

# Corporate Social Responsibility Plus Peace?



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On 3–5 October 2013 at the University of San Diego, business leaders, community organisations and academics came together for a conference themed ‘Leadership for Peace and Prosperity’. The conference was organised by the Ahlers Center for International Business and the Center for Peace and Commerce, along with the Institute for Economics and Peace.

## Context

When considering the institutions and actors that might foster peaceful societies, business does not figure highly. In contrast, business is often thought of as a contributor to conflict. Prominent examples include the activities of Shell in Nigeria, Bougainville Copper Limited in Bougainville, and Freeport in Papua. In spite of the vast academic literature that points to the correlation between business and conflict (especially the natural resource sector), there is growing recognition among policy makers and academics that business could be a valuable partner in conflict prevention and post-conflict reconstruction.

The logic at the heart of the business and peace scholarship is that economic development, the alleviation of poverty, the rebuilding of infrastructure destroyed as a result of violence, as well as livelihood opportunities, are crucial elements in building sustainable peace. Importantly, all of these activities depend on business. This connection has generated interest in the potential positive contributions of business to peace-building processes. Examples of how business might further peace include: fostering economic development, adopting principles of external evaluation, contributing to a sense of community, engaging in track-two diplomacy, as well as engaging in conflict sensitive practices such as undertaking conflict impact assessments.<sup>1</sup>

## The Need For a New Paradigm

The conference was opened by Steve Killelea, pioneer of the Global Peace Index — a benchmark for measuring the peacefulness of societies. His

talk focussed on the paradox of international efforts to promote peace whereby countries receiving the most international support are becoming less peaceful. This, he argued, was the result of a peace-building paradigm built on defence and force that increases violence and spreads terrorism. Killelea argued for a new paradigm based on giving peace an economic value.

David Stephens, Advisor to Professor Muhammad Yunus, agreed with Killelea, claiming that philanthropy, government intervention and education are not enough in isolation to sustain peace. To sustain peace, he argued, you need to see things from the ‘worm’s eye view’. Drawing on an encounter between Professor Yunus and food products company Danone, Stephens suggested that one alternative model is to turn to business and ask it to use its talent to solve social problems. The example provided was a non-profit Danone initiative in Bangladesh aimed at increasing the consumption of essential nutrients among children through an affordable cup of yoghurt. Stephens claimed that despite many obstacles to the program, it was deemed a success by independent nutritionists. The success of this initiative raises the question as to whether approaches of this kind might meaningfully translate into projects that promote peace. Could business be asked to solve social problems that give rise to armed conflict?

## Is Business Coming To the Table?

An important question raised during the conference was how easy or difficult it is to get peace-building on the corporate agenda. Sandra Stash, formerly of BP and Talisman, suggested that the Deepwater Horizon oil spill in the Gulf of Mexico was a wake-up call for the extractives industry. She claimed however, that while companies understand very well the need to achieve and hold a social license to operate, the more difficult issue is how to integrate sustainability concerns into procedural changes across the whole company. Stash suggested the

steepest challenge for the extractives industry is to switch from its historical approach of responding to incidents when they arise and to prevent their occurrence in the first place. Specific strategies she highlighted included: the provision of mutual benefits for all stakeholders, a more 'free-flowing' form of environmental impact assessment, as well as efforts to engage in dialogue with communities.

### More of the Same?

The presentations by industry leaders were a welcome contribution to the conference. The examples they provided of corporate engagement in peace however, were quite narrow. Issues included: nutrition, water, transparency and recycling. While initiatives in these areas are clearly important, they constitute activities that sit under the existing umbrella of Corporate Social Responsibility (CSR). The limitation of this is that we lack understanding of how and why the CSR practices already deployed by corporations operating in conflict affected societies can have negative or unintended consequences. Much of the discourse on CSR simply assumes that the voluntary commitments pursued by multinational corporations are beneficial for the affected societies and environments. This is unfortunate because there is little empirical support for this view. Indeed in some cases, particularly where armed conflict arises, these initiatives may even produce more harm than good. A significant example is Freeport-McMoRan Copper & Gold's commitment in the mid-1990s to distribute one per cent of annual gross revenue to local landowners in the Papuan province of Indonesia. The fund is believed to have created a welfare dependency mentality amongst the local community,<sup>2</sup> and a number of social problems related to substance abuse. In addition, through the inaccurate way it was distributed, the fund is alleged to have had a direct link to armed conflict.

Nonetheless, important questions were raised during the conference which may assist those seeking to capitalise on the business and peace nexus. Action beyond CSR is required if proactive business strategies to mitigate violence are to be

identified. Greater promise seems to reside in finding answers to very specific questions related to business in zones of conflict, including:

- Why has the frequency of attacks on energy infrastructure worldwide increased (Raymond Gilpin)?
- Why are villagers agreeing to privatise their land in areas where it is communally owned (Alison Rabe)?
- What duty do home state governments have to protect their citizens (Dost Bardouille & Anita Ramasastry)?
- Can corporations create oases of peace within the organisation that can permeate wider society (Carol Reade)?

### Summary

The Leadership for Peace and Prosperity conference provided a fruitful opportunity to bring together business leaders, community organisations, and academics. Business was shown to not only have the ability to contribute to peace, but that it is increasingly willing to adopt peace as a goal. Less clear are the measures by which this goal will be achieved and whether it will transcend CSR and the traditional focus on community development initiatives. The crucial outcome of this conference was a strong desire for future opportunities for collaboration between industry and academia on exploring the nexus between business and peace.

### Author Notes

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### Notes

- 1 Oetzel, J., M. Westermann-Behayl, C. Koerber, T.L. Fort & J. Rivera 2009. Business and Peace: Sketching the Terrain. *Journal of Business Ethics* 89(4): 351–73.
- 2 Abrash, A. 2001. The Amungme, Kamoro & Freeport: How Indigenous Papuans Have Resisted the World's Largest Gold and Copper Mine. *Cultural Survival Quarterly* Spring 2001. <<http://www.culturalsurvival.org/ourpublications/csq/article/the-amungme-kamoro-freeport-how-indigenous-papuans-have-resisted-worlds->> viewed 18/10/2013.

