

# Supporting Peace in Host Societies: the Role of Business in Conflict Prevention and Peacebuilding

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The link between economic factors and conflict has received increasing attention in recent years, with a particular emphasis on the ways in which different patterns of natural resource exploitation have fuelled some of the world's most violent conflicts, and on the conduct of rich-country companies doing business in conflict zones.

Companies are increasingly recognising that a 'business as usual' approach in such contexts is inappropriate, and that there are a range of levels at which their own operations can inadvertently feed into violence. In the words of UN Secretary General Kofi Annan at a recent Security Council debate:

*'Private companies operate in many conflict zones or conflict-prone countries. Their decisions – on investment and employment, on relations with local communities, on protection for local environments, on their own security arrangements – can help a country turn its back on conflict, or exacerbate the tensions that fuelled conflict in the first place.'*

Controversy around the UN Expert Panel Report on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the DRC, which named numerous OECD country companies in connection with their activities in the DRC has brought into focus the need for greater clarity on how investing companies should conduct their business in such contexts.

Understanding – and acting – to maximise the positive and minimise the negative impacts of investments can bring real benefits to companies (through reduced risk management, personnel, reputation and security costs) and to the operational context (through contribution to a peaceful environment). A growing body of research and best practice is developing around the idea of 'conflict-sensitive business' practice. There are also some important policy initiatives and priorities requiring attention from public sector actors on this issue.

International Alert has been developing a 'toolbox of conflict-sensitive business practice' – specifically for oil, mining and gas companies – but with a view to broadening this out to other sectors. Its core components are conflict impact assessment, improved stakeholder engagement and relationships, operational guidance across the life-cycle of an investment on conflict-sensitivity, and 'flashpoint' papers on specific danger issues. Through adopting a conflict-sensitive approach across the key areas of business: core business, social investment and policy dialogue, and through conducting conflict analysis that informs

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interventions in these areas, companies can both 'do no harm' and contribute to alleviating both structural and trigger causes of conflict (and hence contribute to peacebuilding in host societies).

Definitions of 'conflict zone' are always complicated, but given the fluidity that characterises a spectrum of violence to peace in unstable regions, a conflict-sensitive approach is advisable in a wide range of countries.

### **Curriculum Vitae**

Jessica Banfield is Senior Programme Officer for International Alert's Business and Conflict programme, where she has worked since 2002. Formerly she worked at Transparency International in Berlin and as a journalist in London and Johannesburg. She has a Masters in International Studies from London University's School of Oriental and African Studies (SOAS) and is the author of several reports on business and conflict issues.

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