that conflict negated the pluralist argument posited by Schumpeter, that is, that capitalist states were not innately pre-disposed to imperialist-related wars, although they might be propelled towards the latter by specific competition over markets or resources. This in turn had been a reaction to the Marxist idea that international conflict was the inevitable result of accumulated monopoly and finance capital within competing sovereign states (Risse 2002: p.257).

However, the liberal optimism of Smith, Mill and Kant has not been entirely banished or discredited within contemporary analysis. For example, in discussing globalization, Zurn states that, ‘...in a material sense, people of different societies grow closer to each other and get to know each other better. In addition, increased transnational transactions necessarily create an economic interest in the maintenance of good transnational relations. The interest of strengthened export capital is one reason for the stability of free trade since the Second World War.’ (Zurn 2002: p.239). This may be a reasonable assumption, although it is also important to recognize the specificity of other forces, which would apply in the Cold War period.
Regarding the particular case studies considered in this paper, Abdelnour et al. refer purposely to the Schumpeter model in their analysis of the situation and Sudan and Darfur. This is especially visible in their assessment of the UN management strategy, increasingly predicated on the provision of goods and services to those at the bottom of the economic pyramid: ‘...a combination of conventional strategic management theory and neo-Schumpeterian economics, seeks to provide a framework for selling consumer goods to the world’s 4 billion people living on less than $1,500 per annum. Profits are made in the normal way, albeit with creative approaches to partnerships and margins.’ (Abdelnour et al. 2008: p.286).

Whilst the benign operation of the market within the latter phenomenon cannot be denied, attributing it to a kind of *Pax Economica* relies on a highly naturalistic set of assumptions about the exact causes of such stability. For example, SMEs, as will be discussed, are assuming an almost mythical status within strategies to combat the global economic downturn, although positivist data on their real ability to do so remains elusive. The important point here is that this frailty is, in reality, not lost upon the transplanting of the SME into the conflict resolution project: however much of the literature does not refer to this problem. Within, the peace-through-commerce idea, SMEs become an unproblematic cure-all for the multiple ills of fractured societies: this ignores the fact that, even in developed and conflict free economies, official reliance on such enterprises to stimulate stability is based on selective precedent rather than transparent understanding. In fact, much of the relevant analyses ignore the plural and non-monolithic nature of both ruling political elites, and private enterprise sector. In reality, both might be more helpfully conceptualized as comprised of multiple interest groups, whose actions are determined by the successive ascendancy of one or other faction, according to the exigencies of a particular situation.
This point may be illustrated further through consideration of the historical model forwarded by Scherrer, regarding the European Union (EU). In her estimation, the EU supranational group, promulgated in the aftermath of World War Two, represents ‘…the most striking example of the conviction that peace can indeed be achieved through commerce. Or, to state it simply, the EU has kept its promise: there has been more than half a century of peace amongst European nations.’ (Scherrer 2008: p.264). There are number of issues raised by this opinion; despite their emergence from differentiated levels of devastation in 1945, the original EU member states cannot be thought of as undeveloped or developing nations. In addition, regardless of the havoc efficiently wreaked by land, sea and air forces, there were considerable residues of industrial fixed capital, managerial expertise, and skilled labor available across both defeated and liberated territories. After liberation and eventual re-instatement by the victorious Allies, these functioning democracies encouraged a form of market economy and monetary normality as soon as conditions allowed.

The contrast with many conflict-ridden regions in the contemporary global situation is considerable, and exacerbated further if the situation of Eastern Europe is brought into the equation. Technically speaking, Scherrer’s notion of a conflict-free Europe only functions if we exclude the whole of the Soviet-controlled zone, with whom an immensely costly conflict was conducted between East and West over the ensuing four decades, albeit without actual combat in Europe itself. The value of this illustration lays ultimately in the contrast with pre-war economic conditions in the Western European nations, especially Germany itself, where the collapse of currencies and employment admitted extremist and extra-legal forms of government. As Scherrer again puts it, ‘…a weak civil society, with high unemployment, is at the mercy of illegal “employers” and prone to violence. A society in which people are gainfully employed is also better prepared for democracy building and sustainable peace.’ (Scherrer 2008: p.266).
Nevertheless, as events in the Balkan states demonstrated, the *restoration* of a supposedly benign economic liberalism after the withdrawal of Soviet influence was insufficient to ensure the re-occurrence of older, violent disputes. As Ramsbotham et al. explain, many civil conflicts feature the insidious effects of economically-driven criminality: ‘…World Bank sponsored research suggests that financial/economic factors explain the onset of civil war more powerfully than political grievance factors…from this perspective, most civil wars are driven not by ideology or grievance, but by greed and predation.’ (Ramsbotham et al., 2005: p.140). If this is accepted, it is not the presence of commerce but its constitution according to particular characteristics, which aligns it with the process of conflict resolution.

Accordingly, the multitudinous presence of corporations in conflict regions is in itself representative of a complex range of processes, dependant on the operation of specific organizations which particular characteristics. As with SMEs, corporations do not become any less problematical or difficult to define in strategic terms, simply because they have assigned part of their energy to operations in a conflict region. Bais and Huijser argue that MNCs might be considered to be in possession of ‘unlimited power’ through capital and the weakness of governments in developing countries, being ‘…only accountable to their shareholders.’ (Bais and Huijser 2005: p.31). This model presets a notion of accountability, which apparently confers independence as well as power to the generic corporation: however, interpretations of corporate actions might sometimes require a deeper analysis of how boardroom decisions are rendered stakeholder dependent.

In April 2006, under the aegis of the Global Compact, the UN launched its *Principles for Responsible Investment*, making a relatively simple proposition, that is that ‘…environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios.’ It further asserted that ‘…people who manage others’ money have a fiduciary responsibility to take them into account.’ (Murray *Financial Times* 2006). The extent to which the international corporate community feels bound by this, is of course debatable. Conventional definitions of corporate
governance as exemplified in Cadbury’s benchmark *The Company Chairman* (1990), are focused on the responsibilities of the boardroom: as he puts it, ‘…the primary level comprises the company’s responsibilities to meet its material obligations to shareholders, employees, customers, suppliers and creditors, to pay its taxes and meet its statutory duties.’ (Cadbury 1990: p.14).

However, this model begins to appear vernacular in a globalizing context, where new pressures such as that from activist investment, which has highlighted the hegemony of shareholders in a new age of communication. As Monks and Minow propose ‘…shareholders should attempt to maximize contestability in the corporate paradigm by seeking board members who will replace under-performing managers when necessary, and by replacing board members who will not accept this responsibility.’ (Monks and Minow 2004: p.41). The strategic implications contingent upon such considerations cannot be overlooked: a corporation may tick all of the boxes according to its mission statement and agreed corporate responsibilities, but return on investment remains central to its *raison d’etre*.

It must also be considered that these are not vague, pan-organizational imperatives, but will be deeply embedded in the personal responsibilities of particular individuals. Fisher and Lovell note, ‘Corporations may have an ethical responsibility to behave well in their international dealings but it is the individual managers in multinationals, transnational and international NGO’s who exercise that responsibility.’ (Fisher and Lovell 2003: p.261). This point is reinforced through the work of Wenger and Mockli with specific regard to the preventative capabilities of corporate activity. As they argue, ‘…we must demonstrate to business leaders that it is in their companies’ own interests to contribute to preventive efforts. Only by pinpointing these corporate interests can we realistically hope that commercial actors will join the public sector and NGOs, thus making the prevention of violent conflict an issue of global, trisector governance.’ (Wenger and Mockli 2003: p.99).
It cannot be disregarded that such dynamics impinge on not only the strategic effectiveness, but also day-to-day workings of the corporation. The presence of the latter in developing regions is of course not new, nor necessarily characterized entirely by wholly altruistic motives. Fisher and Lovell judge that, ‘…in practice developing countries may have lower expectations, and weaker laws, concerning acceptable conditions of employment, pollution control, health and safety and many other factors concerning management and business…it is wrong to exploit these circumstances to gain a commercial advantage.’ (Fisher and Lovell 2003: p.258).

A differing perspective is provided by Lynn’s critique of globalization in *End of the Line, the Rise and Coming Fall of the Global Corporation* (2005). Lynn perceives globalization as ‘…a process that was remaking a society that had structured itself…around the modern industrial corporation. Around the world, it would speed the abandonment of many of the political strategies that for decades had served to keep the world peaceful and prosperous.’ (Lynn 2005: p.23). In this thesis, shareholder hegemony is seen as the driver which fashioned increasingly long supply chains and an interdependence which would eventually spread back to the developed economies – especially corporate America – unleashing catastrophe and toppling giant enterprises. The irony is that precisely the reverse seems to have happened in practice: mismanagement in the financial sector, exacerbated by regulatory failures, has spread from the developed centre through to the developing economies.

As one Indian manager bemoaned of the contemporary General Motors bankruptcy, ‘…production lines will be reduced and a number of models scrapped. ‘Even if the firm (i.e., GM) doesn’t file for Chapter 11 (bankruptcy), it’s likely that payments will be delayed. We have already reduced our supplies to GM…’’ (Monga and Mishra 2009 p.37). The basic point here is this: the idea that shareholder-run capitalism will produce lower dividends and strained international relations, is not without significance for the generic peace-through-commerce project. When corporations are reliant on both problematical supply chains and the hedging of investments, their fragility is amplified.
Another important consideration lays in the tautology between corporations, governments, and NGOs. Commenting on specific conditions in Afghanistan, Scherrer perceives a more positive relationship, stating that ‘…the reasoning, objectives, and considerations of business people are quite different from the logic followed by international civil servants, and the dialogue between the two groups can be very fruitful.’ (Scherrer 2008: p.272).

The organizational framework of NGOs like MNCs are also open to criticism. As Murray exclaims in the *Financial Times*, the necessary presence of large and authoritative NGOs, gives rise to concerns about their alleged lack of entrepreneurial culture, Western-dominated epistemology and personnel in post-conflict situations. ‘There is a danger that all innovation in the field is coming from outside the traditional donor agencies…’ argues Raj Kumar, the president of *Devex*, a recruitment and business information agency with clients in the international development community: ‘…people feel constrained and unwilling to develop new ideas or new projects.’ (Murray *Financial Times*, 2009). He encourages business to get involved in partnerships with the aid sector in order to increase innovation and effectiveness within relief approaches. Similar concerns are voiced by Gavin Power, a director of the UN’s own Global Compact. He believes that a problem is generated partly by the over-centralized management of many of the pertinent NGO institutions: ‘…too often the large multilaterals have top-down approaches and have designed things in New York or Washington DC, the shift needs to be towards more locally designed solutions’. He believes that businesses already operating in conflict areas can offer alternative perspectives that NGOs may find beneficial (Murray *Financial Times* 2009).
5. **Case Studies**

As can be seen through the above research, in theory the peace-through-commerce paradigm is a complex entity pulling together many discourses from a variety of fields. In analysis, it seems that the model provides as many opportunities as it does challenges. Ultimately, it is only through application that it can be tested and firm conclusions to its affectivity drawn, as the following studies demonstrate.
5.1 Case Study One: Afghanistan

Economic and Political Background

IBM Qutayba a ninth-century Muslim scholar, recorded a dictum that has been adopted by military commanders in contemporary Afghanistan: it reads, ‘There can be no government without an army
No army without money
No money without prosperity
And no prosperity without justice and good administration.’
(Unattributed The Economist, 22.5.2008)

It says much about the prospects for reconstruction in Afghanistan that the military figure so largely in the equation. The country is arguably one of the most problematical contexts for the generic peace-through-commerce project, not least because it is still suffering greatly from the effects of conflict. The current battles between joint Afghan/Nato/ISAF (International Security Assistance Force) forces and the Taliban are the latest manifestation of a conflict, which really began in 1979, when the (then) Soviet Union invaded. The withdrawal of the latter in 1988 ushered in a period of civil war, which utterly devastated what, remained of the country’s economy and infrastructure.

As Ramsbotham et al. comment, this conflagration is not easy to characterize, a difficulty which is emblematic for the many complexities which beset attempts to resolve Afghanistan’s problems: ‘…it could be interpreted as a revolution/ideology conflict…identified with the Taliban’s drive to create an Islamic state: or as an identity/secession conflict…a struggle between Pashtuns, Uzbeks and Tajiks; or as a merely factional conflict…perpetuated…by the interests or rival war lords and their clients…’. Another available interpretation is that it had its basis in an interstate ‘conflict by proxy’, in which Afghan soil was the scene for the settling of old scores between Pakistan, Uzbekistan, and Iran (Ramsbotham et al. 2005: p.67).
After the 9/11 attacks on the World Trade Centre in New York, American-led coalition forces used the presence of terrorists within the borders of Afghanistan as the pretext for Operation *Enduring Freedom*, an expanded version of which continues in 2009. The fighting in Afghanistan is fluid, and territorial security difficult to define. As the *Economist* reports, ‘…even the UN declines formally to release its “accessibility map”, which these days depicts a country in two halves: a relatively quiet North and West and a restive South and East where, with few exceptions, the risk to humanitarian workers is deemed to be either “high” or “extreme”.’ (Unattributed *The Economist*, 22.5.2008).

The immediate prospects for a cessation of hostilities appear bleak as up to 30,000 US troops, freed from previous deployment in Iraq are in the process of being moved into the Afghan theatre. Furthermore, the compact between President Karzai and Washington appears to be less assured under the administration of Barack Obama. As *The Economist* points out, ‘…the question for America is the degree to which fighting al-Qaeda requires an ever-growing garrison and wholesale state-building in Afghanistan—and whether Mr. Karzai is a help or a hindrance. If America were minded to unseat him, it would probably have no better opportunity than the looming constitutional crisis.’ (Unattributed *The Economist*, 12.2.2009). Many will be waiting for the proposed August 2009 election results with interest to see how new developments in the political realm will play out.

The potential benefits to Afghanistan if peace were achieved, are immense. India, which already grants aid in the region of $750 million, is waiting in the wings to open up oil and gas pipelines as well as trade routes to central Asia (Unattributed *The Economist*, 22.5.2007). In this respect, it would vie with its regional competitor Pakistan for influence in Afghan economic affairs, and the latter would be well placed to extract the highest price from these bitter rivals. Peace, currently, seems as remote as ever: the main impediment at present seems to be a stalemate rooted in the ease of movement enjoyed by Taliban forces, and the relative weakness of the coalition deployment, relative to the task in hand. Western analyses also attribute the failure to
begin reconstruction to local difficulties. For example, in the view of the influential *Economist*, ‘…corruption and incompetence are rampant, especially in the provinces. America and its allies are learning to deliver help directly through provincial reconstruction teams, but these efforts by foreign armies are no substitute for, and often retard, the growth of a national administration. As a result, the legitimacy of the government is leaking away under the pressure of thwarted expectations.’ (Unattributed *The Economist* 22.5.2008). In addition, the complexity of Afghan politics and civil polity has produced an equivocal response from an international community variously interacting with warlords, civil society, and a gradually modernizing government (Giustozzi 2006).

**Business Potential for Peace-Through-Commerce in Afghanistan**

There is a useful introduction to the vagaries of the business/humanitarian interface in Afghanistan in Brigitte Helene Scherrer’s *Producing Generic Medicines in Afghanistan: Opportunities and Challenges of a Multistakeholder Partnership*, (2008). The relevance of this text lays partly in the confluence of external business input with local expertise, and partly in the fact that Scherrer was herself involved in the project. In the first instance, this involved an offer made by the five hundred pharmaceutical companies who constitute the European Generic Medicines Association (EGA), to donate materials, machinery and expertise to a generic medicine manufactory in Kabul (Scherrer 2008: p.268). This combined a much-needed capacity for antibiotics and other drugs in Afghan healthcare, with the private sector philanthropy, that the country was keen to engender.

Catalyzed by the offer of the EGA, the generic medicines project was originally proposed in 2002 by the Business Humanitarian Forum (BHF), a Swiss-based international association run on a non-profit basis. As Scherrer points out, in the context of conflict zones, ‘…the BHF’s goal is to broker and facilitate linkages between large businesses, potential investors, and local partners; to strengthen and expand the local micro, small and medium enterprises; and to facilitate the
development of new products and services…” (Scherrer 2008: p.264). Under the remit of the UN Global Compact, the NGO substantially cooperates with companies to reinstate sectors such as construction, housing, food, and medicines (Scherrer 2008). The progress of creating the medicines project was not untrammeled, and its success could not be described as unalloyed: a dearth of skilled technicians in a country traumatized by war could not be made good with replacements from America or Europe, since they were unwilling to travel to the region (Scherrer 2008: p.275). Despite being awarded the plaudits of the 9th International Generic Pharmaceutical Alliance Conference in 2006, the postscript to the story is not altogether positive. Scherrer, who herself worked on the project, left in that year and records the fact that, as far as she is aware, it is still not in production. Nevertheless, in her estimation, ‘When it comes to evaluating a multistakeholder partnership in such a challenging country as Afghanistan, probably the most striking lesson learned is to move away from a purely humanitarian approach…and toward adopting a real business approach.’ (Scherrer 2008: p.277).

Suleman Fatimie, a former vice president of the Afghanistan Investment Support Agency (AISA) states that ‘…the private sector is the engine of growth for Afghanistan, private sector development is key in reducing poverty, improving the living standards of the people, and eliminating poppy cultivation and production.’ (Scherrer 2008: p.265). This emphasizes the fact that one of the most destructive and invidious effects of the protracted conflict is not commensurate destruction, but the perpetuation of a relative lawlessness in regions where illegal narcotics production inflicts criminality on the general population. A recent UN report indicated a 19 per cent decline in opium cultivation during 2008, however it remains a fact that approximately 93 per cent of the global supply of opiates is grown in Afghanistan (Dombey Financial Times, 2009).
The continuing conflict has some perverse side effects: neighbouring Kyrgyzstan, for example, accrues lucrative fees from both the US and Russia, generated by the use of its airspace. America recently agreed a figure of $60 million for use of the Manas military airbase, whilst Russia, which objects to the presence of US forces in the country, has granted it $2 billion of aid (Gorst *Financial Times*, 2009).

The prolonged suffering and disruption of Afghan society also generates proportionate benefits closer to home, as the *Financial Times* reports of Chemring, a British company with many defense related products, ‘...business has been good. The conflicts in Iraq and Afghanistan have increased demand for its anti-missile decoys and pyrotechnics, while a series of acquisitions in the past few years, notably in the US, have added scale and revenue. Margins are high (about 24 per cent), profits are strong and the order book is solid.’ (Edgecliff-Johnson et al. *Financial Times*, 2009).

In Afghanistan, as elsewhere, the surest guarantee of a successful business is a ready and expanding market, as is demonstrated by the example of Roshan, the Afghan based telecommunications company that is 51 per cent owned by the Aga Khan Development Network along with Monaco Telecom (part of the UK’s Cable and Wireless, and the US-based venture capital fund, MCT). The company is the country’s most significant investor, having committed $250 million in 2007, employs a staff of over 800, as well as a franchise network of 20,000: these include former mujahideen combatants, who must trade in their weapons in order to participate (Unattributed *The Economist*, 8.3.2007). This example demonstrates how companies can play an important role in Disarmament, Demobilisation and Reintegration (DDR) despite the fact that many businesspeople are highly cautious about giving what are often scarce jobs in post-conflict environments to former militants (International Alert 2006). As Giustozzi reports, many in Afghan society, perceive former combatants as ‘...inherently lazy and troublesome.’ (Giustozzi 2006: p.218).
*Roshan* has systematically increased its market share by offering its 1 million local subscribers greatly reduced charges (calls falling from $3 to 10 cents per minute). Meanwhile the company continues to benefit from high roaming charges paid by international aid workers, businesspeople and somewhat surprisingly, the expanding ‘extreme tourist’ market, a segment largely unconcerned about costs. The ‘customer-centric’ philosophy of chief executive Karim Khoja is expressed in an eclectic approach to markets: this includes personal negotiation with new account holders in the country’s more problematical regions, including affiliates of the Taliban themselves. As he puts it, everybody in Afghanistan understands the importance of communication – for whatever purpose: ‘…when we go to a village, we talk to the elders and explain how when a mast comes to an area it brings jobs and economic growth…’ *Roshan’s* profile is also maintained through sponsorship of the Afghan equivalent of *American Idol* (Unattributed *The Economist*, 8.3.2007).

Khoja sees himself as an ambassador for the power of commerce to engender peace in the country: as he puts it ‘…if guys like me keep telling Americans about the good things happening in Afghanistan, maybe that will keep their attention on it…If Americans see that the Afghan people want them and are worth investing in—well, they are a lot likelier to succeed in building Afghanistan than they are sorting out the mess in Iraq.’ (Unattributed *The Economist*, 8.3.2007).

With its propensity to pursue markets in a flexible way, the telecommunications industry offers a useful yardstick for the limits to commerce: as Mr. Khoja reports, his network growth is specifically hampered by the location and extent of Afghan and NATO operations in areas where he might otherwise be collecting new subscribers (Unattributed, *The Economist*, 8.3.2007). Clearly, the ethics of making money through telecommunications that is going used by both sides in the on-going conflict, questionable. However, the fact that a privately-run business has taken over from its unprofitable state-owned antecedent, and done so largely using backing from established industry players, speaks volumes for the potential of markets such as those of Afghanistan, when they are gradually opened to outside investment.
An emerging tactic used by American forces in the battle to win hearts and minds, both in the Iraqi and Afghan theatres, was the funding for infrastructure civil projects. This fund, the Community Emergency Response Programme (CERP) is deployed at the discretion of military officers for any project which might help stabilize an area once it has been cleared of insurgents: ‘…CERP is used to build “cultural centers” and distribute Korans to show that the foreigners respect Islam; it finances radio stations that counter insurgent propaganda; it pays for food aid, blankets and visits by doctors and vets. In short, it brings a government presence and some economic development to parts of Afghanistan where aid workers fear to venture.’ (Unattributed *The Economist*, 22.5.2008). Considerations must be made regarding the limitations, which must attend such localized military largesse. Many of America’s allies, including the UK, do not have access to such large scale funds, so the benefits are unevenly distributed. It would be interesting to examine if the blanket application of such funding undermines or strengthens existing economic or aid structures.

Afghan society with its strong tribal allegiances is not a simple, undifferentiated whole whose responses will be mediated through the same perspectives. As one contemporary analyst points out, the social milieu alters rapidly once the limited cosmopolitanism of Kabul is left behind, and the two principle tribal confederations are more influential: ‘…The Northerners have overcome centuries of internecine tribal conflict at home and do not understand why others cannot do the same; they look upon the Southerners as brutes…The Southerners, in turn, look upon the Northerners as lazy and effete; their wiser heads know that winning is impossible…’ (Unattributed *The Economist*, 13.3.2009).
So to the macro level issues examined earlier, further considerations must be added with regards the micro-factors within the social changes: somewhat ironically, the Americans report that they spend much time attempting to restore the authority of conservative Afghan elders in communities where the latter’s traditional control of youth has broken down. As Lieutenant-Colonel Christopher Kolenda, stationed in Naray, Eastern Kunar, explains, ‘...the underlying problem...is the atomization of society: tribal elders have lost control of their young men. America's aim is not just physical reconstruction but a social transformation to restore the elders' authority.’ (Unattributed *The Economist*, 22.5.2008).

The notion of comparatively rootless young individuals, drawn into violence through social disenchantment and nurtured by extremism, is not a newly identified problem in conflict resolution (International Alert 2006). However, it remains to be seen whether the various peace-through-commerce initiatives mooted in Afghanistan are sufficient to meet this and other challenges. As Giustozzi indicates, the proliferation of NGOs and hybrid private/public sector bodies focused on Afghanistan is continuing: however, the Afghan Assistance Coordination Agency, Afghan International Chamber of Commerce, Afghan Investment Support Agency, Afghan New Beginning Program, amongst others, are all foundering against the same skewed market conditions, that have stripped the market of its wider dimensions, whilst neglecting ‘...aspects of market performance that depend on extra-market conditions…which combine to exclude many from taking part and enjoying the benefits of participation.’ (Giustozzi 2006: p.226).
5.2 Case Study Two: Sudan and Darfur

Economic and Political Background

Apart from a respite between 1972 and 1983, Sudan experienced continuous civil war from 1955 until 2005, chiefly between North and South, included in considerations must also be the conflicts in Darfur, regarded as one of the worst humanitarian crises of the twenty-first century by the international community (Abdelnour et al. 2008). Sudan also fought a brief war with neighbouring Chad between 2005-7. In 2008, Sudan officially topped the list of ‘failed states index’ published by the US think-tank Fund for Peace and Foreign Policy (Jezard Financial Times, 2009).

The Comprehensive Peace Agreement (CPA) of January 2005 formalised a compact between the new Government of National Unity (GNU) in the North, and the Government of South Sudan (GoSS) in the South. This supposedly ended the conflict between the earlier GoS and the Southern Sudan People’s Liberation Army (SPLA). However, for many, peace is as elusive as ever. In May 2008, Northern forces and SPLA elements clashed around the town of Abeyei, which, despite being the temporary home of a UN military detachment, was looted and burnt to the ground. As with many such flashpoints, north-south allegiances mask the settling of old scores by more disparate factions.

The conflict killed an estimated 2 million, causing over 400,000 people to become refugees in neighbouring countries, whilst over 4 million remained in Sudan itself as the world’s largest population of internally displaced persons (IDPs). Ongoing violence between Janjaweed militia and other elements in Darfur contributes further to these difficulties (Abdelnour et al. 2008: pp.283-284). The numerous aid agencies present in the region are not immune to the widespread violence and 2008 saw the death of eleven humanitarian workers, whilst the number of aid vehicles hijacked has doubled from the 2007 figure (Unattributed, The Economist, 20.11.2008).
Business Potential for Peace-Through-Commerce In Sudan and Darfur

Despite all of this, the country has potential for regeneration if conflict can be eliminated and enterprise encouraged: As Abdelnour et al. point out, ‘…there exists a wealth of natural resources that can enable enterprise and self-reliance when access to resources is not prevented by social, political, or security reasons.’ (Abdelnour et al. 2008: p.300).

The presence of such resources has in the past provided an inadequate buffer against conflict, and been of little direct benefit to the Sudanese people themselves. One example of this lays in the activities of the Swedish investor Adolph Lundin, who acquired oil and mining concessions at advantageous prices whilst civil war depressed them, only to realize huge profits on the cessation of hostilities (Blas and Wallis Financial Times, 10.1.2009). Many of the oilfields that he sold are, today, in the hands of Chinese-run licensees, who pay significant revenues to Khartoum: the latter have underpinned a highly localized, popular consumer boom in the capital. With oil revenues of $4 billion a year in the pipeline, economic growth has reportedly reached 10 per cent, with property prices quadrupling, the numbers of cars doubling, and more new companies being started than over the last 75 years: however, as The Economist reports, ‘…most Sudanese beyond the capital remain dismally poor, and the country's natural potential, especially in agriculture, remains hugely under-exploited.’ (Unattributed The Economist, 6.12.2007).

Khartoum has enervated its former enemies in the South by choking off their share of oil revenues: even when they trickle through to the SPLM, it is assumed that a large percentage is spent on new weaponry, rather than regenerating the economy (Unattributed The Economist, 20.11.2008). Estimates place the figure squandered in this manner at $5 billion over the past four years, with little visible return for the civilian population. The new infrastructure, schools and clinics that have appeared have largely been the result of aid agency investment, rather than that of the government (Unattributed The Economist, 13.6.2009).
As was with the situation in Afghanistan, Sudan and Darfur is on the cusp of yet another strategic shift in the relationship between governments and external agencies. What the *Financial Times* terms the ‘more emollient approach’ of the Obama administration has brokered the re-admission of international aid agencies expelled when president Omar al Bashir was indicted for war crimes by the International Criminal Court (*Jopson Financial Times* 15.6.2009). Despite this, tensions remain high in the wider situation, with real potential for a renewal of the conflict. One independent observer Robert Muggah of the Geneva Small Arms Survey comments that, ‘…Khartoum has no desire to implement the CPA and has shown an impressive capacity to undermine it.’ whilst the relatively weak and inexperienced government of the South favored the agreement, but has ‘…comparatively little capacity to execute key aspects of the agreement, much less deliver equitable governance and protection for Southerners.’ (*Jopson Financial Times* 25.6.2009).

A notable aspect of the Sudanese business experience is the particular role played by women, who are able to draw together resources of social and economic capital in an innovative way. As Abdelnour et al. explain, ‘…women entrepreneurs’ primary goal for starting and operating a business is often to provide for their immediate and extended family…Women entrepreneurs are, simply put, a combination of “hungry” but largely altruistic entrepreneurs…’ (*Abdelnour et al. 2008: p.290*). Research regarding the ‘Entrepreneurship of Coping’ highlighted that individuals subject to economic, social, or political upheavals are more successful at launching enterprises under extreme adversity, more resilient in the face of external shocks and more likely to yield equitable economic opportunities for marginalized groups within their community (*Honig and Thankur 1998*).
Abdelnour et al.’s fieldwork also revealed that the struggles faced by many occupational groups are synonymous with the problems of structural economic change and developing societies: they heard many accounts of difficulty in capital formation, liquidity, remuneration, access to production facilities and markets. For example, the Intermediate Technology Development Group together with NGO Practical Action specialize in the support of displaced trade groups who need access to basic raw materials and tools in order to reform the basis of their livelihoods. The involvement of the NGO in offering technical and managerial support in the negotiation of contracts that was crucial to the business start-up in an IDP camp for blacksmiths, a group which are traditionally low caste, neglected, and would otherwise have difficulties in accessing the necessary credit facilities. The collective produced over 100,000 agricultural tools per annum, often purchased by other NGOs for distribution. This case illustrates ‘…a successful cooperation between an NGO and individual entrepreneurs…’, wherein credit could be extended to a group marginalized ‘…due…to their displacement and the discrimination associated with their caste/trade’ and so the model has been replicated and used in other localities within the country (Abdelnour et al. 2008: p.298).

Examples of successful ‘grass-root’ micro-enterprises can be found throughout the developing world, and currently their application in post-conflict environments to gradually reconstruct the social fabric of affected communities is underutilized (Ruzibuka 2001). The potential of local community collectives has been highlighted through the work of Grameen Bank founder and Nobel Peace Laureate Muhammad Yunus, an active champion of the peace-through-commerce ‘crusade’. Bottom up approaches are often used in development practice however they have often been overlooked during the intra/post-conflict and relief stages (Ruzibuka 2001). This bypassing of local community’s desire for self-reliance may even undermine social confidence and future capabilities for long term economic regrowth. The ability for commerce to mobilize livelihoods is something that should not be underestimated, the opportunities it creates to provide a means of living was highlighted in this case study both by the women entrepreneurs and by the community collective.
However, NGO-supported entrepreneurs and SMEs are not the only parties interested in developing Sudan’s as yet untapped resources. Gulf states with a dearth of arable land on which to produce food are increasing demand for available acreage in Africa, brokered by companies such as Philippe Heilberg’s US based Jarch Capital investment group. As the Financial Times reports, ‘He is (one) of a resurgent class of Western businessman drawn to the potential of Africa's remaining frontiers, who have been energized by Asia's appetite for the continent's natural resources.’ (Blas and Wallis Financial Times, 10.1.2009).

Heilberg’s activities are interesting because of their tendency to draw in former combatants with a stake in Sudan’s resources, such as former warlord Paulino Matip. These connections have the affect of co-opting tribal leaders into the protracted negotiations, which attend the bundling together of agriculturally viable blocks of land. As Heilberg concedes, ‘I am sure Paulino has killed many, but I am sure he has done it in protection of his people.’ (Blas and Wallis Financial Times, 10.1.2009). As Fort and Westermann-Behaylo express it, ‘…putting the notion of peace-through-commerce in terms of business ethics…raises as many questions as it answers…whose ethics, whose economics?’ (Williams 2008: p.57).
5.3 Case Study Three: Heineken in Central and Southern Africa

The final case study considers the circumstances of Heineken, a Dutch based multinational brewer, which maintained a constant presence in a region notoriously plagued with war, genocide, and the associated problems of refugees, malnutrition and disease. The principle points to emerge from this analysis lay in the relationship between the presence and operation of a MNC or ‘corporate giant’, and the processes of conflict avoidance and reconstruction: the Heineken experience demonstrates that whilst it could do precious little in the former category, it can potentially contribute much in the latter. These insights are largely made possible through the research of Bais and Huijser, and in particular the testimony of Jean-Louis Home, the former director of Heineken in Africa and the Middle East, and now a lobbyist for economic development (Bais and Huijser 2005: p.51).

Like telecommunications, brewing is an industry with perceived benefits for both sides in any conflict, which may be questionable ethically. In some states, such as South Africa, Heineken has its products distributed by local companies such as South African Breweries (Unattributed, The Economist, 10.8.2000). Elsewhere, it manufactures its products through wholly owned subsidiaries, run by its own management. As Jean-Louis Home himself concedes, he began working for Heineken in Africa in the 1980’s, and, ‘…if somebody would have told me then: you will be working in Rwanda, Burundi, and Congo-Kinshasa during wartime, but you will still be profitable, see prosperity and happy people, I would have thought that he was crazy. But it’s exactly what has happened.’ (Bais and Huijser 2005: p.38).
Heineken’s presence before the instigation of the violence obviates the fact that it could do nothing in terms of preventing such a widely based conflagration, even in terms of protecting its own employees. Even though the company maintained production wherever possible, simultaneously providing its workforce with an uninterrupted income, the security demands of which this required sometimes exceeded the capacity of the company: As Home relates, ‘…during the genocide in Rwanda in 1994, we had to stop working for a short while. The question was not if we were going back but how. In Gisenyi we had 300 of the original 900 people left…’. (Bais and Huijser 2005: p.41).

Even in the post-conflict era, Heineken employees have not been immune to the unusual juridical and civil governance of the region. In 2000, Heineken’s refusal to cut the prices of its products in the efface of government demands, led to the imprisonment of two of its executives. The corporation paid the Congolese finance minister a reported $1 million in cash to secure the release of its two senior executives in Kinshasa, deflecting international disapproval of ransom payment by characterizing the remittance as ‘bail’ (Unattributed The Economist, 7.12.2000). This creative latitude, it may be argued, is highly indicative of the ethical duality, which permeates the policy of corporations who, of necessity, work in close proximity to governments of questionable character. As Bias and Huijser report with regard to the specific case and actions of Heineken, ethical practice has been interpreted as independence from political affiliations, to the degree that even peace-building initiatives are envisaged as innately political. Home examines his previous role very clearly, ‘…being a direct actor in peacebuilding is not the vocation of a company. If, as an enterprise, you act with decent rules, then you are part of the stabilization of the country.’ (Bais and Huijser 2005; pp.47-8). This statement arguably short-circuits the entire discourse about peace-through-commerce back to mainstream definitions of corporate governance: the generic corporation is supposedly benefiting society – as well as its direct stakeholders – by simply carrying out its core duties.
If Heineken’s contribution to conflict prevention is less clear than the maintenance of its own healthy profit margins in Africa, the same cannot be said about its operations as a component of the reconstruction of the macro-economy. Along with other notable front-runners, the Dutch MNC is in the vanguard of organizations that may yet achieve a symbiosis between profitable investment and the peace dividend. Sub-Saharan Africa now has 16 stock exchanges, trading over 500 stocks with a combined market capitalization of over $90 billion: as Standard and Poors’ strategist Steven Goldin explains, ‘…Africa, and sub-Saharan Africa in particular, really is the last frontier for investors, who see great potential for growth in this part of the world. The sub-Saharan region has seen positive returns of around 50 per cent over the last three years. More investors want exposure to Africa.’ (Jopson Financial Times, 9.4.2009).

As with any market, knowledge is the key to success, and companies with a long history in the region such as Heineken through its Rwandan subsidiary Bralirwa, are well placed to succeed. Another important point however, is their wider function in catalyzing a more general investment in the region – the ‘snowball effect’. Dirk Harbecke, CEO of the Frankfurt-based African Development Co-operation group, points out that, ‘…none of the big international investors will be first into the market…That will be more for people like us who have a better idea of how companies in the region are run. But if the exchange gets off to a good start then in one or two years they will come.’ (Jopson Financial Times, 9.4.2009).

In such instances, international investment may provide a necessary restraint on the unfettered growth of state control over nascent economies. In Burundi a report that the channeling of aid and related administration through government has fuelled intense competition for the reigns of power, with detrimental side effects on the economy, ‘Blocking private sector growth and reform of the country’s outdated and inefficient economic institutions. Sustainable peace will, therefore, depend on rolling back the state’s control of the economy, engineering a shift in mindset among elites towards national interests, and generating avenues for popular participation in both political and economic decision-making.’ (Harushiyakira 2006: p.271). Conversely, there are equal problems in assigning the future health of any society to the stock market.
6. **Summary of the Case Studies**

6.1 **Challenges and Opportunities**

It may be helpful here to assemble a comparative overview of both the challenges and opportunities, that arose in the three case studies. One of the principle challenges lies squarely in the diplomatic and strategic sphere; that is the impossibility of aligning opposing and former opposing forces into practically manageable blocks in economic terms. Economics is, at its base, a behavioural science, and the assumptions it makes about behaviour are almost universally disrupted by conflict. We have seen that the historical antipathies of Pashtuns, Uzbeks, and Tajiks in Afghanistan, Dinkas and Misseriyas in Sudan, and Tutsis and Hutus in Rwanda may all have the allocation of scant economic resources at their base. Although there are difficulties of engaging such factions in a peace-through-commerce approach, experience has shown there are clear examples of success and that its contribution to conflict resolution cannot be underestimated.

The securing of sustainable competitive advantage through legitimate competition implies acceptance of a universal market framework, including, as one of its principle opponents, equality before the law. The correlative development, that is, the cessation of black market or other ‘illegalist’ activity carried on through illegitimate force, is rendered acutely sensitive in such atmospheres. There are furthermore, a myriad of cultural issues inherent in the unraveling of these ephemeral intra and post-conflict economies as well as their separation from older, more society-specific commercial issues. In practice, what this means is that the agencies of peace-through-commerce must not only transform combatants into conventional economic actors, but also mercantilist, extractive systems into market-driven ones.

The case studies also revealed that it is by no means un-problematical for any particular actors to assume leadership in this task: specific protocols governing the exercise of authority and realistic boundaries of influence can often be dissonant with the imperatives of economic action. It is in these areas that the real difficulties of instigating market economics in pre or non-market economies may be illustrated.
The Islamic state envisaged by residues of Taliban sympathy in Afghanistan can simultaneously prescribe and proscribe the action and communication implicit in commerce. Meanwhile the proxy actions of states such as Pakistan, Uzbekistan, and Iran, worked out vicariously amongst Afghans, by definition have their origins in external drivers and remain impervious to the potential social benefits of a stable Afghan economy. Business (and NGOs) must distinguish between the stakeholders, commercial approvers, influencers, and timewasters who populate the target market.

For example, Khoja’s default recourse to negotiation with Afghan village elders in new territories is short-circuited by the ‘atomisation’ of society noted elsewhere: the tendency of younger generations to by-pass these traditional sources of social cohesion. Against this background, Roshan’s strategy is unintentionally politicized, aligning it, somewhat perversely, with conservative forces who might not be the natural allies of putative, indigenous entrepreneurs. Similar vagaries attend the travails of women in Sudan who are becoming entrepreneurs by necessity, initially founding small businesses to furnish the necessities of life for their families and communities. Whilst they do this, massive liquidity is retained in remote urban power-centers, and even greater land-hungry external capital is poised to deny ownership of the means of production – Sudan’s finite arable land - to domestic businesses. This tendency, it may be argued, represents something of a double-edged sword for Sudan’s own entrepreneurs, whatever their gender and level of altruism. Their businesses may indeed thrive within the commerce created around such inward investment but their profitability is defined by the fact that the surplus value created in these activities (agriculture, mining, manufacturing) will not remain in Sudan itself.

The answer to this kind of problem may of course lay in the actions of commerce based aid agencies such as the African Development Co-operation. Their thesis being that by their presence, this kind of semi-altruistic investment will eventually draw in conventional capital and the commensurate stability, employment and growth. Illustrating an opportunity across all three contexts: the possibility that they will take their rightful place amongst the world’s valuable emerging markets buoyed by the fact that commerce is inherently attractive to people struggling to meet their basic needs.
6.2 Lessons and Recommendations

A principle lesson to emerge from the case studies is that it takes more than just conventional capital to start a potentially successful business, and more than a successful business to ensure peace. In the former respect, as Deakins and Freel point out within a developed Western context ‘…the importance of human capital tends to be reinforced by external financial institutions, since research has shown that bank managers rate previous experience as an important factor in lending to new-venture entrepreneurs.’ (Deakins and Freel 2006: p.226). In post-conflict societies, where social, cultural and economic norms may already be in disequilibrium, proto-entrepreneurs often require human capital of a different kind in order to be perceived as legitimate economic actors. Indeed, it could be argued that this couplet itself - ‘economic actor’ – may require significant adjustment for many in such contexts, if the heralded peace dividend is to realized. Meanwhile, the presence of Heineken amidst war and genocide in the Rwandan region – including that amongst its own employees – demonstrates that profitable corporations cannot in themselves be regarded as the guarantors of peace. The nature of their engagement with the host society is every bit as important as the fact of their presence and operating profit. An aloof island of corporate manufacturing, discrete from competing and hostile power bases, can do little to prevent the latter falling into conflict, or bring about a social transformation wherein such tragedies are less likely.

This is as much a hermeneutical problem as it is one of liquidity and capital formation. It arguably took now ‘developed’ European societies two hundred years to make the transition from feudalism to capitalism, and significant groups within society were variously displaced, uprooted, marginalized, and dispossessed during the process. Successive theorists of political arithmetic, political economy, and then classical economics, all sanctioned the abandonment of these groups as wholly logical, whilst states applied force wherever necessary to ensure their removal, compliance or neutralization as required. There were, in other words - as within any market system - both winners and losers.
Furthermore, this is not an issue that may be conveniently categorized in anthropological or cultural terms. Even in developed societies, the supposedly civilizing life-blood of commerce can quickly evaporate when sufficient of it has drained away to denying its use by significant portions of the market. As one German commentator put it, at a crucial point in that country’s political life, ‘…the whole economy has become debased, depersonalized, has been turned into joint-stock companies. The producers have delivered themselves into the hands of their greatest enemy, finance capital. Deep in debt, the creators of value in the workshop, the factory, and the office have little to show for it in wages, for every profit from their work flows into the pockets of the anonymous financial powers in the form of interest and dividends.’ (Feder 1995: p.121). The lesson from this is simple: economic success must incorporate all social groups before it can be considered in anyway supportive of societal harmony, something made much more difficult by the precondition of a fractured post-conflict society.

There is also a clear message that can be applied to both NGOs and MNCs that emanates from this study. Which is, that in post-conflict situations, a business-as-usual or development-as-usual approach is not only dangerous but also highly unsustainable as the chances of a country returning to war unless reconstruction is properly established are very high. Therefore, it is imperative that the organizations, whether be they commercial or not-for-profit, need to fully understand the society in which they operate and set realistic goals. An encouraging sign noted throughout this study is the examples of cooperation that have occurred between the two sectors. This subsequent sharing of knowledge and skills provides much hope and opportunities in the future. Not all the partnerships have been fully successful, nevertheless, attempts have been made and nexuses continue to be formed. It has been recognized that commerce is able to produce ‘the power of the convener’, and this is something that neither the development sector nor the conflict transformation field can choose to ignore (Williams 2008: p.103).
One aspect, which unites all three country’s examples in practice, is that non-local businesspeople are almost totally devoid of insights into the culture-specific implications of operating in Afghanistan, Sudan or Rwanda. In other words, perceptions about the behaviour of businesses and consumers are often mediated through unspoken assumptions about the hegemony of classical economics, and within the latter, the behaviour of firms, capital, and markets. Opportunities may exist if an entrepreneur can gauge his or her market and often business has a knack of being able to understand diverse interactions, but this does not necessarily translate in to a capacity to understand the complex and volatile nuances of intra or post-conflict environments. Correspondingly, a principle recommendation should lay in the area of the need for greater cultural specificity combined with an understanding of the unambiguous economics and constant demand for good practice. Encouraging the use of conflict sensitive approaches, and monitoring and evaluation as has been seen in the NGO sector would greatly strengthen businesses ability to meet these objectives.
6.3 **Future Applications of Peace-Through-Commerce**

An important overall point which emerges from this literature is that MNCs, SMEs and entrepreneurship are notoriously protean in their instigation and execution, facts which make it problematical for governments and NGO’s alike to create them at will. Therefore, understanding the capacity of organizations such as corporations to engender peace is ultimately dependent on accurate interpretation of their wider behavior. It is useless to introduce them to the peace-through-commerce equation as vital catalyzing and healing agencies, when their own properties and potential can be only defined in vague and general terms.

Arguably, one of the reasons why corporate behavior is so problematical to adduce is that canonical theoretical frameworks have been unable to keep pace with contemporary change, at least in any durable form. Moore observed that, ‘…it is a common feature of theories within the firm that they regard the firm as a nexus of contracts. The…theories differ as to the extent of these relationships, with shareholder theory restricting this to legal and implied contracts, while stakeholder theory takes a broader definition to include social/moral as well as legal and implied contracts.’ (Moore 1999: p.122).

This in itself is not a new problem. In the 1970’s, behavioral theories of the firm began to acknowledge that the equivalent classical theories, with their provenance deep in political economy had distinct shortcomings when it came to interpreting and predicting the actions of real organizations. As Cohen and Cyert put it, ‘…for the purposes of the classical theory, the profit maximization assumption may be perfectly adequate. It is clear however, that as one asks a different set of questions...the profit maximization assumption is neither necessary nor sufficient...’ (Cohen and Cyert 1965: p.330).
As Deakins and Freel identify, ‘…for obvious reasons, little research has been done on new business ventures that subsequently fail, but it is commonly asserted that one of the main reasons for the reported high failure rates of such new ventures is under-capitalization.’ (Deakins and Freel 2006: p.229). As discussed above, governments, even in developed states, have invested a level of interest in small businesses and business start-ups that are rooted more in blind faith than profound understanding. It may be argued that the same now applies to economics as a whole, in proportion to the whole area of financial stimulus, economic growth, and globalization. Even the *Economist* itself has recently attested to the ‘uselessness’ of the profession and science of economics itself: ‘…There are three main critiques: that macro and financial economists helped cause the (Global Economic) crisis, that they failed to spot it, and that they have no idea how to fix it.’ (Unattributed *The Economist*, 16.7.09).

However, it is to this considerably devalued intellectual currency that the generic peace-through-commerce project defers epistemologically, up to and including the United Nations compact itself. Therefore, if one general application can be extrapolated from scrutiny of these case studies, it is that businesses, and economics itself, should have their claims to restorative agency closely scrutinized within each context. A central subsidiary point is made by Abdelnour et al. just as commercial motivation can align corporations with either benign or malicious activities in proportion to conflict, entrepreneurs can also be drawn into either sphere, according to opportunity. As they point out, ‘…war often devastates entire generations of legitimate entrepreneurs, replacing them with “entrepreneurs of insecurity” who exploit structural upheaval and political uncertainty for factional or personal enrichment.’ (Abdelnour et al. 2008: p.287).
Putting aside the fact that a projected peace divided may not appear simply because a corporation failed in its obligations within a partnership, there is also the issue of ownership of peace to be considered. Mary Anderson, a well-versed development practitioner believes no one ever makes another society’s peace: ‘…people and societies themselves must create and sustain the conditions by which they live together without intergroup [sic] violence. If someone “brings peace” to another society, this peace is not integrated into the structures of the place and is not “owned” and supported by local people.’ (Williams 2008: p.131). It is easy to envisage the application of this caveat in Afghanistan, Rwanda, and Sudan-Darfur.

Peace-through-commerce may have more success in such places when applied on a micro-scale, in which trade and mutual dependence stimulates dialogue and acts as a quasi-mediator. The significance of making the process happen at a local level, has been gradually recognized within the development sphere and increasingly joined up thinking within relief and emergency practice is encouraging its use in post-conflict environments. Although much more could be done in supporting the creation of sustainable livelihoods at this stage, in which individuals and communities are at their most vulnerable.
6.4  *Areas Where Further Research Is Required*

One of the most striking points to emerge from these and other case studies is the almost total lack of systematic analyses in terms of behavioural economics: in other words, the way in which ‘business’ is introduced into the stabilization equation in a completely unalloyed and un-problematical way. In this regard, a significant area for further research must lie within the remit of relevant expertise and of knowledge management within the peace-through-commerce project. Putting it simply, business people do not necessarily understand how to make society – any society - more harmonious.

This inconvenient detail masks the fact that there have been highly successful peace-through-commerce projects, which is due to context as much as general principles. For example, Allied authorities insisted that post-war German firms adopt co-determination between management and employees to forestall industrial disputes and a re-occurrence of the depression, which had unleashed pre-war fascism. All the evidence suggests that this project succeeded in securing this end, but that is not the same as saying it would succeed elsewhere. Furthermore, as Fort and Westermann-Behaylo have argued, ‘…focusing on business activity brings the issue to a meso or micro level of analysis rather than the macro level of analysis of economic policy.’ (Fort and Westermann-Behaylo 2008: p.56).

Whilst it may seem perverse to attribute anything but straightforward profit-making motives to corporate organizations, the difference between intentions and outcomes frequently demonstrates precisely this kind of disparity. As Cyert et al. observed of real, rather than theoretical motivations, ‘…if we are trying to use this framework to describe how real human beings go about making choices in a real world, we soon recognise that we need to incorporate in our description of the choice process several elements that are missing from the economic model…The alternatives are not usually “given”, but must be sought...the information as to what consequences are attached to which alternatives is seldom a “given”, but, instead, the search for consequences is another important segment of the decision making task.’ (Cyert et al. 1970: p.67).
Within these vicissitudes, firms have been observed to ‘satisfice’ their own complex internal and departmental imperatives, rather than pursuing a transparent commercial agenda. The process of ‘satisficing’ does not necessarily indicate an aberration or instance of what some analysts term ‘organizational irrationality’: as Fincham and Rhodes indicated, ‘…this is the extreme view that in reality the rules governing decision-making are not rational, even in a relative or bounded sense. They may be formally rational – appealing to some cold internal logic – but they are irrational by any normal standards.’ (Fincham and Rhodes 2005: p.505). As has been discussed, similar notions attend the precise contribution of SMEs to general economic recovery, whether they are in a developed or undeveloped economy.

What does all of this mean for the generic peace-through-commerce project? The value of such analyses lies in their potential to unlock and interpret the internal motivation of commercial organizations, and ultimately, their value in enterprises such as the United Nations Global Compact. Crane and Matten argued that, ‘…making a positive contribution to society might be regarded as a long term investment in a safer, better educated and more equitable community, which subsequently benefits the corporation by creating an improved and stable context in which to do business.’ (Crane and Matten 2007: p.470). When assessing such a study, much depends however on the interpretation of the word ‘positive’ and the multiple ways in which such qualitative subjectivities may be weighed. To maximize the potential and understanding of the limitations of the peace-through-commerce paradigm, it would be beneficial if it’s teachings were mainstreamed in business schools and development centers alike.
7. Conclusion

In the final analysis, there is little doubt from the case studies that business can play both a catalytic and sustaining role in the development of peace, other case studies and the author’s own experience are testimony to this fact. It is proposed here that much more research needs to be accomplished on the multifaceted and sometimes contentious interaction between commercial organizations, NGOs and governments in order to encourage peace building to be central to all operations within post-conflict countries. Although guidelines and codes of conduct for business have proved useful in setting standards and will continue to provide boundaries within best practice and stimulate debate, it is important to recognise that a one size fits all approach will not be adequate when dealing with something as complex and fluid as peace building and reconstruction.

Within this sphere, an often ambivalent attitude found in both the corporate and the NGO fields mask numerous unexploited opportunities for mutual capacity building and knowledge sharing. Commerce has the potential to help address many of the challenges and fill some of the gaps that exist in current peacebuilding operations around the world. Likewise, NGOs could pass on lessons learnt and tools created for such complex and fluid environments that could increase commerce’s markets and revenues. Slowly, this potential to make a difference as well as make a living as an organization (regardless of if you are for profit or not) is being recognized, however in order to fully grasp it, the existing conventional management mindsets within both sectors are going to be challenged and ultimately will have to be changed.
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