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Need, creed, and greed: Understanding why business leaders focus on issues of peace

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Abstract While we know that business is key for stable peacebuilding, less is known about why business actually becomes involved in peace processes and peacebuilding. Based on a review of the academic literature and of case studies at the global level, this article addresses this question from three perspectives: First, business *needs* peace to solve specific problems related to their operations in unstable contexts. Second, some business leaders believe that social change is positive and in their self-interest and are willing to promote transformations (*creed*). Finally, business participation in peacebuilding may be motivated by the anticipation of renewed investment, profit, and growth (*greed*). The article argues that none of these perspectives alone can explain the bulk of business participation in peacebuilding efforts. Rather, depending on actor and context, each business strategy can be traced to multiple combinations of these motivations. The article suggests that simplistic generalizations hurt the development of desperately needed partnerships in mutual learning processes between business and other social actors. We need improved knowledge and understanding of the mechanisms of private sector decision making in transitional processes in order to stem unrealistic expectations or frustrations as to the capability and willingness of the private sector in supporting peace-related activity. This interdisciplinary approach should draw from management sciences, political science, and economics.

1. Need, creed, and greed[1]

Since the publication of Jane Nelson's (2000) *The Business of Peace* and the first UN resolution on cooperation between the UN and the private sector in 2001, the private sector has become the darling of international and domestic organizations seeking strategic partners in building sustainable peace. Since then, private sector actors—including multinational and domestic companies of all sizes and sectors as well as business associations and initiatives representing diverse interests—have become the focus of attention and efforts ranging from

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[1] Arnson and Zartman (2005) use the same concepts to refer to the factors explaining the onset and transformation of armed conflicts in an effort to qualify some of the previous assertions formulated by Berdal and Malone (2000) in relation to the political economy of armed conflicts literature.

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rebuilding economies devastated by war to supporting processes of combatant demobilization, promoting Human Rights, and participating in memory-making efforts. In brief, it has become standard procedure for development and peacebuilding initiatives to design strategies aimed at attracting investors, companies, and other business organizations.

The reasons for the growing popularity of the private sector derive from what Mahon (1996) defined as the 'structural power of capital,' or the fact that regardless of business actors' political intentions, their dominant role in capitalist systems invests them with the ability to shape political processes in greater proportion than, for example, social movements, although these may be larger in number and more visible in terms of their public strategies.[2] The reliance of capitalist systems on the welfare of business actors is also captured well in the prevailing 'liberal' peacebuilding model, which dispenses equal importance to the development of a healthy economy and of a functional democracy in the promotion of stable peace (Lemay-Hébert, 2013). More specifically, private sector actors are a crucial source of resources (e.g., land, capital, job opportunities), know how, and institutional capacity which stable and unstable systems rely on to promote peace and development. It is clear, therefore, why peacebuilding needs business.

Whereas the need for private sector involvement has been widely documented and undergirds multiple states, civil society, and multi-stakeholder peace initiatives, less is known about why business actually becomes involved in peace processes and peacebuilding. This article addresses this question from three perspectives:

1. Armed conflicts tend to affect economic conditions for investment, imposing all kinds of costs on the private sector, including operational and reputational costs. Under these circumstances, private sector actors become involved in the search for durable peace in order to control damage related to conflict and to solve specific problems related to their operations in unstable contexts. Here, I refer to this motivation as the *need* motivation: Business needs peace to resume operations and to become profitable again.

2. Business actors are not solely profit-driven machines, but socially complex organizations. The literature on corporate social responsibility has emphasized companies' willingness to prevent harm and do good as a result both of ideology (e.g., religious and philanthropic values) and of consumer-related demands (e.g., not wanting to contribute to child labor or deforestation or the violation of Human Rights; Doane, 2005; Vogel, 2005). Here, I refer to this motivation as the *creed* motivation: Often business leaders and actors believe that social change is positive and in their self-interest and are willing to engage in action to promote transformations leading to durable peace.

3. It is in the essence of business activity to seek opportunities for growth and investment (Friedman, 1970). When engaging in peace-related activity, some business actors are motivated by the classical profit motive or by the so-called peace dividend—that is, the expectation that there is money to be made once a country overcomes its conditions of instability. In this sense, business participation in peacebuilding may be motivated by the anticipation of renewed investment, revenue, and growth. I refer to this motivation as the *greed* motivation.

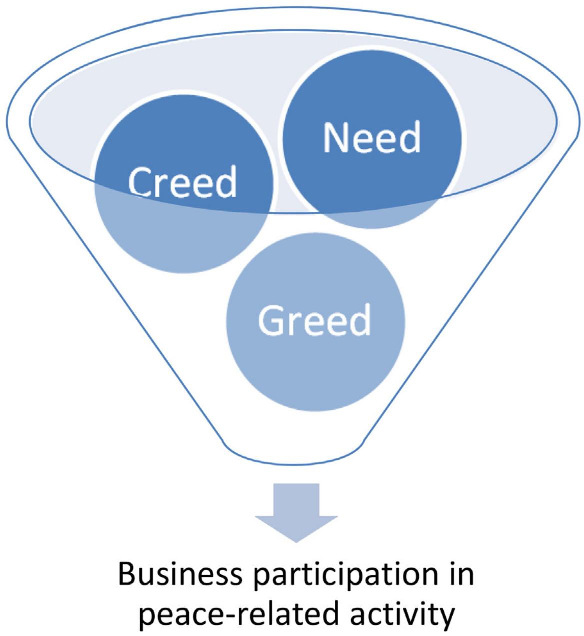
I argue here that none of the three perspectives alone can explain the bulk of business participation in peacebuilding efforts. Rather, depending on actor and context, each business strategy can be traced to multiple combinations of these motivations at any given moment (see Figure 1).

Furthermore, I suggest several factors that may explain the prevalence of each perspective in shaping actual business activity when faced with the impacts of armed conflict. These factors include aspects such as the nationality of business actors—multinational, international, or domestically-based—the sector of the economy in which companies operate, the size of the companies, whether companies act on their own behalf or as part of a collective endeavor, and the organizational trajectories of the companies. Based on this list of dimensions, I propose several hypotheses regarding the kind of business actors more likely, as well as those less likely, to become involved in peacebuilding.

In this article I first describe the evolution of the relationship between business and peacebuilding over the past 15 years, both in institutional terms and in terms of academic production. Then I analyze each of the proposed perspectives in greater detail with the support of examples that have been discussed in the academic and practitioner literature. Finally, I discuss particular combinations of motivations as they relate to some of the factors mentioned above. I conclude with recommendations for

[2] In accordance with the classic work of Charles Lindblom (1980), business enjoys a 'privileged position' in capitalist systems, due to the system's dependence on business well-being.

Figure 1. Need, creed, and greed as motivations for business participation in peace-related activity



policymakers seeking to attract private actors to peace-related activities and for scholars attempting to understand business actors operating in transitional contexts from conflict to peace.

2. Tracking the relationship between the private sector and peacebuilding in practice

Economic recovery and stimulating private sectors as a condition for durable peace has been promoted at least since the Second World War (Hogan, 1987), explaining such massive international investment endeavors as the Marshall Plan, which was devised to rebuild the devastated European post-war economy and halt the advance of communism (Mills, 2008). In the past 15 years, international norms, standards, and agreements have complemented this concern by increasingly referring to the need for direct engagement of the private sector as an economic force in peacebuilding. Today, it is unlikely for a self-respecting international agreement to fail to include at least cursory reference to the private sector.

In 2000, the Millennium Development Goals were signed to reduce extreme poverty. They included the resolution to "develop strong partnerships with the private sector and with civil society organizations in pursuit of development and poverty eradication" (UN General Assembly, 2000). That same year, the UN Global Compact was launched. This is a "strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption" (Alcoa, 2016). As of January 2016, 8,402 companies in 162 countries were part of this platform, which "seeks to combine the best properties of the UN, such as moral authority and convening power, with the private sector's solution-finding strengths, and the expertise and capacities of a range of key stakeholders" (Global Compact Cities Programme, n.d.). In order to support companies seeking advice, the UN Global Compact (2010) developed the *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas*.

UN resolutions 60/180 and 1645 (UN General Assembly, 2005, 2008) mandated the development of a Peacebuilding Commission as an effort to "bring together all relevant actors to marshal resources and to advise on and propose integrated strategies for post-conflict peacebuilding and recovery" (UNPBC, 2005). Founded in 2004 in response to the need to centralize peace-building authority and alleviate organizational problems, the PBC was an important shift away from security-related programming. It was soon complemented with a Peacebuilding Support Office (PBSO) to assist and support the PBC with strategic advice and policy guidance and administer the Peacebuilding Fund (PBF). The role of the private sector as a partner for peacebuilding was addressed by the UNPBC in 2008, when a task force was called upon to recommend a strategy for private sector involvement in peacebuilding. Its objectives were to (PBC Organizational Committee, 2008, p. 3):

> Examine the various forms of contributions by the private sector, particularly for consolidation of peace and resource mobilization, (2) focus on the possible catalytic and advocacy role of the PBC to encourage private sector engagement in post-conflict situations, and (3) define the scope of the Commission's advice in this field.

As a result of the task force's work, it was decided that consideration would include three specific areas: microfinance, remittances, and partnerships with private foundations. The accompanying concept note is helpful in tracing the motivations underlying this choice. The note stated (PBC Organizational Committee, 2008, p. 1):

> The private sector is a critical, but often an underutilized, actor in peacebuilding. If effectively engaged, it can play a significant role in

> filling a key gap between peacebuilding and medium- to longer-term economic recovery and development. In that light, promoting the role of the private sector is an important element of the PBC's mandate to bring all relevant actors together to marshal support and resources and to enhance coordination for sustainable peacebuilding.

Harvard professor John Ruggie was appointed UN Special Representative for Business and Human Rights from 2005 until 2011. Under his leadership, the UN developed the UN *Guiding Principles on Business and Human Rights*, summarized in the following principles: protect, respect, and remedy. These principles point at the state's duty to protect against human rights abuses by third parties, including business; a corporate responsibility to respect human rights; and greater access by victims to effective remedy, both judicial and non-judicial (UN Human Rights Council, 2008). In 2013, Secretary-General Ban Ki-moon launched the business leadership platform Business for Peace (B4P) to mobilize greater engagement of business in support of peace-related activity. Finally, in September 2015, the United Nations launched 17 Sustainable Development Goals (SDGs) to mobilize global sustainable development. Companies have been called upon to play an active role in the implementation of the goals.

In addition to these formal institutional initiatives, most of which are linked to the UN, several multi-stakeholder initiatives—including companies, civil society organizations, states, and international organizations—have been developed in specific sectors and regions of the world. Developed in 2004, the Voluntary Principles for Security and Human Rights (2015) are a set of non-binding principles "to guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms." The Business Leaders' Initiative on Human Rights, active since March 2003, sought to develop practical mechanisms to implement the Universal Declaration of Human Rights in a business context. The Extractive Industries Transparency Initiative, first put forward in 2003, seeks to support "improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining" (Khadiagala, 2014). The Kimberley Process (n.d.) Certification System in the diamond industry, a joint initiative to stem the flow of conflict diamonds, mandates "extensive requirements on its members to enable them to certify shipments of rough diamonds as 'conflict-free.'" Some industries, such as the extractive sector (e.g., oil, coal, timber) have adopted do-no-harm policies in which businesses, regardless of their record, submit to review processes to ensure that their corporate practices will not contribute to local instability and conflict (Banfield, Barbolet, Goldwyn, & Killick, 2005).

All these initiatives and others share an interest in combining rewards (affirming moral authority, pleasing stockholders, access to decision-making bodies, earning a good reputation among consumers) and penalties (facing difficulty to access certain markets, poor reputation in the international community) to entice companies into preventing harm as a result of corporate practice and promoting constructive business behavior.

The initiatives respond to growing demands for socially responsible corporate behavior by stock- and shareholders, consumers, and civil society organizations, mainly in Europe and North America (Vogel, 2005). Involved companies tend to have comparatively better social or environmental records while the bulk of the global business community, especially in specific sectors or from different nationalities, such as the Chinese, remains outside the virtuous circle (Ruggie, 2007; Tripathi, 2008). These initiatives also share the handicap of their mostly voluntary nature, which obstructs evaluation and monitoring processes. However, from Northern Ireland to Cyprus, Sri Lanka, Nepal, Mozambique, and Colombia (Alexander, Gündüz, & Subedi, 2009; Amarasuriya, Gündüz, & Mayer, 2009; Ben-Porat, 2005; Rettberg, 2006, 2009), the initiatives have been effective in increasing awareness in promoting private sector involvement in peacebuilding efforts.

3. Tracking the relationship between the private sector and peacebuilding in the academic literature

In addition to this vast number of initiatives and guidelines, the relationship between the private sector, conflict, and peacebuilding has received increased scholarly attention. Earlier studies tended to focus on business as a defender of the *status quo* and a prime factor in explaining internal conflicts. This was illustrated, for example, by studies of Latin American, African, and Asian oligarchies that made systematic use of coercion to repress popular protest and protect their privileges (Gomez, 2002; Marais, 2001; Paige, 1998), or by studies of colonial economies and the role of specific companies in the exploitation of natural riches (Bucheli, 2005). More recently, studies documented the private sector's participation in the looting of natural resources and the perpetuation of corruption and instability (see Taylor, 2003; Global Witness[3]; and Oxfam, 2007).

The novel thing about the more current literature is that it looks at how business promotes conflict in still other ways: To the extent that societies depend on investment, governments often engage in actions to protect private interests, both national and transnational, often with a cost to citizens. The killing in 1995 of popular leaders by the Nigerian official forces to protect oil giant Royal Dutch/Shell's operations in Nigeria is an emblematic example of this (Wheeler, Fabig, & Boele, 2002). Spawned by this and similar cases, a rich literature on the participation of companies in the trade of resources that have been linked to conflict—such as 'blood' diamonds, oil, drugs, timber, and coltan—has emerged, linked to a political economy of armed conflicts framework (Ballentine, 2003; Berdal, 2005; De Soysa, 2000; Humphreys, 2005; Lujala, Gleditsch, & Gilmore, 2005; Pugh, Cooper, & Turner, 2008). In addition, private sector funding of private security companies in unstable contexts has been researched (Singer, 2003). Business also contributes to conflict through bribes to gain lucrative contracts and money laundering, which deviate funds from developmental or peaceful purposes (Le Billon, 2003; Schwartz & Gibb, 1999; Shankleman, 2007).

However, inasmuch as it controls and generates capital—and because it can and has spoiled peacebuilding processes (Rettberg, 2007)—business has been recognized to be a key partner in overcoming conflict. In the domestic realm, private sector support, both material and nominal, has been found to be crucial for peacebuilding activity to prosper (Azam et al., 1994; Gerson, 2001; Gündüz, Killick, & Banfield, 2006; Pearce, 1999; Rettberg, 2004). Private sector development is a cornerstone of economic recovery plans in post-conflict societies (Godnick & Klein, 2009; HPCR International, 2009) and is alleged to generate the required material basis for making peacebuilding policies viable and sustainable, especially in the face of diminishing international support and funding (UN Development Programme, 2005, 2008). Many reforms that have been recommended in post-conflict phases are premised on the need to stimulate and protect dormant or nascent private sector activity. In addition, because of its managerial know-how, which can provide employment and make needed investments as well as provide political legitimacy to contested peacebuilding policy processes, the private sector is treated as a necessary partner in such activities (Fort & Schipani, 2003; McNulty, 2014).

Having accumulated a significant sample of actual business practice in peacebuilding, several recent works have attempted to take stock, draw lessons, and identify further questions. Questions are being raised about the implications for global governance of expecting business to complement or even circumvent the role of states and governments (Haufler, 2010), as well as about whether delegating economic development tasks to the private sector is the most cost-effective way of accomplishing peacebuilding goals. Finally, the fact that many conflict-torn countries are also first and foremost underdeveloped countries with limited entrepreneurial endowments should also be considered. Acs (2006) and others (Audretsch, Keilbach, & Lehmann, 2006; Baliamoune-Lutz, 2009) distinguish between necessity entrepreneurship, such as self-employment due to lack of formal employment options, and opportunity entrepreneurship, such as where the available institutional framework allows potential entrepreneurs to develop innovative ideas and business plans choosing among several options. The distinction is important because economic growth is positively associated with opportunity entrepreneurship. In underdeveloped societies, necessity entrepreneurship prevails and conditions for the development of opportunity entrepreneurship are limited due to, for example, poorly developed capital markets, low investment capacity, and low knowledge capital. This adds an important caveat to expectations that economic recovery initiatives in underdeveloped and conflict-torn countries will be sufficient to produce the kind of private sector behavior expected by peacebuilding champions. Furthermore, most initiatives, regulations, and scholarly work refer to multinational companies when discussing issues of peacebuilding, but local companies play important roles as well (Gündüz et al., 2006), although they face different contextual and organizational conditions. Paying attention to the domestic level and how it interacts with international actors thus turns into an important question for future work.

More closely related to the concerns this article seeks to address is the question of how to bring business aboard the peacebuilding agenda. Based on multiple case studies on experiences of business involvement and emerging lessons (Collier, 2014; Gerson & Colletta, 2001; Gündüz et al., 2006; Katsos & Forrer, 2014; Oetzel & Getz, 2012; Oetzel, Westermann-Behaylo, Koerber, Fort, & Rivera, 2009; Rettberg, 2007, 2013; Rettberg & Rivas, 2012), it appears that efforts to overcome conflict hinge on policymakers' and civil society leaders' ability to

[3] See multiple reports about natural resources and armed conflict on their website: http://www.globalwitness.org

convey a moral obligation and a sense of economic opportunity to business in a way that corporate social responsibility frameworks describe the globally responsible corporate citizen (Bendell, 2005; Tripathi, 2008). In addition, it is determinant whether business is willing to pay for many of the costs implied by peacebuilding.

However, as also cautioned by Ford (2015), the outburst of initiatives seeking to induce private sector involvement in peacebuilding is no guarantee for actual knowledge of the required conditions for activating the private sector in transitional economies, of how the private sector works in unstable contexts, what its potential is in terms of peacebuilding, and what can or should not be expected from the private sector in terms of building sustainable peace. In order to understand decision-making processes at the firm level in addition to contextual factors shaping business actors' preferences, this question requires a cross-disciplinary approach drawing from management and various social sciences. The following section draws from several perspectives in order to build a three-stemmed explanation of factors shaping business involvement in peace.

4. Addressing the motivations behind private sector participation in peacebuilding

As all other social actors, companies and business associations are complex organizations in which social contexts, organizational culture, and individual needs and expectations interact. This principle, taught in business schools to prevent future managers from failing in the design of strategy (Sullivan, 2011), should also inspire scholars and practitioners seeking to study and involve the private sector in peace-related activities. Many of the voids identified above in the way we have studied business in unstable contexts—such as transitional contexts from conflict to peace—can be related to our failure to grasp this fundamental insight.

Differences within the private sector as well as within each organization may explain different preferences and capacities when faced with a context of conflict. In general, as suggested by neo-institutionalists (Schneider, 2004, 2009; Thelen & Steinmo, 1992), preferences depend on size, sector, organizational features, orientation, relations with the state, and ability to relocate or divert investments (Hirschman, 1970; Mahon, 1996; Shafer, 1997). This suggests that companies facing conflict have diverse options, choose different strategies, and experience varying degrees of effectiveness. Sectoral differences, such as the prevalence of rural or urban operations, the diversification of sectors from agricultural activities to trade, financial, or service activities, the magnitude of the presence of international companies, and the degree to which economic activity is linked to and dependent on international markets, all play a role both in defining whether peace builders will find friendly ears within private sectors active in conflict-torn countries and in identifying the more likely private sector partners in post-conflict peacebuilding. In sum, the private sector—and entrepreneurs in particular—is not a homogeneous category and requires a differentiated approach by scholars and policymakers seeking to identify the proper incentives to produce private sector involvement in peacebuilding. The following sections will develop the tenets of a holistic approach in order to overcome the often one-sided—and unsatisfactory—view of business involved in peacebuilding processes.

4.1. Need

Contexts marked by armed conflict impose varying costs on societies. According to Dickenson-Jones, Hyslop, and Vaira-Lucero (2014), the economic cost of violence containment at the global level—including military expenditure, homicides, internal and private security, violent crime, incarceration, GDP losses and deaths from internal conflict, fear, terrorism, IDPs and refugees, and UN peacekeeping—amounts to 11% of the Global World Product (GWP). According to the same estimations, GDP losses from internal conflicts amount to 1.73% of GWP (around US $80 billion). Some of these losses include destroyed infrastructure and attacks and lives (Collier, 1999; Collier et al., 2003; Stewart & FitzGerald, 2001). According to Gupta, Clements, Bhattacharya, and Chakravarti (2004, p. 403): "Armed conflict is associated with lower growth and higher inflation, and has adverse effects on tax revenues and investment." Of course, the costs vary by country[4] and estimations are highly volatile, as data are poor and double counting is recurrent.

In addition to states and civil society actors, the private sector carries a large part of this cost, including higher risk or absolute loss in operations, tangible expenses such as potentially higher taxes to fund military efforts, and opportunity costs associated with credit-ratings, higher premiums on loans, and difficulty to train and retain qualified personnel. Trading becomes difficult as companies face uncertainty and distrust, particularly toward government

[4] For Northern Ireland, see Ruane and Todd (1996) and INCORE (1999); for Colombia, see Pinto, Vergara, and Lahuerta (2004).

and other business partners, and refrain from sharing information. For multinational companies, an important decision to be made is whether to stay or to relocate. Tripathi (2008) argues that investors tend to shy away from conflict or post-conflict settings because volatile contexts fail to provide a minimum of safety for operations and sufficient return on investments.

Even when conflict-related costs to the private sector are high, this is not necessarily sufficient to generate massive private sector participation in peacebuilding (Rettberg, 2008). On the one hand, conflicts of long duration seem to generate the internalization of conflict costs, making it difficult for policymakers to convey the company-specific loss associated with conflict. In addition, armed conflicts are not synonymous with overall deterioration: specific sectors benefit from the turmoil and will actively oppose peacebuilding efforts, and certain regions of a given country may remain unharmed. From weapon sales to security provision, and from warlords controlling trade in specific regions to insurance providers, the range of private sector actors and activities benefiting from unstable contexts is wide and diverse (Richani, 2005; Singer, 2003). Also, costs are often more of an indirect than of a direct nature: attacks on companies or personnel are infrequent, whereas transaction and opportunity costs are more frequent yet more difficult to measure, attribute, and use for private sector mobilization. The public-good quality of peace—which benefits everyone, regardless of whether s/he has paid its cost (see Olson, 1971)—may generate a preference for delegating costs and action to others, such as the state, the international community, or other private sector actors. In brief, conflicts do not necessarily spell overall devastation.

Even with these caveats, economic costs play a central role in activating private sector reaction to armed conflict. When Nepalese businesses were threatened by attacks from Maoist rebels, they finally overcame their fears of government and intervened to promote negotiations. Similarly, when conflict escalated in the mid-1990s in Colombia, the business community experienced a dramatic shift in its interest in and willingness to support negotiations to end conflict (Rettberg, 2013). In yet a different region of the world, Sri Lanka, the bombing of the Colombo airport in 2001 spawned several business initiatives seeking to bring parties together to negotiate. Finally, combats in upscale residential areas of the very capital of El Salvador—known in civil war jargon as 'La Gran Ofensiva' (the Big Offensive)—prompted Salvadoran business people to decidedly push for negotiations (Rettberg, 2006). Numerous examples illustrate that business becomes involved in peacemaking once it realizes that peace is a necessity to operate, attract investors, and grow.

4.2. Creed

Both Marxist and Liberal accounts of the firm as an instrument of wealth creation underestimate the role of ideology and identity in business practice. However, as revealed by a growing body of scholarly work, values and religion appear to play an important role in shaping business strategy (Slocum-Bradley, 2008). Many of the philanthropic traditions from which originated much of modern corporate social responsibility (CSR) were religiously motivated (Moon, 2014). Christian piety, for example, played an important role in the development of philanthropy in Latin America (Sanborn, 2008). Even in the absence of religion, a genuine desire to do good, or at least do no harm, has been linked to the development of CSR activities (Vogel, 2005) in what has been termed 'global corporate citizenship' (Schwab, 2008).

CSR plays an important role in relation to business becoming involved in peace-related activity. Overall, companies which already have a CSR record are more likely to add peacebuilding to their portfolio in a sort of organizational inertia. UN Global Compact member companies, for example, tend to stand out among their domestic equals in terms of investing time and material and human resources in CSR. Willingness to cooperate with government and other civil society and international actors, as is required in transitional contexts, is more likely when companies have developed the kind of institutional networks that arise from CSR practice (Kolk & Lenfant, 2013).

Even in the absence of CSR, plenty of business activity illustrates political and ideological, in addition to economic, motivations in shaping company strategy. Most famous, perhaps, was German industrialist Oskar Schindler's decision to protect Jews from the Nazi regime among his workforce (Jones, 1998). In more recent cases, the Sri Lankan diaspora channeled resources and remittances to the Tamil rebels (Cheran, 2004; Fair, 2005). Colombian companies have become involved in reconciliation processes bringing together in the workplace demobilized combatants—members of groups that extorted and attacked the very same companies—and victims of armed conflict (Rettberg & Rivas, 2012).

These examples of ideologically or religiously motivated business behavior call for a more nuanced understanding of business motivations. Often discounted as pure window-dressing—and clearly in need of a comprehensive evaluation—or simple propaganda, CSR and the role of ideas and values in business activity should be better comprehended as motivating factors in explaining the reaction of businesses when faced with conflict and peace.

4.3. Greed

As explained in the preceding paragraphs, many companies engage in peacebuilding out of a need to keep operations running and to protect revenue, infrastructure, and personnel. Once transitions from conflict to peace are under way, however, marketing peace to the private sector as a profitable undertaking and as an opportunity for increased and renewed income becomes one of the crucial challenges facing policymakers. In order to (re)activate productive activity in a war-torn country and foster capital repatriation (Azam et al., 1994), it is not enough to protect existing capital and activity; it must also revamp and attract foreign and domestic investment and offer preferential treatment for companies venturing into strategic sectors and regions. In brief, it is necessary to appeal not only to peacebuilding as self-protection but also as a strategy linked to making profits (greed). It is at this point when peacebuilding and development objectives most visibly intersect.

As a result, when the end of armed conflict is within reach, governments, international agencies, and credit-lending corporations are likely to intensify advocacy work aimed at private actors, seeking to convey and even quantify the benefits of peace in numeric terms. Typically, the indicators for the effectiveness of such strategies are foreign direct investment (FDI) flows, as well as the World Bank's Doing Business rankings, which measure and track business regulations in order to define the ease of opening a business in the relevant context.

In Rwanda, for example, much of the peacebuilding agenda focused on turning the country into a trade and services hub in Africa. According to the Doing Business tool, the strategy has paid off, as the country now ranks second in Sub-Saharan Africa and FDI has kept flowing in, illustrating its attractiveness for business seeking opportunity in peace times. El Salvador's negotiators, too, built their peacebuilding argument on the prospects of increased growth once the country put an end to conflict. Domestic business support was harnessed on the basis of expanding opportunity in a Central American common market and attracting foreign investment to the services and financial sectors (Rettberg, 2006, 2007). The model worked in the immediate aftermath of conflict, and El Salvador became one of the most thriving Latin American economies. Twenty years later, however, rampant crime and corruption are putting to the test the effectiveness of the Salvadoran 'peace is more profitable' model.

5. Discussion

In the practice of business in contexts of armed conflict and peacebuilding, need, creed, and greed are inextricably linked. Separated here for the sake of analysis, variable combinations of the three factors may explain when and why business leaders focus on issues of peace.

Based on the multiple case studies that have been produced, some of which were addressed here, it appears that companies which do become involved in peacebuilding tend to fall into one or more of the following categories: (1) they face a greater cost to operations as a result of armed conflict or associated economic and political turmoil; (2) they are generally tied to and dependent on international trade and consumer networks that punish bad corporate behavior with decreasing company earnings or access to markets; (3) they are of comparatively larger size (a predictor of greater investment capacity in peacebuilding activity and of exposure to risk); (4) they have developed philanthropic traditions predisposing them to assume peacebuilding responsibilities; and (5) they have been successful in developing ties to governments and civil society organizations. With a few exceptions, as in the oil industry, which pioneered peacebuilding initiatives in response to international scandal surrounding Human Rights violations linked to oil operations, involved companies tend not to be the main culprits within the business community. Finally, unless they are linked to international networks, domestic companies most frequently associated with contributing to conflict are also most reluctant to assume responsibility in peacebuilding. All these are likely scenarios for the interaction of the three factors previously described.

When and once companies have become involved, a pressing question for policymakers and activists becomes how to keep them involved and avoid desertion. After an initial 'enchantment,' the private sector peacebuilding crowd has tended to stabilize instead of growing as expected by policymakers and activists. In addition, it has specialized in certain sectors and tasks instead of branching out into different activities and sectors. Companies that are not involved, or not sufficiently involved, are on average smaller, less connected to global markets, and more dependent on domestic markets yet more disarticulated amongst each other; in addition, they often benefit from political instability or thrive despite conflict. This may explain why business involvement in peacebuilding initiatives tends to stall after a certain threshold. The experience of institutions and countries seeking to engage the private sector in peacebuilding shows that only very specific companies tend to heed the call (Berman, 2000; Haufler, 2001; Killick, Srikantha, & Gündüz, 2005; Rettberg, 2004; Sherman, 2001). As a result, in addition to analyzing what motivates business leaders to become engaged, scholars and practitioners should also attempt to understand why some fragments in the business community are systematically reluctant to join efforts in peacebuilding.

6. Conclusions

Peacebuilding is an endeavor that is still highly contested and insufficiently understood. One crucial actor related to peacebuilding is the private sector. In addition to underscoring the importance of business for peace, this article has attempted to unpack why business actors engage in peacebuilding activity by using three tenets: need, creed, and greed.

More than definite answers, this article raises questions for future research, as we require improved knowledge and understanding of the mechanisms of private sector decision making in transitional processes in order to stem unrealistic expectations or frustrations as to the capability and willingness of the private sector to support peace-related activity. Drawing from management sciences, political science, and economics, an interdisciplinary approach could significantly help avoid the recurrent bottlenecks faced by efforts to broaden the pool of private sector partners in peacebuilding and could identify the links (and tensions) between private sector decision making and peacebuilding efforts. In addition, an integrated approach could help answer overarching questions: Is the organizational make-up of the private sector and the incentives structure governing private sector activity (i.e., ongoing risk associated with resilient conflict, fiscal structure, investment capacity, return on investments, foreign loans) favoring the development of economic mechanisms and processes suited for building lasting peace? Is peacebuilding strategy toward the private sector taking into consideration the constraints of transitional economies (limits to funding, disarticulation of commercial and trading networks, loss of trust, weak institutions, illegal activity) and the particularities (sectoral diversity, structure of ownership, degree of informality) of the private sector?

Much too often, the 'private sector' means different things to different people. Further studies should provide portraits or ideal type businesses involved in peacebuilding in order to identify the most recurrent private sector partners of peacebuilding across countries and initiatives. This would also yield insights into the most likely spoilers. A study of this kind would be useful to avoid some of the shortcomings of the literature on and practice of the private sector in peacebuilding, such as the "disproportionate focus on TNCs" and "the primary perceptions of the private sector as either agent of economic development divorced from the wider peacebuilding process, or else negative drivers of conflict" (Killick et al., 2005, p. 20). The comparative study would illustrate that only a critical mass of a given private sector is needed to support peacebuilding efforts as opposed to large sectors and activities tied to economic recovery efforts.

While denouncing illegal or conflict-enticing behavior is vital for affirming the rule of law in transitional contexts and providing guidance on acceptable corporate behavior, too often simplistic generalizations hurt the development of desperately needed partnerships in mutual learning processes. Again, paying attention to macro incentive structures giving rise to all kinds of corporate behavior may prove more useful than strictly normative approaches for effecting change in business strategy, protecting vulnerable alliances with potentially resistant private sector actors, and broadening groups beyond the already converted. This would help in designing a compelling economic argument for peace and provide elements for a political strategy to promote private sector involvement in peacebuilding.

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