

# Business and the UN Peace and Security Agenda

Report on a consultation for the High-level Thematic Debate on UN, Peace and Security

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Various UN reviews and multilateral processes provide an opportunity to rethink the role of business in the UN peace and security agenda. Going beyond traditional military or defense spheres, this agenda connects to key corporate and sustainability interests of business in developed and emerging markets. This report synthesizes the discussions of a consultation for the High-level Thematic Debate on UN, Peace and Security. The consultation underlines the following key messages:

- In times when chronic instability and concurrent crises have become the 'new normal' for many investment environments, it is important to take the relationship between the UN and business to another level. This means going beyond relationships around norms, compliance, social license or funding toward operational partnerships to find solutions for peace and security challenges in specific settings.
- While it is clear that business does not seek a place in the Security Council or a major role in UN activities relating to inter- or intra-state wars, there is an opportunity to strengthen relationships in the areas of citizen security, human development, and good governance.
- For the UN, a key step will be to perceive the possibility that tools and initiatives designed for inter- and intra-state conflicts can provide practical solutions for conflict situations in which businesses have a stake. There is opportunity to connect the UN's 'toolbox' on prevention, mediation and development more systematically to business practice at the operational level.
- A key first step for closer collaboration between business and the UN on the peace and security agenda is to build confidence, especially through information and analysis sharing.

The next six months will see a process of leadership change at the UN. This process could provide a positive stimulus for rethinking the relationship between the UN and business.

*Chronic instability and concurrent crises are the 'new normal'. The need to find solutions to peace and security challenges that are equally relevant for companies, governments and people, should take the relationship between the UN and business to another level.*

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## 1. Global policy context

**The strategic landscape of conflict is changing.** Chronic instability and concurrent crises pose a threat to peace and security in many parts of the world. This 'new normal' is beyond the institutional capacities of states and societies, destabilizes entire regions over long periods of time, and creates humanitarian crises (including displacement and refugee flows) and health emergencies (such as Ebola or Zika). At the same time, the characteristics of violent conflict have changed. New types of armed actors with fluid affiliations are defining conflict theatres; and fewer instances of violent conflict fall into the classic categories of 'inter-state' or 'civil' wars. The majority of violent deaths occur outside those major conflict zones that are usually represented in the global media. The scale of violent deaths is of particular concern to countries that are characterized as facing 'chronic violence', for instance in Central and South America and Southern Africa, but also in many major cities across all continents.

**In this period of change, the UN is put to the test.** With its primary purpose to maintain international peace and security enshrined in the UN Charter, the UN is a reference point for the management of wars between states and intra-state armed conflicts. Yet since the end of the Cold War, the peace and security agenda has transformed beyond a defense or military realm to include environmental, commercial, health, and development dimensions. The peace and security agenda also focuses on new referent objects beyond the state level, including for instance efforts at the regional, city or community level, as well as people-centered approaches and activities in cyber space. While the UN's traditional focus on inter-state wars was successfully adapted to include intra-state conflict with the 1992 Agenda for Peace under Secretary-General Boutros Boutros-Ghali – with the corresponding creation of new departments and agencies within the UN – the existence of a new strategic landscape over two decades later raises the question whether the UN is still 'fit for purpose'.

**Various UN reviews and multilateral processes are an opportunity to rethink the role of business in the UN's peace and security agenda.** The UN has been engaged in several high-level reviews and diplomatic processes on a broad range of peace and security issues. These efforts include for instance the review of peace operations and the peacebuilding architecture as well as the global study on the implementation of Security Council Resolution 1325 (2000) on women, peace and security. They also include the adoption of the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change. These efforts open opportunities to rethink the role of business in the UN's peace and security agenda because it connects many issues outside the military or defense spheres to business interests and agendas. These developments are an opportunity to take the relationship between the UN and business beyond partnerships around norms, compliance, social license and money, to operational partnerships that focus on finding pragmatic solutions for peace and security challenges in specific settings to advance the interests of governments, business and people alike. Ultimately, success will be measured by the confidence and trust that can be built between stakeholders linked to business investments, combined with the equitable sharing of benefits among them.

**The next six months represent an important window of opportunity to shape the UN's agenda.** The new reviews and agreements are part of the broader efforts advanced by Secretary-General Ban Ki-moon, different Member States, and UN departments and agencies to produce a platform from which a new Secretary-General and UN leadership can operate as of 2017. In this sense, the next six months represent an important opportunity to shape the UN's agenda including the role of business in the UN's peace and security agenda.

## 2. The role of business in peace and security

**The role of business in peace and security issues is frequently discussed in terms of two approaches.** The first is about the negative consequences of business behaviour in conflict zones including for instance commercial complicity with state and non-state armed actors, sanctions busting, or pure profit motives and greed. The other approach is about the indispensable role of business in building institutions, empowering communities, boosting economic growth and building skills, as evidenced for in several emerging economies and constructive roles of some businesses in supporting tasks critical to a forward-looking peacebuilding process, including multinational as well as small and medium sized enterprises (SMEs). The first position resulted in a "controlling agenda" with the objective to control the behaviour of companies in conflict zones through legal instruments, normative frameworks and public pressure. This agenda also uses "naming and shaming" techniques and emphasizes the need for corporations to maintain a "social licence to operate". The second position resulted in an "enabling agenda" as reflected in public-private partnerships promoted by actors such as the World Economic Forum and its work on engaging the private sector to reframe narratives and approaches to address global security threats, or the more classic business and peace discussion. This also focused on how the multiple benefits generated by business investments should be shared among stakeholders in a fair or more equitable manner.

**A new approach to business, peace and security is necessary to confront the 'new normal'.** Rising pressures on states and societies resulting from chronic instability and concurrent crises are too significant for any one actor or institution to address on its own. Strong multi-stakeholder alliances and partnerships are necessary to address the "new normal" and call government, business, international organizations, and civil society to find new ways of working to prevent, mitigate and resolve conflict. While on the declaratory level such multi-stakeholder action is well developed, practically advancing such partnerships with shared leadership and responsibilities still takes many diplomats, business leaders, and advocates outside their comfort zone. Yet, the pressures many UN member states, local communities and the business sector experience in the face of crises and instability are placing a premium on pragmatic approaches and solutions that harness the power of business in specific settings to diffuse tension, prevent conflict and show the visible peace dividends.

**Many actors and institutions are not prepared and equipped to operationalize a new approach.** Key dividers between different stakeholder communities are related to terminology, ways of working, lack of trust and misperception about other constituencies. In addition many actors and institutions are geared to create "isolated impact" through an approach that finds and funds solutions through activities embedded in one single organization, rather than working to achieve "collective impact" by working in partnership with shared control and responsibilities across a range of factors including government, business, philanthropy, non-profit organizations and citizens. This is why continued capacity building and training in all sectors is necessary to change ways of working, reduce misperceptions, and identify common objectives and goals. A specific effort is to start preparing new leaders for management in complex environments in standard business oriented courses by including courses on conflict analysis and resolution.

**Most businesses have practical experience working together with local advocates and organisations in mitigating risk and preventing conflict, yet this experience is often not recognized by government and non-governmental actors.** Some companies experienced the cost of failed prevention the hard way and in consequence looked for better strategies.

These included, for instance, better analysis and company-community relations, or training or employing ex-combatants. It has also involved shaping multi-stakeholder platforms as constant dispute resolution spaces. Surely, much of these efforts are related to “making money or saving money” but exactly because risk mitigation and conflict prevention connect to key business interests and long term sustainability strategies, some companies are waking-up to how conflict – both violent and non-violent in nature – affects their performance. There are also signs that at least some company leaders recognise that they are stakeholders in broader efforts to promote long-term socio-political stability, and that this requires the capacity to work locally with both public officials and the communities impacted by their operations, in addition to complying to a full range of national and international regulations and frameworks.

### **3. Beyond CSR and compliance?**

**Business may not be ready to move beyond CSR.** Over the last decade, many businesses have expanded their staffing in the fields of risk, compliance and CSR. It has become a way of working they know and has in most instances become institutionalised both within and outside the firm. In contrast, the great majority of businesses have lowered their investment in comparable capacity with respect to conflict analysis and practical experience on conflict mitigation and prevention. Till date most corporations outsource these services to specialized risk analysis and mediation outfits when necessary, yet corporate capacities and consequently the sustainability of adopted politics remain limited even in major multinational corporations.

**Business may not be willing to move beyond CSR.** The current global policy framework serves the purpose of business. Policy framework are mainly voluntary and creates few binding obligations on firms, the sheer multitude of regulations and guidance allows firms to ‘pick and choose’ depending on its interest related to different investment environments. Efforts to advance a more unified global system that shifts commitments from business leaders from the declaratory to operational levels - and monitors progress – has so far not yielded desired results. There are also different perceptions about expectations for change. While businesses underline how much they have already changed (with respect to CSR, SDGs or climate change for instance), the public side of the equation have a hard time dis-aggregating what this means in practical terms. This has led to a situation whereby the case for more change contributed to defensive positioning in both worlds.

**The pressure to move beyond CSR may come from within corporations building on a generational shift in CEOs and staff in the next decade.** A new generation of employees (below the age of 30) has a much different attitude to transparency and privacy issues than older generations. As the digital age makes it much more difficult for corporations to hide the negative impact of their operations in frontier, emerging or developed markets, a new generation of employees may be advocating with management to change practices, or advance change when they become senior management themselves in the next decade to strengthen purpose-driven firms. Many firms have started increasing their communications and marketing efforts around their contributions to positive social impacts, including through the use of social media.

**Before moving beyond CSR and compliance, reviewing the potential of existing mechanisms is important.** Many mechanisms have been created under the UN umbrella including the Business and Human Rights framework and the UN Global Compact. Yet views about the effectiveness of these forums and initiatives vary significantly, especially with respect to ensuring operational

linkage between the UN and business, and their accountability to rights-holders and affected communities and the UN ability to view this as something different fundraising. Views also diverge with respect to the ability of the current human rights and compliance approach to hold corporations accountable to commitments and pledges, to practically advance conflict mitigation and prevention in specific settings, and to ensure contributions of the private sector to the achievement of the SDGs.

**In some instances, collaboration with business has shifted beyond CSR.** While a greater interest in relations with business has been related to fundraising over two decades ago, actors working in the humanitarian field are trying to move beyond this approach recognizing the value of closer collaboration on operational matters and not just as a fund raising facility. Such collaboration especially focuses on information exchange and also on partnership that leverage the assets, skills and networks of different types of business actors to advance humanitarian assistance. In Tunisia, business organizations are playing a crucial role in the country's transition to democracy. This has been recognized by the Nobel Peace Prize Committee awarding the 'Tunisian Quartet' the Nobel Peace Prize 2015 which includes two representatives from business. On the multilateral level, the International Labour Organization (ILO) is a potential space for stronger pushing a change in corporate culture given its existing work linking governments, corporations and workers. In existence for nearly a century, the ILO represents an opportunity within the UN system to frame discussions about the role of business in the UN's peace and security agenda.

#### **4. Recommendations for closer collaboration**

**Build confidence between business and government, international organizations, and civil society.** Discussions about the role of business in peace and security are still highly characterized by stereotypes. In order to build confidence, actors should emphasize connectors rather than dividers. One such connector when operating in complex environments is that the UN, governments, companies, and communities are all facing the constraint of operating in rumour-rich and information-poor societies. Hence, a first step in process of confidence building can focus on information and analysis sharing. In many contexts, corporate actors are better informed than the UN with respect to the political and economic dynamics in emerging markets partly because of a long term presence and long-term investment horizons, and partly because of relationships they have built with local civil society actors. Such information sharing can also practically advance transparency initiatives by ensuring all stakeholders can access, analyse and visualize authoritative information about business investments as well as access tools to monitor the impacts of business investments.

**Advance concrete partnerships between UN departments and agencies and business to mitigate and prevent conflict in specific settings.** All types of business – from the local to the national to the international – are related to society in fragile or emerging economies. This connection occurs, for instance, through business operations, including supplier networks, consumers or regulatory frameworks; hence the emphasis to think about business *within* society, and not business *and* society. Entry points for a closer collaboration can therefore depart from the practical needs of business to operate in complex environments and the practical experiences of various UN departments and specialized agencies to work on conflict prevention, mediation and governance issues in specific contexts. Businesses also can have different entry-points into a political system of a country that can be leveraged for the prevention and mitigation of conflict. Business-UN partnerships should not create a privileged

relationship in specific contexts but advocate inclusive change processes with a range of local actors.

**Connect the UN's prevention, mediation and development 'toolbox' more systematically to business at the operational level.** Many businesses with operations in complex environments are facing significant practical challenges, including for instance public sector corruption, extortion by government or crime groups, theft of company assets, and safety of production and distribution networks and sites. There are many UN programmes and initiatives that relate to these practical needs, especially with respect to the UN's good offices, mediation and development roles such as the system of Peace and Development Advisors, the mediation stand-by team, as well as experiences in governance reform, support to national dialogue processes or architectures for peace. A key issue for the UN to address for these partnerships to come to fruition, is to perceive the possibility that tools and initiatives designed for inter- and intra-state conflict situations can have potential to provide practical solutions for business-related conflict (such as protests surrounding a large scale mining, agricultural or infrastructure investments) and that inhibit the achievement of national development plans and the 2030 Sustainable Development Agenda.

## 5. Further reading

- Aaron K. Chatterji and Michael Toffel (2016) *Do CEO Activists Make a Difference? Evidence from a Field Experiment*. Working Paper 16-100. Boston: Harvard Business School.
- Rachel Davis and Daniel M. Franks (2014) *Cost of Company-Community Conflict in the Extractive Sector*. Corporate Social Responsibility Initiative Report No. 66. Cambridge, MA: Harvard Kennedy School.
- Brian Ganson (ed.) (2013) *Management in Complex Environments: Questions for Leaders*. Stockholm: International Council of Swedish Industry.
- Brian Ganson and Achim Wennmann (2016) *Business and Conflict in Fragile States: The Case for Pragmatic Solutions*. London: International Institute for Strategic Studies.
- John Kania and Mark Kramer (2011) *Collective Impact*, *Stanford Social Innovation Review*.
- Patricia I. Vasquez (2013) *Oil Sparks in the Amazon: A Look at Local Conflict, Indigenous Populations, and Natural Resources*. Athens: University of Georgia Press.
- Achim Wennmann (2011) *The Role of Business in Armed Violence Reduction and Prevention*, *International Review of the Red Cross*, vol. 94, no. 887, pp. 919-940.
- World Economic Forum (WEF) (2016) *Responsible Investment in Fragile States*, Report by the WEF Global Agenda Council on Fragility, Violence and Conflict.

## About this report

This report synthesizes the discussions of a consultation for the High-level Thematic Debate on UN, Peace and Security organized by the Geneva Peacebuilding Platform in collaboration with the World Economic Forum in Geneva, 4 April 2016. This consultation focused on private sector views on the UN's peace and security agenda by convening 22 representatives of business and business associations, representatives from international and non-governmental organizations working with the private sector and experts from academia. The High-level Thematic Debate of the UN General Assembly on UN, Peace and Security will take place in New York on 10-11 May 2016. See: <http://www.un.org/pga/70/events/hltd-peace-and-security/>.

## About the rapporteur

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