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The Role of Local Business
in Peacebuilding

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1. Introduction

International attention has turned in recent years towards the critical, some would argue decisive, role that economic factors play in driving and perpetuating contemporary violent conflicts. A key aspect of this debate is the behaviour and impact of the private sector. Understandably, the discussions (at least on the NGO side) have largely centred on Transnational Corporations (TNCs), particularly those from the extractive sector and most often in the context of their negative impact on conflict. The well documented cases of Colombia and Nigeria, amongst others, illustrate the importance both of understanding these impacts and of acting to ensure the obvious potential benefits of natural resources accrue to societies as a whole rather than privileged elites. However, framing the 'business and conflict' debate in such a one-dimensional manner risks ignoring not only the immense diversity of the private sector but also the potentially constructive role businesses of various sizes and types can play in addressing conflict.

No less limited, and historically far more damaging, has been the traditional counter-view propagated by some within the private sector and elsewhere that any legitimate means of driving up economic growth must be, on balance, positive over the long-term. From a conflict perspective, however, economic development is neither inherently good nor inherently bad. It all depends on how it is brought about and who benefits. Enriching a few whilst leaving the majority in poverty is a recipe for violent conflict, as is increasing the prosperity of one part of the country or one group within society whilst neglecting the others.

This may be a somewhat simplistic characterisation of the polarised nature of the debate, but it is not without an underlying truth. Conflict does not lend itself to the kind of certainties and absolutes which many try to force on it. Perhaps because of the relative novelty of the business and conflict debate, it suffers most in terms of nuance, as with economic development, so with its primary agent: the private sector. The relationship between the private sector and conflict depends on a multiplicity of factors ranging from individual leadership to the nature and structure of the society in which it is operating. Only by beginning to break down these factors can we start to understand how business can and does exacerbate conflict and identify ways in which it can contribute to peacebuilding.

An obvious first step in this clarification process is to distinguish between TNCs and local business. Although one of the effects of economic globalisation has been to blur the differences through the proliferation of mergers, acquisitions and joint ventures, the peacebuilding role of businesses - large and small - that are locally owned, run and staffed will differ from those that answer to foreign management. It is one of the ironies of conflict transformation theory and practice that despite the evidence that local business has an important part to play, and a strong interest, in supporting peacebuilding initiatives, significantly less effort has been directed towards analysing and facilitating its role than for that of TNCs. This article aims to start addressing this gap by exploring four key questions: why to engage local business, how to do it, what form engagement can take, and with whom it is most likely to succeed. We base our propositions on involvement in and analysis of a substantive number of research, advocacy and consultancy projects. While we work from a broad collection of examples of potential business roles in conflict and peacebuilding, the cases are illustrative, and more systematic research and testing of hypotheses will be necessary.

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2. WHY? A case for local business engagement in peacebuilding

No discussion of a positive role for local business can ignore its often negative impact on conflict. There are many different ways in which the private sector can act as a spur to or generator of conflict and this in itself provides powerful reasons for trying to engage it in a more constructive role. The infamous example of the radio station in Rwanda referred to as 'Mille Collines' has acted as a strong incentive for working closely with the media both in the Great Lakes of Africa and elsewhere to try to ensure no repeat. The same lessons need to be drawn from the current research into the political economy of war.

The different levels at which business has a negative influence on conflict make this a difficult task and one which needs to be approached from many angles. The most obvious and egregious examples tend to centre on illicit or semi-licit natural resource exploitation as a means of financing wars, whether logging in Liberia and Cambodia, diamond mining in Angola and Sierra Leone, or cocaine production in Colombia. Such examples constitute the extreme end of the spectrum and exhibit a direct link between business activities and conflict. Given their international dimensions through trade or connections to organised crime, they are best addressed through action at the international level (Compare Ballentine and Nitzschke 2005). Less clear but equally problematic is the link between 'legitimate' natural resource exploitation and conflict. Less clear because the primary benefactor is an internationally recognised sovereign government as opposed to a rebel group or warlord. The problem, therefore, lies not so much with

> **Box 1: Defining conflict**
> This article explores the role of local business in the context of violent conflict. Conflict per se is a natural part of human interaction. Violent conflict, however, suggests a profound breakdown within and/or between different strata of society. This may have occurred for a variety of reasons (e.g. ethnicity, religion, competition for resources, etc.) and may manifest itself at different levels (e.g. cross-border, national, or community). Clearly, the type, stage and geographical spread of the conflict are all important variables in understanding the precise role of local business. Further research is required to fully understand these variables.

the activity itself (although the behaviour of TNCs is obviously an important factor) but with the management and use of the revenues which are generated by it. A great deal of research has been undertaken into the 'natural resource curse' and experience from a number of countries suggests, as Terry Lynne Karl (1997) argues, that "an over-arching determinism" is at play in resource-rich countries. The impacts include corruption and rent-seeking on a massive scale, a weakening of democracy, economic distortion, neglect of more labour intensive industries, a heightening of inequality and a deepening of poverty, all of which can be significant factors in generating instability and violence. The dominant role of the state in such situations makes this phenomenon primarily a governance issue, and one best addressed at the structural level.

In neither of the above scenarios is the local private sector a defining actor, although nepotism and cronyism which characterise the nature of the relationships between the state and the private sector in such cases effectively blur the distinction between the two. The nearly symbiotic connection facilitated by pervasive corruption is frequently both a cause and symptom of violent conflict and has a number of additional impacts, including stifling business growth and job creation, and the positioning of the private sector as an agent of a repressive regime. In less extreme forms, the same principle applies in many conflicts and makes identifying and facilitating a peacebuilding role for business immensely complicated. Control of the land by big business in Colombia is a

critical factor in the conflict, as was the support provided by white-owned businesses to the apartheid regime in South Africa. Even in less obvious cases, such as Sri Lanka or Nepal, the private sector can be seen as promoting or benefiting from a system which has historically excluded or failed large sections of the society.

This exclusion also operates at the level of individual companies. It is not uncommon for businesses or individual business leaders to be mirroring the conflict dynamics in their own operations by, for example, employing one ethnic or religious group to the exclusion of another. This may be deliberate – or unintentional, if the desire to recruit the best qualified staff means perpetuating historic imbalances in the education sector. Some companies will also always benefit from conflict. This might be directly, for example by acting as suppliers to the army or by unfairly winning lucrative government contracts in an environment where transparency and competition are subordinated to the demands of maintaining security and power, or indirectly, by taking advantage of the confusion and chaos to make profits on the black market.

The point of highlighting the negative interaction between the private sector and conflict is twofold. Firstly, to emphasise that most conflicts are, at least partly, driven or sustained by economic agendas. Therefore any comprehensive peacebuilding strategy will need to factor in measures to understand and address the role played by the private sector (or parts of it). Secondly, to demonstrate that the private sector is not monolithic and does not have a uniform agenda. Its interests are varied and this provides both opportunities and challenges in identifying its potential contribution to peacebuilding.

Notwithstanding those businesses that actively benefit, for most, conflict is bad for business. This is the fundamental motivation and justification for the private sector's involvement in peacebuilding. Destruction of infrastructure, loss of skilled workforce, reduction or complete collapse of foreign investment, prohibitive security and insurance costs, loss of markets, regulatory confusion and diminished support from the government all make doing business in conflict zones a matter of survival rather than growth. Given the strong evidence of the costs of conflict to business, it is surprising that the local private sector is not a more consistently active force in many conflicts. Part of the reason is lack of awareness of their potential and lack of understanding of their role amongst businesses themselves. Perhaps the divergent interests that characterise the private sector have made a collective and unified approach difficult to achieve. There remains also a deep reluctance amongst the private sector (including TNCs) to involve itself in what are perceived as largely 'political' matters. For two reasons, though, this attitude is flawed. Firstly, because few sectors are more politically active when their interests are threatened than the private sector; secondly, because peacebuilding is multi-faceted and includes a number of needs which lie firmly within the capacities, skills and resources of the private sector.

The failure to date of the international community to try and build on these skills and resources in a strategic and systematic manner is surprising. Whilst there are examples of local private sectors contributing significantly to peacebuilding efforts (e.g. in South Africa, Northern Ireland, Sri Lanka), little thought has been given to adapting and replicating the experience in other conflicts. On the other hand, TNCs, with far fewer concrete successes to show, hold most of the attention of the international community. This imbalance needs to be addressed. Local private sectors have much to contribute through their economic influence and political contacts, their (relatively) large financial resources, their skilled workforce, their capacity to drive balanced development and their connections at all levels of society. The immediate challenge is to identify ways of harnessing this potential.

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3. HOW? The process of engagement and its enabling conditions

Recognising in abstract terms the rationale for a private sector role is important, but only a first step. Drawing together the divergent interests, diverse sizes and types, different capacities and resources into something approaching a coordinated peacebuilding initiative, or set of initiatives, is much more challenging.

The argument that the private sector is not monolithic applies equally to the differences within the local business community which covers a broad spectrum of businesses and business associations ranging from the very large (a 'local' multi-national enterprise) to the very small (e.g. individual market traders) – the variety of actors within such a local 'business ecosystem' is a key variable which calls for greater exploration.

Box 2: Defining local business

No formal definition for local business exists. For the purposes of this article, local business refers to all private economic actors (including related business associations and chambers of commerce) originating from and based in a country in conflict.

While there are clear differences in size and type, local businesses are, by definition, part of the existing conflict context. In a sense, it is this rooted relationship to the conflict that is crucial to local business playing a peacebuilding role – constituting a powerful section of society (either in terms of political leverage or, at the lower level, the kinds of services provided) with a variety of linkages to different social and political actors and strata, through business relations (with staff, business partners, etc.), but also along other lines, including the political, cultural, ethnic, or religious. This highly 'networked' position that the private sector holds in its own society suggests a new addition to Jean-Paul Lederach's three-tier understanding of the peacebuilding potential of societies (the graph below is adapted from Lederach 1997). Business people, represented at all levels, are strategically positioned to intervene in a variety of ways:

**Local Actors in Conflict Prevention
and Resolution**

TOP LEADERSHIP
Civil Society/Politics
Political leaders

Business
Big Business

MIDDLE RANGE LEADERS
Civil Society/Politics
**Academics/Intellectuals/NGO
leaders, etc.**

Business
**National Company CEOs
Business Associations**

GRASSROOTS
Civil Society/Politics
**Indigenous NGOs/Local Leaders/
Community Groups**

Business
**Small and Medium-sized Enterprises (SMEs)
Market Traders**

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With this in mind, it is possible to identify four generic underlying conditions that are important in promoting and sustaining a role for local private sectors. The conditions are broadly applicable to all sizes and types of business:

• a widespread recognition of business interest in peace
• an influential and diverse business sector
• a (relatively) independent and positively perceived private sector
• leadership by individual champions

There are different levels on which these conditions need to exist depending on the nature and scale of the conflict the private sector is being encouraged to address. For example, a specific conflict at community level would not require a nationally influential private sector but it would need locally respected business leaders. The point of formulating these conditions is that they provide a baseline framework for analysing whether there is a strong argument for involving the business community in any given conflict situation, what is needed to strengthen that argument, in what ways the private sector is best placed to contribute, and what needs to be done to ensure it can maximise its contribution.

3.1 Business interest in peace

A basic incentive for engaging an actor in peacebuilding is motivation and commitment. This can stem from a variety of sources, and indeed one of the clear distinctions between local and transnational corporations is the personal incentive which comes from being a part of the society in conflict. Nevertheless, broad acceptance of a strong business interest in peace is critical in justifying and encouraging the involvement both of individuals (as business leaders rather than as citizens) and the private sector as a whole. Ultimately, the impact of any intervention will be limited unless supported by a wide and, ideally, diverse range of companies, associations, and private sector individuals. There is much evidence from countries as diverse as South Africa, Northern Ireland, Sri Lanka and the Philippines to support the view that collective action is an important factor in bringing about a successful and sustainable private sector intervention. This is equally true of TNCs, of course, although for them collective action may be even more difficult to achieve given the importance attached to branding and the presumed competitive advantage to be had in 'unilaterally claiming' social issues.

Building a coalition, however, requires broad recognition of the damaging impact of the conflict on individual businesses and the economic environment as a whole. This is particularly important given the inherently competitive nature of the private sector. Paradoxically, the internal but geographically and socially contained nature of many contemporary conflicts can hinder the emergence of widely accepted business involvement. Particularly in more developed societies, it is possible for many companies to work around the conflict, accepting limitations to their expansion and profit margins but rarely being so badly affected that they feel compelled to engage in processes such as peacebuilding. Experience from many countries where businesses have played and are playing a constructive role in promoting peace indicate that it can take a significant period of time (e.g. South Africa, Northern Ireland) or a particularly devastating shock (e.g. Sri Lanka) before companies accept they have no choice but to intervene. Clearly, the more localised the conflict, the more obvious its impacts on business and therefore, in theory at least, the easier to stimulate the involvement of local business.

A strong business case will emerge organically if given enough time, but publicising the costs of the conflict to business can accelerate the process. It might be counter-intuitive to argue that businesses require persuading of something that is affecting their daily lives, but research and

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advocacy feeding into campaigns of awareness-raising on the subject can help create a sense of shared suffering and unity of purpose. In both Sri Lanka and Nepal, the publication of documents outlining the costs of the respective conflicts provided an incentive for joint strategy and action which otherwise might have taken much longer to develop.

3.2 Influential and diverse private sector

For obvious reasons, the better connected business leaders are to conflict actors, the greater the potential for positively influencing the decision-making process. Yet equally, the greater is the risk that influence might be exercised negatively. Nevertheless, the private sector's capacity to pressurise governments in particular provides a potential resource which few other sectors can match. To a greater or lesser extent since the collapse of the Soviet Union, all states rely on the business community for taxes and employment. This provides business leaders with access to the highest levels of power. Understandably, there is frequently a reluctance to exercise that access and influence, given the power which governments in turn exercise over business leaders' ability to carry on doing business. This emphasises the importance of collective action. It also suggests that the broader the spectrum of businesses involved, the more successful any intervention is likely to be. In relative terms, the principle applies for a community level conflict as much as for a full-scale civil war. The key is to identify ways in which the influence business leaders have can be directed towards peaceful ends.

3.3 Independent and positively perceived private sector

Legitimacy and impartiality are considered necessary attributes of a peacebuilding actor, including the local private sector. This is crucial for acceptance from conflicting parties as well as from affected communities. Undoubtedly, acquiring such acceptance will be a challenge for business, especially where it has played, or is perceived to have played, a role in perpetuating economic inequalities, has a history of colluding with corrupt officials, or exerts too strong a political influence in its own favour. Although it could be argued that the level of influence and access wielded by the private sector is in inverse proportion to its independence, there is, nevertheless, some cautious truth to the idea of 'impartiality of profit'. Most businesses suffer from the restricted competition created by corruption. Most suffer from the chaos and uncertainty brought about by conflict. Most want stability. Potentially, this makes them valuable brokers. In Northern Ireland, the strategy was simply to highlight the 'peace dividend'. In South Africa, a number of business leaders were able to build trust over time with both sides on the basis that their agenda was clear and neutral: business needed a peaceful end to apartheid in order to prosper.

The question of how the private sector is perceived by the society at large, and not just by the specific conflict actors, is also important. The private sector's role is maximised not just when it operates collectively but when it cooperates with other sectors. For this to be possible, and indeed for its interventions to carry credibility and weight, it needs to have the backing of the wider society. This depends partly on the particular society's attitude to private business and partly on the behaviour of companies. The greater the levels of corruption and exploitation (perceived or real), the greater the antipathy towards the private sector and the more difficult it is to promote its peacebuilding role. Any efforts to engage the business community must take into account and, if necessary, address negative perceptions.

An often neglected facet is generating an understanding within the private sector of its perceived role within society. It is not uncommon for businesses to approach peacebuilding as though they have somehow remained outside the country's conflict dynamics. In conflict terms, the

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private sector may not be inherently good or bad. But it is never entirely neutral, any more than other actors in society are. Recognising that others may see it as part of the problem and understanding why and how that perception has come about is fundamental to designing appropriate interventions. In Colombia, for example, a group of business leaders deliberately sought out former guerrillas who could help them understand that, however unintentionally and unconsciously, they were an important part of a system which had failed large sections of the population. Generating this kind of self-awareness can ensure that the private sector recognises the need for fundamental change within itself as a part of its peacebuilding contribution.

3.4 Individual champions providing leadership

The success or failure of any peacebuilding initiative depends, to a great extent, on the quality of the individuals leading it. All the previous conditions will not amount to much if there are no individuals willing and able to galvanise others in pursuit of a shared aim. These are people who can articulate the case for a wider private sector role in peacebuilding and convince doubters to engage; people who can exercise their influence without fear of reprisal and are respected both amongst their peers and the wider society. Identifying and supporting such individuals seems critical if the private sector is to fulfil its peacebuilding potential.

4. WHAT? Identifying a role and appropriate actions

In determining why and how to engage a specific set of local business actors in peacebuilding activities, one needs to engage in sound analysis of their interests, motivations, capacities, particular competencies as well as potential obstacles and opportunities. Some of these we have laid out in the previous sections. In determining which specific activities seem appropriate and promising, a review of case studies can be helpful. While every conflict context is unique and must be approached as such, drawing on the lessons and experience from countries where the private sector has played a constructive peacebuilding role makes it possible to identify some generic activities, which can be a useful guide and source of inspiration.

To date, the best publicised examples have revolved around private sectors on the national level, i.e. (relatively) big business. In analysing these examples, it is useful to break down the types of activities into three categories:
- core business – management of a company's operations
- social investment – contribution to development, social issues, etc.
- policy dialogue – influence at the policy level, institution-building, etc.

Whilst less research has been undertaken into the role of provincial/regional businesses and grassroots/informal traders, it is nevertheless valuable to consider them separately, if only to emphasise the importance of recognising the diversity of the private sector and to encourage further research and analysis.

4.1 National business

Core business

Core business covers a range of issues, including corporate governance, ethical business practices, and internal policies and standards. It also includes relations with and expectations of suppliers, job creation and investment, human resources, and infrastructure development. In different

ways, all these can be significant peacebuilding opportunities if approached in a way that considers the potential relevance to and impact on the conflict. Equally, if neglected or pursued in a way that is insensitive to the conflict dynamics, each of these can generate mistrust and resentment.

The starting point of any individual company must therefore be its own behaviour. In recent years, a whole body of literature and practice has evolved around what is known as corporate social responsibility (CSR). Whilst the CSR debate remains a predominantly Northern pre-occupation, the importance of some of its key principles for countries experiencing violent conflict is significant, even if the full CSR agenda may be too ambitious. Clearly, a key pre-condition for formulating a sustainable peacebuilding role for the private sector must be the development and implementation of sound internal corporate policies and standards. The reasons are threefold: Firstly, it is problematic to try to engage business in something as ambitious and wide-ranging as peacebuilding if some of the fundamentals of socially responsible business are being neglected. Secondly, many of the tenets of responsible business can in themselves support peacebuilding whether, for example, through addressing corruption or embedding fair employment practices in countries where nepotism and discrimination may be factors in the conflict. Finally, the principles of CSR, if properly adopted, can be a powerful mechanism for changing negative perceptions of business as drivers of, or collaborators in, some of the issues which underpin the conflict. This is not to advocate a 'fig leaf' argument for CSR; but rather to emphasise that businesses will not be trusted by other stakeholders to contribute constructively to peacebuilding if they are seen as part of the problem.

Employment policies are an example. Again, in conflict terms, they can work both ways. A business that deliberately or unintentionally discriminates against one group or another is feeding and perpetuating the conflict. Conversely, an active policy of recruiting from disadvantaged groups, and of providing the requisite training, is, in a small but significant way, contributing to peace. In such situations, businesses can find themselves in the unique position of being the only place where divided communities actually meet. This does offer opportunities for reconciliation. In Northern Ireland, for instance, the non-governmental organisations Counteract and Future Ways have provided training, advice and research to develop practical steps to more neutral and diverse cultures in the workplace.

Taking the principle to its logical conclusion, generating shared economic activity across conflict lines is perhaps the most significant contribution the private sector can make. It not only serves to promote reconciliation but also to create a sense of mutual dependency. It also creates much needed jobs. The US corporation Peaceworks for example has worked since 1994 to establish joint business ventures across the conflict line between Arabs and Israelis, to source gourmet food and other goods for its diverse range of products. This joint business model has since been applied in other conflict contexts, such as Guatemala and Mexico.

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Box 3 – Engaging small and medium-sized enterprises (SMEs)
         in the South Caucasus

In 2004, after an 18-month research project on the links between economies and conflict in the region, International Alert (IA), together with the Economy and Conflict Research Group of the South Caucasus (ECRG), published a book entitled *From War Economies to Peace Economies* in the South Caucasus. Each chapter, written by researchers from Azerbaijan, Armenia, Georgia and Turkey, as well as Abkhazia, Nagorno-Karabakh and South Ossetia, offers an individual perspective on these interactions. Based on the findings, the group and IA decided to engage small and medium-sized enterprises (SMEs), especially those operating in border zones and

areas most affected by economic blockades and closed borders. Through meetings convened in Azerbaijan, Armenia, Georgia, Abkhazia, Nagorno-Karabakh and South Ossetia, the attitudes of SMEs on economic cooperation and peace were explored. While many SME representatives were cautious about 'cooperating with the enemy', they also voiced an interest in exploring the regional investment climate in anticipation of a future settlement of the conflicts. Although, for example, questions during the meeting in South Ossetia were framed in an open way, without direct reference to the conflict, 80% of suggestions voiced by South Ossetian SMEs mentioned the need to put an end to the conflict with Georgia – an endorsement of the business case for peace.

Ultimately, the ECRG sees economic integration of the region, possibly in the form of a regional SME network, as an important tool for peacebuilding and conflict transformation. It continues to pursue this goal with ongoing engagement, including a planned forum for regional SMEs to meet with each other and Turkish counterparts in Turkey.

In summary, peacebuilding need not be 'political' but can fall directly within the mandate, and indeed responsibility, of the private sector. The examples above illustrate that companies have the capacity to contribute whilst remaining firmly within their own sphere of control.

Social investment

Many people's expectations of the private sector when it comes to peacebuilding revolve around its financial resources. Clearly, many companies are in the position to provide funds to address deep-rooted socio-economic problems, and although this should not be seen as the sum of the private sector's role, it can be important. With that said, however, there is only limited value in businesses 'blindly' contributing. To re-iterate a previous argument, it is not so much development per se but the right kind of development that matters in a conflict context. There is much that the private sector can do to support education and health programmes, local enterprise development, etc. but these activities should be targeted in ways which focus on groups or issues particularly pertinent to the conflict.

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Box 4 – The National Business Initiative's Business Trust in South Africa

In South Africa, the National Business Initiative facilitated the establishment of the Business Trust, which it now manages. The trust mobilises some 1 billion Rand from over 100 South African and multinational companies to address job creation, specifically in tourism, and education, specifically the school system. Its executive Board of Trustees comprises top business leaders and government ministers, offering an excellent model of public-private cooperation and of channelling corporate resources to address urgent national needs.

Social investment is not only a question of financial resources. The modern reality is that the best and brightest often head for better-paid positions within the private sector, leaving the public sector relatively poorly staffed. The private sector is thus a repository of skills and experience which can lend themselves directly to addressing some of the structural deficiencies within society. In other words, companies have human resources which can support the capacity-building and professionalisation of public institutions and NGOs.

(From: Nelson 2000)

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Policy dialogue

Perhaps the most controversial but at the same time very interesting aspect of the private sector's potential relates to its capacity to influence others and to act as a broker between opposing sides. In a sense, this is traditional conflict resolution. Although it is an area most businesses would instinctively shy away from, there are many opportunities which can and have been seized that utilise the strengths of the business community. For example, no other sector has such expertise in publicity and media campaigns, which can be directed towards mobilising society in demanding a peaceful end to the conflict.

Box 5 – Sri Lanka First campaign

In September 2001, a group of trade associations from the garment, tea, tourism and freight sectors banded together to launch a very public campaign urging citizens of Sri Lanka to voice their opinions on the urgency of peace. Companies that previously had been working around the conflict were shocked into involvement by the devastating attack on the country's only international airport. The initial impetus for this initiative came from the tourism industry, which brought together a group of marketing and PR specialists charged with the task of re-positioning the country on the global tourism map. This led to the creation of the Sri Lanka First campaign, in which a coalition of business leaders encouraged people to take part in a solidarity demonstration, during which people formed a chain across the island through holding hands.

The group then decided that its emphasis must be to raise public awareness about the costs of war and the ways in which peace would allow war monies to be invested back into social and economic infrastructure (the so-called peace dividend). Its rallying call has thus from the beginning centred on the costs conflict imposes on political, social and economic development. The messages Sri Lanka First put out in the campaign balanced information on the negative costs of the war with positive messages encouraging faith in stability. Well-known personalities were encouraged to endorse the campaign on TV. Prior to Sri Lanka's general election of 5 December 2001, the Sri Lanka First campaign placed adverts on TV and in the press, asking the electorate to vote wisely and for peace. A number of other local organisations also placed such ads.

With the signing of the ceasefire agreement there was a lull in the activities of Sri Lanka First. This may have been because the campaigners had to re-design their role once the peace talks began, and not due to a lack of desire to play a role. However, the breakdown of formal peace talks, coupled with the increased political instability in Colombo in late 2003, created renewed urgency for action amongst business people in Colombo, especially for Sri Lanka First.

Sri Lanka First had developed a strong interest in an exposure visit to South Africa since late 2002, when IA brought the CEO of the South Africa Business Trust to Sri Lanka to meet with business leaders. In a facilitated series of joint analyses with Sri Lanka First and a group of ten business leaders in Colombo it was explored how they might support the peace process. The idea of a high level delegation to South Africa was revived as it addressed the two main challenges identified by the participants: a) the need for influential business leaders to understand their role in supporting the peace process, and b) the need to demonstrate unified Southern support for peace.

The delegation visited South Africa in May 2004. It consisted mainly of business leaders and also participants from the media and the political field, who were hoped to play a strong supportive and advisory role. The delegation met a range of leaders critical to the peace process in South Africa, including Rolf Meyer and Cyril Ramaphosa, negotiators for the Government of South Africa and the African National Congress, and Theuns Eloff and Colin Coleman, leaders of

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the Consultative Business Movement (created by concerned businesspeople) which had facilitated political/ constitutional dialogues central to the peace process. Each meeting allowed for exploration of the South African experience as well as time for discussion. Separate meetings were arranged for facilitated discussion among the Sri Lankan delegation, which promoted reflection, analysis and development of ideas for the Sri Lanka context.

Upon their return the group has formed itself as part of Sri Lanka First. They have remained cohesive and focused, meeting almost weekly. They have brought on board a small, select group of business leaders and hired a full-time coordinator with their own funds. Their main objective has been to promote inclusiveness in the peace process. In South Africa they learned of the necessity of broad political support for a strong peace process – Sri Lanka's southern political class, and subsequently the general public, has yet to be unified. The group hopes to act as a facilitator and convenor for these parties so that they can better understand how to reconcile their differences related to the peace process.

In democratic societies at least, such campaigns can have the effect of persuading political parties that there are votes to be had in advocating a negotiated settlement and even compromise. Too often, the loudest voices are the most extreme. Emphasising the economic costs of conflict and the benefits of peace can be instrumental in changing attitudes.

Box 6 – Collective corporate action in Northern Ireland

Conflict has had a negative impact on business and economic growth in Northern Ireland where there has been ongoing violence between Protestants and Catholics for the last 30 years. In the early 1990s, Northern Ireland's business community began to acknowledge the explicit link between protracted sectarian conflict and slow economic growth. The companies forming the Northern Ireland Confederation of British Industry (CBI) decided that if they wanted to improve the economic situation they needed to become strategically engaged in the peace process. As the representative voice of regional businesses and an independent non-party organisation, the CBI was well-positioned to lead a private sector peace initiative. It helped Northern Ireland work towards peace in two ways: by operating as a policy think tank and as a lobbying group.

In 1994, the Northern Ireland CBI produced a publication that it referred to as 'the peace dividend paper'. This spelled out an economic rationale for peace. The paper examined the negative economic impact of violence in Northern Ireland identifying:
  • Increased security costs for the private sector, especially in sectors such as retailing
  • An image problem that made foreign investors reluctant to invest in Northern Ireland
  • Emigration of some of the brightest young people, including many would-be entrepreneurs
The peace dividend paper also argued that if violence ceased, public money currently spent on law, order and protective services could be reinvested into other sectors. More funds for education and infrastructure could help boost further economic growth. The media and politicians adopted the term 'peace dividend' from the CBI paper and began using it extensively. By approaching peace from a business angle, the CBI thus helped to change the terms of debate and to maintain the momentum of the peace process.

In 1996 the CBI joined with six other trade and business organisations to create the Group of 7. It includes the CBI, the Hospitality Association for Northern Ireland, the Institute of Directors, the Northern Ireland Chamber of Commerce and Industry, the Northern Ireland Growth Challenge, the Northern Ireland Economic Council, and the Northern Ireland Committee of the Irish Congress of Trade Unions. As a collective voice of Northern Irish economic interests, the

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Group was endowed with considerable authority. It chose to use its influence to advance one principal message – Northern Ireland must make a 'stark choice' between a future of peace and prosperity and a destiny as 'one of the world's most irredeemable trouble spots.' In October 1996, the Group of 7 invited representatives of all nine political parties involved in the peace talks to a meeting in Belfast. Collective meetings, rather than individual ones, reflect the Group's strategy of political cooperation and impartiality. Over the next 21 months, the Group of 7 had five further meetings with the various political parties contributing their input to the political debate.

The Group of 7 also continued to lobby for peace in other ways. Tactics included:
- Media statements: At critical junctures the Group of 7 released press statements to keep up public pressure on politicians to make peace.
- Individual appeals: The Group of 7 also lobbied individuals, at one point disseminating a letter to business colleagues and asking them to distribute it to their employees

(From: Nelson 2000)

Both of these examples illustrate how the private sector's reach and resources can be harnessed to attempt to shift mindsets amongst the broader society. However, the same principle can be applied to brokering agreement amongst political leaders. One stumbling block to pursuing a negotiated settlement in some emerging democracies suffering from conflict is the intense infighting and competition for power among political parties. With respect to Northern Ireland, unwritten agreement was reached between the main political parties in Great Britain not to exploit the conflict as a political tool. In contrast, ever since the war with the Liberation Tigers of Tamil Eelam (LTTE) began in Sri Lanka in 1983, the conflict has been used by politicians on both sides as a means of trying to win votes by portraying the incumbent government as too soft.

Recognising this as a key obstacle, in the late 1990s a group of prominent Sri Lankan business leaders pledged to broker an agreement between the two main political parties on a number of national issues, including the basis for resolving the conflict. The initiative ultimately failed, but it did illustrate the potential convening power of the private sector. It also set an important precedent for the business community's involvement in the peace process.

One of the reasons for the initiative's failure may have been the assumption on behalf of the business leaders that their economic muscle provided them with the political strength to force an agreement. Insufficient effort was made to develop relationships and the necessary popular support, which would have leant the initiative greater weight and credibility.

The experience in South Africa was different. The close links between white-owned businesses and the apartheid regime would have made any kind of brokering or support role by the private sector impossible without a lengthy and patient period of relationship building. This emphasis on process enabled the business community to play a key role in providing technical, logistical and administrative support to the peace process, an often underestimated need with a direct link to the skills and resources of many companies.

Box 7 – Business engagement in South Africa's peace process
Often without public knowledge, business pressurised the apartheid government during the late 1970s and 1980s to change its policies. Sometimes the motivation to do this was moral; more often it was based on enlightened self-interest. Apartheid was, in the end, not good for business. Pressure came also from organised business – sometimes in general terms (e.g. from the Federated Chamber of Industries), sometimes more specifically (e.g. from the Urban Foundation focused on influx control and housing policy).

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In the late 1980s, when it was clear that the country's political situation was rapidly heading for deadlock, individual business leaders and companies facilitated contact between business and political organisations clearly representing the majority of South Africans – externally, the African National Congress (ANC), and internally, the United Democratic Front (UDF). The aim was to build relationships between business and political leaders, including those from the Nationalist government and parties such as the Inkatha Freedom Party (IFP). The ultimate goal was to see whether business could play a facilitative role between the politicians. The Consultative Business Movement (CBM) was established in 1988 to play this role, after lengthy consultation and a ground-breaking meeting between 40 business and 40 community leaders.

The slow and sometimes frustrating process of relationship building paid off in the early 1990s when business - spearheaded by CBM, but later including organised business such as the South African Chamber of Business (SACOB) and the Afrikaanse Handels-Institut (AHI) - joined forces with church and labour leaders. This led to the signing of the National Peace Accord in September 1991. In implementing the accord, business played a role in the regional and local peace committees, not only providing financial assistance, but also making available human resources and leadership (e.g. the Chairperson of the National Peace Committee, John Hall, was an executive of Barlow Rand). As the first multi-party negotiating process since the unbanning of the country's political movements, the peace process laid the foundation for the Convention for a Democratic South Africa (CODESA) and the multiparty negotiating process at Kempton Park.

During the constitutional negotiations, business played two important roles: through CBM, it provided the secretariat to CODESA and all of the administration for the multi-party negotiating process. Outside the process, it continued to pressurise the political parties to reach a settlement as soon as possible. Business also intervened and played the role of shuttle diplomat when deadlocks loomed or occurred. One of the lesser-known interventions was the production of two documents by CBM on regional competencies and finances (with full cooperation of the parties and expertise from South African and international constitutional advisors). The first of these provided the negotiators at Kempton Park with the formulas on regional competencies for the Interim Constitution, helping them overcome a potential stumbling block.

Business also played various roles in the country's first democratic elections. It brought the Zulu-based IFP into the election process, for example. In 1994 CBM created the Business Election Fund which mobilised nearly 50 million Rand in cash and in kind, and ran a major media campaign on the importance of free, fair and successful elections. It also mobilised some companies to help with logistics around the elections, such as transporting ballot papers to remote areas.

(From: Nelson 2000, with input from T. Eloff)

4.2 Provincial/ regional business

National-level businesses tend to be concentrated in capital cities. Whilst they may have subsidiaries and operations outside, they lead a privileged existence far removed from the realities of violent conflict which may only occasionally affect their daily lives. This has often been an obstacle to their involvement in peacebuilding. In contrast, those based outside the capital, whilst probably smaller, less wealthy and less influential, are more likely to struggle against the day-to-day challenges of doing business in the midst of a violent conflict. This can make them more committed to restoring peace (and so more inclined to work together), more in touch with the suffering of the

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wider population (and therefore more aware of their needs), and closer to those actually doing the fighting (and thus more exposed to the dangers but also better placed to make a difference on the ground).

Distance and relative isolation from the capital coupled with the impacts of the conflict inevitably result in reduced resources and capacity, making cooperation with others a clear need. Regional branches of chambers of commerce and other business associations offer a vital support network, which can be tapped to generate constructive action throughout the country. Whilst many of the potential interventions and activities described above can be equally relevant to the private sector at this level, the main difference lies in the tangible impact which such activities can have on people's quality of life.

It should also be stressed that the knowledge and experience of business leaders at this level can be a valuable resource when it comes to designing economic development plans for the country. Ideas imposed from central government which fail to acknowledge or address real needs can themselves be a source of conflict and certainly a trigger for a return to conflict. It is well understood amongst development actors that local ownership is key to making development work. Businesses can facilitate this based on the characteristics noted earlier, namely convening power and (potentially) relative impartiality.

Box 8 – The Business for Peace Alliance (BPA) in Sri Lanka

The BPA is a non-partisan, non-hierarchical working group of representatives from 15 regional chambers of commerce representing all provinces in Sri Lanka. They have convened 12 times in all regions of the country and have a series of ongoing practical projects that combine private sector interests with peacebuilding, such as chamber-to-chamber peace visits; a consortium of chambers from the north and east of Sri Lanka that constitute areas of conflict; an all-island regional business directory; regional policy delivery to Colombo through Domestic Investors Dialogues; and a planned business hotel in Jaffna. UNDP and IA have co-sponsored the BPA, which has been functional since November 2002.

Its mission is to help build peace and reconciliation. In pursuit of this core purpose, its objectives are:
- To generate peace dividends at the local level
- To strengthen provincial and inter-provincial economic activity through business associations
- To persuade policymakers on key issues affecting peace and stability
- To practice the principles of CSR in all alliance programmes and activities

Members of the BPA have direct contact with the local community that they operate in and are influential members of. They are part of the social circles and have close relationships at that level. At the same time most members have access to politicians, government officials, international organisations and other decision makers in Colombo. Their network thus connects them vertically to the grass roots as well as to the top. They also have horizontal connections with the conflicting parties. Hence they are in a position to work at all levels and also across the lines of division.

The individual members who now form the core group of the BPA were initially selected because of their leadership qualities and identified as dynamic champions of the cause they believed in. A close bond was created amongst the members who attended the first meeting because an association of this nature was unique. This bond has grown stronger over time.

Today, the BPA hopes to strengthen its institutional capacities through such joint activities as training workshops for members, collaborative projects among participating chambers, and cooperation with civil society groups, international actors and donors.

4.3 Grassroots/ informal traders

Much the same rationale and principles apply at this level of the private sector as with national and regional businesses. Whether in a local manifestation of a wider conflict or a community level dispute turned violent, the role of local business leaders can be substantial. Indeed, business leaders in small towns or villages can be de facto community leaders respected by all parties, thereby giving them proportionately greater influence than even the owners of national businesses.

In many civil wars, the greatest long-term challenge lies in reconciling and reintegrating individuals who may have fled the violence as refugees, or participated in it as soldiers on one side or the other, with those who remained behind. It is at this level, whether in promoting reintegration or providing employment, that peace can be made to last. In this challenge the role of even small traders can be instrumental.

**Box 9 – Market-Trading between 'Enemies' – the example of South Caucasus'
Sadakhlo Market**

Sadakhlo is an unofficial outdoors market in the South Caucasus, situated on Georgian territory bordering both Azerbaijan and Armenia. Armenians and Azeris have been trading on the market since the early 1990s, despite the official economic blockade between the two countries, and goods are bought and sold in exchange for US dollars, Russian rubels, Azerbaijani mantas, Armenian drams and Georgian lari.

The market on third-country territory provides a 'safe space' for ethnic Azeris and Armenians to meet and exchange, where the topic of politics is carefully avoided. Interestingly, market activities peaked during the worst and most violent period of the military conflict over Nagorno-Karabakh. This illustrates the complexity of grassroots economic activity in conflict zones, and is significant in two ways: on the one hand, profits on the market shot up due to the volatile situation, allowing traders to 'do well out of war'; on the other hand, economic interaction continued despite open conflict and provided a space for the two ethnic groups to continue to meet.

5. WITH WHOM? Identifying partners for collective action

We are not suggesting that conflicts can be resolved by the private sector alone, nor that the private sector should always act alone. Although rarely seen as such, the private sector is a part of civil society and needs to act in concert with others in order to strengthen both its specific impact and the collective impact of the wider peace movement.

As argued previously, priority should be given to cooperation within the business community itself. Such cooperation ensures not only a pooling of resources and expertise but far greater levels of influence. Beyond the practical advantages of collective action, interventions under a wider umbrella provide safety in numbers, which may be critical in many contexts. In countries where governments control the economy to a significant degree and where profits are dependent upon good relations with the state, it is a brave individual indeed who is willing to act alone and risk alienating the political elites. Combating corruption, for example, is clearly something which requires the commitment and sustained efforts of many businesses acting together.

One of the advantages businesses have is a source of ready-made networks in the form of chambers of commerce and various business associations. There is often competition amongst

them, but at least they provide a basis for developing joint action. As we have seen, such networks offer strength in depth and a wide reach through affiliates throughout the country. By themselves, however, they are limited in terms of leadership. The weakness of chambers is the need to carry a wide and diverse range of members with them. This suggests that a combination of chambers and prominent individual leaders is likely to prove more successful.

The private sector's mandate needs to come as much as possible from the broader society, emphasising the need to consolidate links with NGOs and others, both as a means of strengthening its own impact and as a means of lending its interventions credibility. This means coordination and, if and when appropriate, integration with the work of NGOs in particular. For this to happen, the private sector needs to engage in proper consultation and relationship building, partly to identify its niche, partly to provide support to the initiatives of others, partly, and perhaps most importantly, to develop the trust necessary to making a positive contribution.

An advantage of the private sector in comparison with NGOs lies in its greater access and influence, particularly at the political level. Clearly, working with the government can be a double-edged sword. For the private sector, at least, it is almost always a necessity. As illustrated by some of the case studies, it is possible to define activities that verge on the political without compromising impartiality or alienating the state. Given that the government is a critical conflict actor, the private sector is well placed to influence decision-making at the highest level to support both resolution of the conflict and longer-term peacebuilding.

Finally, the international community represents both a potential partner and a valuable supporter. It can be a partner in the sense that bilateral and multilateral donors and international NGOs are usually the main source of support to countries in conflict, be it through development aid, programmes on good governance and regulatory reform, humanitarian and relief work, health and education, etc. It can be a supporter in being instrumental in galvanising and encouraging a peacebuilding role for the private sector. To date, however, the international community has been slow to recognise the private sector's potential, focusing almost exclusively on business as an agent of economic development rather than peacebuilding. Moreover, this focus has in itself tended to be 'conflict-blind' – raising additional challenges that need consideration.
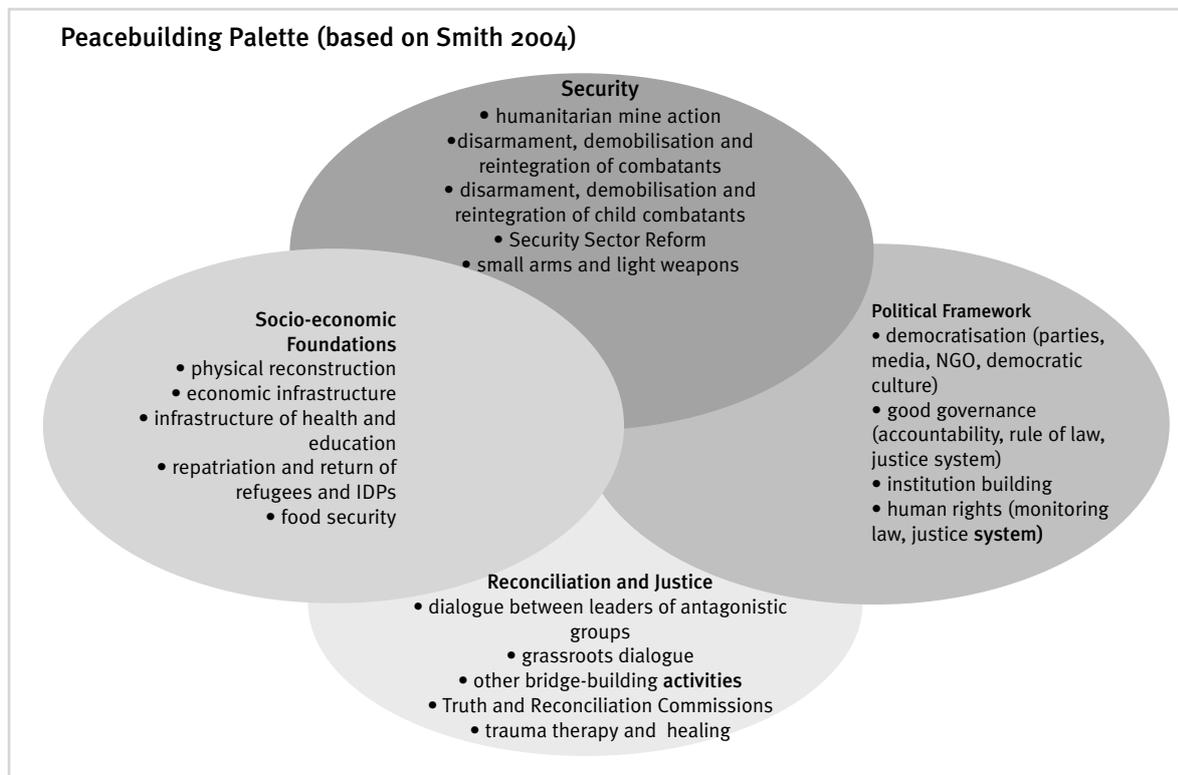
5.1 International cooperation in the context of development policy

Two broad strands of development policy and implementation clearly present themselves as relevant for a study of local private sector activities in conflict zones: donor engagement in conflict prevention and peacebuilding, and the role of the private sector and market-based instruments in poverty alleviation and development. The two are connected, in the current development paradigm, by the assumption that, if war is 'development in reverse', economic growth is a panacea for war. In the following sections, we present current initiatives and their relevance for local business. (For a critical debate of some of the assumptions underlying these policies, see Lock 2005.)

5.1.1 *Donor support to peacebuilding*

Since first introduced by the UN report *An Agenda for Peace* in 1992, the notion of 'peacebuilding' has become progressively more comprehensive, complex and multi-dimensional. It has come to cover ever more actors (including civil society), activities and timeframes: before, during and after war, peacebuilding 'is aimed at preventing the outbreak of, the recurrence, or continuation of armed conflict' (UN Security Council, quoted in Smith 2004). It thus covers a

wide range of policy and intervention areas, which have evolved over the last years and are now understood by some as a 'peacebuilding palette':

Peacebuilding Palette (based on Smith 2004)

Security
- humanitarian mine action
- disarmament, demobilisation and reintegration of combatants
- disarmament, demobilisation and reintegration of child combatants
- Security Sector Reform
- small arms and light weapons

Socio-economic Foundations
- physical reconstruction
- economic infrastructure
- infrastructure of health and education
- repatriation and return of refugees and IDPs
- food security

Political Framework
- democratisation (parties, media, NGO, democratic culture)
- good governance (accountability, rule of law, justice system)
- institution building
- human rights (monitoring law, justice **system**)

Reconciliation and Justice
- dialogue between leaders of antagonistic groups
- grassroots dialogue
- other bridge-building **activities**
- Truth and Reconciliation Commissions
- trauma therapy and healing

It is also now recognised that, as with development assistance, peacekeeping interventions can have negative economic effects on local business activities, seriously distorting local economies by creating excessive demand and boosting the prices for goods, rents and salaries, often astronomically. This can lead to a temporary 'brain drain' of highly educated locals to international and non-governmental organisations, usually to work as translators, etc. This can seriously harm local businesses that cannot offer competitive salaries, starving them of much needed expertise and skills.

5.1.2 *Private sector development (PSD)*

Coming at the policy issues from the other end of the spectrum is the strong emphasis that international development paradigms now place on a role for both the international and local private sectors in realising sustainable development goals. Donor agencies and other secondary actors intervene at both micro- and macro-levels for development purposes.

In particular, the development of micro, small or medium-size enterprises is meant to promote productivity and economic growth, and by extension create jobs in order to reduce poverty. Such 'pro-poor' PSD seeks to achieve competitive markets, foster entrepreneurship, and establish effective property rights systems (SIDA 2003). PSD is also targeted to diversify economies that are often heavily reliant on the export of primary commodities, and therefore vulnerable to external price shocks and trade imbalances (economies that have in turn been identified in World Bank analyses as being conflict-prone).

Another dimension of PSD to be mentioned, given the above discussion on 'how', is the promotion of CSR, which has been dubbed as 'development done by the private sector' (Vives 2004). Examples include the Corporate Citizenship Facility of the World Bank's International Finance

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Corporation (IFC), or USAID's Global Development Alliance. To encourage local businesses to take up CSR, a recent initiative of the Swedish government recommends that donor support be extended to local or national intermediary organisations, such as business associations. They could serve as forums to share good practice and build better linkages with international companies and markets, build local CSR capacity, and share the international CSR debate with developing country governments and local businesses. Donors have also begun to integrate CSR more into their SME development projects (Fox and Prescott 2004). CSR 'trickle-down' from foreign TNCs to local businesses is in addition encouraged through responsible joint ventures, supply chains and so on. UNDP's Growing Sustainable Business Initiative or DFID's challenge funds are examples of such global-local linkages for sustainable development. Within a country, multilateral development institutions work with large private firms that, as part of their own CSR activities, invest jointly into microenterprise projects (Vives 2004). They also work with governments to build their capacity to encourage CSR, for instance in the World Bank's CSR Practice, situated within its Private Sector Advisory Services Department. Their work has included advice to some countries that are affected by or have just emerged from conflict, such as Angola and the Philippines.

Development interventions have also targeted the informal sector, which comprises the majority of micro and small enterprises, holds considerable assets (often far outweighing Foreign Direct Investments), and provides the majority of jobs outside the agricultural sector in most developing countries. Moreover, the informal sector represents an important survival strategy for workers who are not absorbed by the formal economy. Increasingly, donors are seeking policies that will help harness the economic potential invested in the informal sector. At the community level, micro-credit schemes seek to extend financial services to informal sector actors, and now cover 25-30 million 'clients' worldwide (SIDA 2003). Some of these schemes specifically target countries currently in, or emerging from, conflict: the UN Capital Development Fund (UNDCF) Microfinance, for instance, is mobilising donors such as UNDP and the German Kreditanstalt für Wiederaufbau to participate in a microfinance capacity-building project in Sierra Leone, to extend financial services to up to 80,000 recipients by 2009 (UNCDF Microfinance).

Microfinance schemes have subsequently been augmented by Business Development Services (BDS) that complement cash with transferring the necessary skills to develop and run a business. Such non-financial services include "training; giving technical and managerial assistance; developing, adapting and promoting new technology; assessing markets and giving marketing support; providing a physical infrastructure; and advocating policy" (Dawson, Kapila and Mead 2002). A recent study observes that one aspect contributing to the success of BDS was that "these projects were all attempting to bring about basic, structural change… they addressed traditionally unequal power relationships between poor producers and other actors further up the value chain" (ibid.). Addressing such structural causes of power inequality chimes with key issues in conflict transformation – yet the conflict potential of such structural change was not addressed in either the projects or the study.

5.1.3 Structural reforms

At a macro-level, the international community is in the business of promoting 'enabling environments' for growth. This includes sound macro-economic policies at the national level (as promoted by International Monetary Fund's policies on low inflation and low budget deficits). Poverty Reduction Strategy Papers (PRSPs) are formulated by International Financial Institutions and local governments, to address the ways such policies benefit the poor, covering macroeconomic and social policies and programmes, together with financing needs, and often leading to dramatic

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privatisation of different state sectors. This process has been criticised for lack of country ownership, and limited participation by stakeholders, such as civil society and the local private sector. The World Bank, together with DFID, is currently adapting the PRSP process to the specific needs of conflict countries, to heighten awareness of conflict issues and conflict-sensitise the formulation and implementation of PRSPs, which hitherto have not taken likely impacts on conflict into account. 25 countries currently engaging in a PRSP process are considered by the World Bank as affected by conflict.[1]

At the same time, the privatisation of entire sectors has been pushed by the international community since the 1980s, in an attempt to stimulate economic growth and make formerly state-owned companies more efficient. Since the 1990s, privatisation schemes also affect the provision of public services such as water supply. The World Bank estimates that, globally, the number of firms changed or changing into private ownership now exceeds 100,000 – with major implications for the local private sector as well as consumers.[2] Yet the case has been made that macroeconomic adjustment programmes can increase social tensions by removing subsidies, cutting jobs and income, frequently leading to demonstrations and social unrest (Nafziger and Auvinen 2003, Chua 2004). In at least two cases, those of Bosnia and Rwanda, it has been explored how such programmes may have contributed to violent conflict and genocide (Uvin 1998, Woodward 1995, Chossudovsky 1995), and aid conditionality emphasising structural reforms has been blamed for being "blind to horizontal inequities and conflict issues" (Goodhand 2001).

6. Conclusion

Over the last 15 years, the shift in the geo-political environment which has seen a clear change in the nature of contemporary conflicts, away from inter-state wars to almost exclusively internal conflicts (although with regional and international repercussions), has been accompanied by a parallel shift in attitudes and approaches to conflict resolution and peacebuilding. What was once seen as the preserve of states, and multilateral bodies such as the UN, is now seen as a multi-faceted process that attempts to draw in a broad range of sectors. Taken together with the increasing attention devoted to the economic causes and drivers of these conflicts, as well as the critical importance of economic regeneration as an aspect of peacebuilding, this suggests the time is ripe for a greater focus on the positive potential of local business.

Perhaps the biggest obstacles to maximising this potential are a lack of recognition that the private sector has a role (amongst business communities themselves, NGOs, and the international community) coupled with a lack of understanding of what that role might be. Overcoming these obstacles will require a shift in attitudes away from a disproportionate focus on TNCs and away from the primary perceptions of the private sector as either agents of economic development divorced from the wider peacebuilding process, or else negative drivers of conflict. What is needed to engineer this shift is a combination of the following: Firstly, awareness-raising, not only amongst the private sector itself, but also amongst other local and international peacebuilding organisations. Secondly, further research into identifying the different types of role according to the size and nature of the business community, as well as the type and stage of the conflict. And, thirdly, more practical initiatives of the sort profiled here, supported and promoted by the international community, accompanied and studied by NGOs and scholars as necessary. For as this article has tried to show,

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1 http://lnweb18.worldbank.org/ESSD/sdvext.nsf/67ByDocName/ConflictPreventionandReconstruction
2 http://rru.worldbank.org/Discussions/topics/topic15.aspx

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there are sufficient examples of the local private sector contributing constructively to peace by harnessing its particular resources, skills, experience and influence to suggest it remains one of the underestimated and underused peacebuilding actors.

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