



# Business, peace, and world politics: The role of third parties in conflict resolution

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## KEYWORDS

Conflict resolution;  
Business in conflict environments;  
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**Abstract** With the growing role of the private sector in global politics comes increasing challenges and opportunities, an example of which is conducting business in pre- and post-conflict environments. While the extant business literature discusses the work these actors can do to reduce tensions in conflict zones, the role of these actors is notably absent in studies of conflict resolution. In this article, I offer an overview of the findings on conflict resolution processes by scholars in the field of political science. I then draw from business scholarship and offer an overview of the positive contributions the private sector can and does make toward peace. I conclude by highlighting the problems of having disjointed approaches and offering a conceptual framework for how these distinct approaches can be combined to generate a more comprehensive understanding of conflict resolution. © 2016 Kelley School of Business, Indiana University. Published by Elsevier Inc. All rights reserved.

## 1. Introduction

Business and politics are linked to the extent that one cannot be extracted from the other. Since the colonial days of the British East India Company and Cecil Rhodes, large companies have engaged in political activities away from their home country. With the spread of globalization, this linkage has only grown more common. Yet with the increasing roles of the private sector in global politics come increasing challenges and opportunities. One of those includes conducting business in pre- and post-conflict environments. Corporations are increasingly recognizing the challenges posed by operating in conflict-prone

environments (Kolk & Lenfant, 2010). As exit from environments experiencing conflict is not always desirable or feasible, corporations are increasingly being called upon to proactively engage in collaborative practical action to advance peace. For example, in 2013, the United Nations Global Compact launched Business for Peace as a leadership platform to assist companies in implementing responsible business practices that contribute to peace in conflict-affected and high-risk areas. There is a proliferation of advice and practical guides for companies operating in such environments, such as the UN's (2013) Global Compact, OECD's (2011) Guidelines for Multinational Enterprises, International Alert's multitude of country specific publications, as well as stakeholder and industry-led initiatives. These suggest that corporations have the desire and capability for action

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if given the know-how (Ganson, 2011). Indeed, risk management firms spend significant resources predicting and preparing for possible violence (Aon, 2015; Haufler, 1997). While there are cases when corporations have succeeded in preventing conflict from erupting (such as Tesco's mechanisms for addressing labor grievances in South Africa) and helped to solidify peace (as in the transformation of the coffee industry in Rwanda), some corporations remain bystanders to atrocities and human rights abuses (as in Talisman Energy's experiences in Sudan). Fort (2007) shows corporations need not be removed from the peace process, as there is a positive correlation between commerce, peace, and engagement. Capitalism, according to a *Forbes* report on corporate responsibility, can now sit side by side as a partner with the peace movement (Guthrie, 2014).

The Swedish Institute of International Affairs distinguishes among the phases of conflict during which third-party actors may help to promote peace: peacemaking, peacekeeping, and peacebuilding (Andersson, Evers, & Sjöstedt, 2011). *Peacemaking* involves efforts to separate the warring parties and find ways for them to work out their disagreements, such as the U.S. and EU-led mediation of the peace conference that generated the Dayton Peace Accords. Following such agreements, *peacekeeping* seeks to maintain truces among factions after a peace accord has been adopted. *Peacebuilding* activities are preventative in nature, helping address the various social and economic causes of conflict and creating an atmosphere for peaceful dispute resolution. The focus of this article is on the first of these categories: making peace after violent conflict has arisen. While public and private third parties have roles to play in each stage of creating peace, the literature on peacemaking within political science is one of the more robust and developed areas of research. This is also the arena where we are likely to be able to observe third-party engagement as well as the greatest costs for inaction. As Fort (2015) highlights, however, we must not think only actors in conflict zones deal with the issue of peace, since technologies and practices can spread and can have a broader impact on peacebuilding than we might initially think.

While practitioners have embraced the concept of corporations working for peace and the business literature discusses the work these actors can do to reduce tensions in conflict zones (Getz & Oetzel, 2009; Oetzel, Getz, & Ladek, 2007), the role of these actors is notably absent in studies of conflict resolution. In this article, I offer an overview of the findings on conflict resolution processes by scholars in the field of political science. I then draw from

business scholarship and offer an overview of the positive contributions the private sector can and does make toward peace. I conclude by highlighting the problems of having disjointed approaches and offering a conceptual framework for how these distinct approaches can be combined to generate a more comprehensive understanding of conflict resolution.

## 2. The challenge: Peace and conflict since WWII

Conflict management, like conflict, spans both history and the globe. It is as old as conflict itself. In 1492, following Columbus' discovery of the West Indies, a delimitation of the Spanish and Portuguese spheres of exploration was desired. European imperial rivalries and colonial pressures made clear that conflict would soon arise over the land claims of Spain and Portugal (Elliott, 2006). In May of 1493, after vigorous petitioning by both Spain and Portugal, the Vatican acted to set a boundary between their respective spheres of interest (Davies, 1996). Pope Alexander VI issued a decree that established an imaginary line running north and south through the mid-Atlantic. Spain would have possession of any unclaimed territories to the west of the line, and Portugal would have possession of any unclaimed territory to the east of the line. The New World was thus neatly bifurcated by the sole authority of a third party (Davies, 1996).

There are other examples of third-party actors stepping in to help resolve conflict throughout history. In 1905, Theodore Roosevelt offered to act as an intermediary between the claims of Russia and Japan over interests in northern China and Korea (Roosevelt, 1985). Japanese and Russian delegates met with the president on board a U.S. naval ship in Oyster Bay and later in Portsmouth, New Hampshire. For his mediation efforts, President Roosevelt became the first American to receive the Nobel Peace Prize. Roosevelt later arbitrated a dispute between France and Germany over the division of Morocco. These actions possibly helped to postpone a world war.

Corporations can also play important roles in conflict management. For example, Energoinvest, a Bosnian construction company, restored its pre-war partners to rebuild the country's infrastructure; Komatsu is a Japanese machine company that has helped to create educational programs in Cambodia and Afghanistan to raise awareness about landmines; and ArcelorMittal is a Luxemburg mining company that engages with a diverse range of stakeholders in Liberia's post-conflict environment

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