Business and Conflict Prevention: Towards a Framework for Action

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Practitioners, scholars and institutional actors focus on the predatory aspects of business in fragile environments (“business and conflict”), as well as on the need for private-sector engagement for jobs and security (“business and peace”). They have over the last decade collectively generated an enormous body of normative advice for companies, with the hope of decreasing the negative impacts and increasing the positive potential of business in conflict environments.

Drawing on over 50 interviews with company representatives and their advisors, this paper attempts to make sense of the experience of managers struggling to put that advice into action. It concludes that increased attention to the individual skills, organisational capabilities and inter-organisational mechanisms that enable companies to act more constructively in conflict environments provides a complementary lever for conflict prevention. It invites a broader discussion of how to move from a largely anecdotal to a more rigorous and systematic understanding of capacity for conflict prevention in ways that can aid both companies and those hoping to influence their actions reach their goals.

Understanding Capabilities for Conflict Prevention


This proliferation of advice suggests a theory of change that, if companies knew what to do and better understood the consequences of their actions, they would follow through with better behaviour. Implicit in the advice-giving is an assumption that companies have inherent capacity to implement the proffered advice. But this may not be broadly true. Companies have experience across the spectrum of conflict prevention. At its most positive, operations have been established in environments of heightened conflict risk, but have all the same succeeded in preventing disruptive conflicts from erupting or escalating. Other operations, however, seem to experience endemic conflict to which their own actions may be contributing. Even with best efforts, companies “encounter community dissatisfaction, unrest opposition, delays, and worse yet, threats and violence” in their own operations in difficult environments. Companies also prove no more immune than aid providers to actions that, while “intended to do good, end up doing harm” in the broader socio-political environment.

The author conducted issue-spotting interviews with more than 50 representatives of multinational enterprises to help make sense of these dynamics and develop hypotheses about conflict prevention capabilities. Interviewees include senior managers with experience across industries (oil & gas, mining, timber production, manufacturing, apparel) and functions (headquarters management, operations functions, legal, strategic planning, purchasing and community relations). In addition to senior managers, voices include corporate partners including project finance lenders, legal counsel, and corporate social responsibility consultants. Though experience is predominantly from Africa, Asian and Latin American examples are also included.

Each interviewee was at least partly dissatisfied with his or her own companies’ performance in conflict, post-conflict and other volatile socio-political environments. Their companies are reportedly well-aware of their international obligations, often act as standard-bearers for multi-stakeholder initiatives on business and human rights, and share best practices within their industry associations. Their companies, interviewees believe, are committed to ethical operations in difficult environments. Yet they are often enough failing to meet the technical, financial, legal, reputation and social responsibility goals they have set for themselves.

Until more systematic analysis is scaled up, we are drawing on largely anecdotal evidence, and painting with a broad brush. All the same, we can build on interviewees’ insight to develop hypotheses about the capabilities required for more constructive corporate engagement in conflict environments. Preliminary findings suggest that conflict prevention has at least three critical dimensions for the business:

- **Individual skills.** Productive attitudes, perceptions, behaviours, and skills must reside within different functions of the organization, including general management, functions with specific responsibilities for assessing, preventing and managing conflict with governments, communities, and labour, and other functions that represent the visible face of the organization.
• **Organizational capabilities.** Even skilled individuals are either enabled or constrained by an organization that is, for example, more or less competent in incorporating potential conflict drivers into operational planning. Conflict prevention requires company systems and processes that anticipate and recognize potential conflict, as well as calibrate and mobilize response to it.

**Inter-organisational mechanisms.** The company’s actions in turn take place in the context of external relationships. Preventing conflict in a complex stakeholder environment requires effective mechanisms, for example, to engage angry parties, problem-solve under threat of conflict, implement interdependent actions and monitor progress under reduced trust, and resolve disputes that inevitably arise.

The overarching hypothesis that emerges is that effective conflict prevention requires a whole-systems approach for the business, incorporating and connecting individual skills, organizational capabilities, and stakeholder engagement mechanisms.

**Expectations for Business in Conflict Environments**

It may be helpful to have in mind some concrete examples of the kind of behaviour shifts that companies are expected or encouraged to make in order to reduce negative and increase positive impact in conflict environments. This will help clarify the attendant conflict prevention capabilities that related scholarly inquiry, conflict prevention practitioners, and this study’s interviews have identified may be required to affect such changes. Here illustrative examples are arrayed on a continuum, where the axis represents the relative degree of interdependence with other stakeholders, and thus inward versus outward focus for the company (Table 1).

**Stop Predatory Behaviours**

To the left, there is growing consensus around the need to take more vigorous action to stop predatory behaviours. Where corruption was officially fostered as recently as 2000 by developed countries that gave tax breaks for bribes, for example, the OECD Convention on Combating Bribery of Foreign Public Officials (1999) and the UN Convention Against Corruption (2005) now require that state parties prescribe criminal sanctions for bribing a foreign public official. The Guiding Principles on Business and Human Rights as well as the Voluntary Principles on Security and Human Rights proscribe entanglements with public or private security services likely to use excessive force.

<table>
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<tr>
<th>Action</th>
<th>Stop predatory behaviours</th>
<th>Minimize negative impacts</th>
<th>Create positive externalities</th>
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<td><strong>Illustrative Examples</strong></td>
<td>• Make no bribes</td>
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<td>• Avoid nasty entanglements</td>
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Such actions require sophistication to implement. Anti-bribery measures, for example, require control and audit capabilities at every level of the company. Non-entanglement requires the Board to distinguish, for example, potentially permissible activities in the diamond sector of Ivory Coast (where one study found that diamonds were “not a significant factor in sustaining the rebel movement”) from non-permissible activities in neighbouring Guinea (where the study found “scrambling for power” created “conditions ripe for a potential security problem.”)² Solid conflict analysis that “identifies the key factors relating to conflict and the linkages between them, pointing to sources and dynamics of conflict as well as peace,”³ is required. But the actions required are ones that the company can, for the most part, unilaterally take. They are not simple, but are straight-forward from a conflict prevention capabilities perspective.

Minimize Negative Impacts

Moving along our scale, we find increasing emphasis on the careful management of company operations to avoid the unintentional creation or exacerbation of conflict. CDA’s Corporate Engagement Project tells the story of a company that builds a model village to improve relations with communities within its area of operations. Communities outside the self-defined zone, however, threatened that they would “go into this area and take what they wanted because ‘those people got so much.’”⁴ Avoiding such scenarios falls at the intersection of Do No Harm with what would be understood by many businesses as risk mitigation: the ensuing escalation both led to violence between the communities and disrupted company operations.

The first challenge from a conflict prevention capabilities perspective is that such action requires companies to see their own operations through others’ points of view; whether a particular action is so unfair or disrespectful as to merit a violent response is in the end in the eyes of the beholder. But while “Perspective taking increased individuals’ ability to discover hidden agreements … and appears to be a particularly critical ability in negotiations,”⁵ “Power channels behaviour toward accomplishing a specific goal, but diminishes the ability to take the perspectives of others.” The company’s relative power in the conflict environment may be “associated with a reduced tendency to comprehend how other people see, think and feel.”⁶ A related challenge is that one has to be looking. International Alert reports, for example, that the focus on oil caused conflict tensions to rise in Uganda even at the pre-production stage, thought these were easy for exploration companies to overlook.⁷ This is consistent with studies that show that “The complex organization of which we’re a part is structured in such a way that many features of our environment are outside the purview of our job or functional specialty. Those are usually the features we fail to see as salient.”⁸ Going about our legitimate business, it is easy enough to be blind to impact of our actions on others.

A final conflict prevention challenge – and one reported by many interviewees to be among the most frustrating – is the intra-organisational negotiations necessary to mobilise a response to what may be only potential conflict within a company that is intentionally designed to efficiently deliver against technical and financial goals. “Inter-group bias, group territoriality, and poor negotiations across the organization result that, in “decentralized organisations, it is harder to work with other divisions..."
or departments of their own organization.” than it is to work with stakeholders outside the organization.  

Create Positive Externalities

Moving further along the axis of outward focus for the company are calls to harness positive externalities of business in ways that can promote both peace and inclusive development. These will increasingly be extensions of the company’s core business pursued in partnership with governments, donors and communities. One example is the multi-stakeholder collaboration to transform the coffee industry in Rwanda. As employment, incomes and interactions across previous divides increase, there is evidence of a lessening of the sense of ethnic distance among members of Rwandan society, greater levels of trust and conditional forgiveness, and more positive attitudes towards reconciliation. Such examples are highlighted to argue that “A bolder approach could draw together capacities from development agencies, the private sector, foundations, and NGOs in a new global partnership to galvanize investments in countries and communities where high unemployment and social disengagement contribute to the risks of conflict.”

From a conflict prevention perspective, such approaches put additional and substantial demands on company capabilities. To begin with, problem dynamics found in individual negotiations may also be typical of organisational collaborations: asymmetric levels of engagement, power imbalances, the real versus apparent purpose of engagement, multi-party dynamics, and uneven or misaligned interests, to name only a few emerging in the literature. Particularly in “the presence of both conflicting and convergent initiatives” by partners, these the company must learn to manage.

Additionally, major disconnects in structure, culture and outlook can divide multi-national enterprises from their prospective partners in peace and inclusive development. Negotiation and team building skills are required by the team on the interface; facilitation and collaborative planning skills help them engage other stakeholders. Dialogue is required to negotiate not only the details of cooperation, but shared purpose, direction, and joint decisions. Particularly for firms driven by “plan and deliver” cultures, “a generalised ability to sustain conflict within a collaborative relationship and the development of experience in non-structured relationships based on continually emerging processes” – flagged as critical aspects of business-NGO partnerships – may be difficult to cultivate.

Be Peacemakers and Peacebuilders

Finally, imagining companies more fully engaged in conflict prevention, some international actors explore a more prominent role for business in peace writ large. Opinions differ on business’ relative strengths and weaknesses. Some, for example, are concerned that “businesses tend to have a short time horizon,” while others argue that “outreach to the private sector can help build a sense of the long term, which is critical for planning, investment in the future, and sustainable growth.” There is a warning that, “when business is seen as acting according to self-interest, its intervention can be counter-productive,” while evidence from other contexts suggests that transparent self-interest serves to build credibility and trust.
Despite these differences on the margins, many examples demonstrate roles for business in relationship-building, reaching out to excluded parties, breaking down horizontal and vertical divisions, convening, mobilizing support, and bringing technical expertise or resources to the table. These “suggest that the private sector can directly or indirectly participate in peace processes,” and that “defining a role for … business as partners for peacemaking is an important element to strengthen the transition from war to peace.”

In the post-conflict environment, business engagement for inclusive growth may in particular help create “signals and commitment mechanisms to build collaborative coalitions, demonstrating a break from the past and building confidence in positive outcomes.”

From the perspective of conflict prevention capabilities, we are asking companies to become full partners in broader peacemaking and peacebuilding assessment, planning and execution. Here we may need to acknowledge that we are asking companies to function effectively in a broken system. Though alignment of efforts is critical, “Joint planning and assessment tools have not generally been used to their full potential. Among the recognized shortcomings is a lack of real integration of economic, security, humanitarian, and political programs—and thus a focus on economic or technical development issues to the detriment of attention to political and security concerns, as well as a near complete neglect of transitional justice.”

It may be worth noting that, as action on conflict prevention deepens from left to right along the continuum, indicating an increasingly outward focus for the company, the conflict prevention skills implicated are likely cumulative. All sound conflict prevention is based in conflict analysis; perspective taking and intra-organisational negotiation are also required to maximize positive externalities; and so on. By the time we arrive at peacemaking and peacebuilding roles for business, the full range of mediation and conflict transformation capabilities have come into play.

**Black Holes and Bright Spots**

We have surveyed the conflict prevention and collaborative capabilities that may be salient to business in volatile socio-political environments. Even this cursory analysis should help explain the challenges companies face when they attempt to respond to expectations or encouragement for more impactful action. The more we expect companies to turn from inward to outward focus, and the more we hope they engage and partner with diverse stakeholders in complex and interdependent systems, the predictably harder it will be for them to execute. The question of the degree to which businesses are meeting these challenges remains. Here we draw further on interviewee reflections to get some sense for where businesses may be falling short, and where they may be succeeding, in developing the individual skills, organizational capabilities, and stakeholder engagement mechanisms that can...
positively affect conflict prevention outcomes. What is presented here is a notional consensus view representing the strong weight of the interview feedback. This serves to refine hypotheses about the capabilities required for more constructive corporate engagement in conflict environments.

**Individual Skills**

A senior executive of a multi-national energy giant related the story of a career move. The global head of human resources called her to say that, because of her outstanding performance as country manager for one of the company’s most important European operations, she had been selected for a challenging assignment. In just a few weeks she would lead operations in a country where the company was in partnership with a despised regime facing multiple armed uprisings, and where the company’s operations were constantly scrutinized in the press and protested by international stakeholders. Correctly sensing that the ensuing silence was in part due to her questioning of her own capabilities to take on such a role, the head of human resources quickly moved to reassure her. “Don’t worry,” he said. “It’s a gas project, too.” From the company’s perspective, the old assignment involved getting raw materials out of the ground, and so did the new one.

Senior managers express frustration at the under-preparation of themselves and their teams for effective action in conflict environments. Mary Anderson reminds us that, for outside interveners, “peace is not an area for amateurs.” International actors who intend to engage effectively must be able to do accurate and up-to-date conflict analysis. They must be able to establish comfortable, trusting, and transparent relationships with a wide range of people and types of people, often including those who do not share their own values. They must have mediation skills, including highly specialized listening and responding skills, through which effective peace practitioners are able to identify common concerns that can unite antagonists while also respecting fundamental differences and opposing positions. Finally peace practitioners must have the ability to be calm and comfortable in situations of danger, threat, and emotional and physical stress.

Senior managers largely agree with Anderson’s assessment that these “are not common, everyday skills found among corporate managers.” Yet they report that their companies show curious gaps in their development of leadership models, knowledge, skills and abilities (“KSAs”) and development plans for staff in conflict environments. One senior manager noted that her company considers tenure in a difficult environment an important stage in career advancement, though it takes no particular steps to prepare managers for success. She reflects that the company is probably right in assuming that a leader who survives trial by fire amid socio-political tensions will be successful elsewhere later on. But she questions whether this is a strategy for success, either for the company or the society in conflict.

Leaders report certain encouraging signs. One is the growing professionalization of the community relations function. The University of Cape Town, for example, has piloted in collaboration with major mining interests a postgraduate diploma in strategic engagement. The premise of the programme is that “it has become an essential organisational skill to be able to effectively identify and properly engage with stakeholders,” and that “organisations need to better understand the multiple
perspectives of many stakeholders and the inter-relatedness of the systems in which they operate.” Such more-rigorous programmes currently touch relatively few company managers, but seem to be attracting increasing support. An important caveat is that conflict prevention and strategic engagement are still largely perceived to be the domain of the CSR or community relations “ghetto,” not part of mainstream management training and development.

Organisational Capabilities

Companies are tempted to explain conflict as “force majeure:” largely unpredictable and certainly outside the control of the company. Yet when asked to critique their systems and practices for conflict prevention, senior managers pointed to common weaknesses. These seem to represent challenges in translating what individuals see and understand into plans and action for the company as a whole. As one leader noted, “We’re rarely surprised as individuals – somebody somewhere saw conflict coming. But we’re far too often ‘surprised’ as an organization.” Leaders describe systems and processes that anticipate and recognize potential conflict (overcoming what we might call organisational myopia, or short-sightedness), as well as calibrate and mobilize response to it (overcoming what we might call organisational dyspraxia, or motor impairment), as critical to conflict prevention.

Overcoming organizational myopia

One manager reflected that the majority of corporate analytic resources vis-à-vis a conflict environment are invested before operations begin. Political and operational risk are assessed as part of the presentation to the Board of Directors for the go / no go decision; environmental and social impact assessments are conducted by outside consultants as part of the check-off list provided to the project finance lender for the first disbursement of funds. By the time the strategic planning team hands off to the deal team hands off to the start-up team hands off to the operational team, much of the insight about significant risks has been lost. Additionally, the company most frequently deals with aligned players – local partners who support the company, government officials responsible for economic development, and the like – further narrowing its field of vision. Operations people then concentrate on operations, not the socio-political environment.

Recent work by Eric Clemons and Elizabeth T. Gray, Jr. is one example of new approaches to scenario planning that help move companies towards dynamic analysis and understanding of the environment as part of general management practice. Like traditional methods, their scenarios allow for identification of key risk factors and likely developments. Clemons and Gray, however, draw more explicitly upon context and historical patterns in their derivation of driving uncertainties. Since they start with a dynamic model, they are able to go further than prediction, facilitating active monitoring of the scenario as it actually unfolds, as well as developing options for the company to influence outcomes.

By making explicit the tasking of listening carefully, companies come to understand how others balance the direct costs and benefits of company operations, the social impact of it presence in the country or the community, and the company’s action or inaction on problems in the social political environment. What emerges is a
counterpart to theories of change, a kind of theory of possible negative impact. Looking to its own actions, the company might note that, “if our failure to develop local contractors results in large and visible imports to support our operations, then we will lose the support of both local business and the community.” Paying attention to the actions of others, it might see that, “if the government does not follow through on its commitment to fairly resettle displaced communities, then we will be complicit in human rights violations.” These theories of possible negative impact signal to the organisation what is important and what should be watched out for.

**Overcoming organisational dyspraxia**

Even once the company registers conflict risks, managers report slow and largely ad hoc approaches to formulating a plan of action and taking decisions across functions and the local/HQ divide. One manager described a situation where the labour relations team realised that the company was inadvertently hiring almost exclusively from one ethnic group in a post-conflict environment. This was exacerbating tensions between the communities and building resentments against the company. Finance, operations, community relations, legal, and government relations functions, responding to different concerns and constituencies, all expressed different views on what should or should not be done. Internal wrangling delayed a company response until after violent incidents had occurred.

Some companies find such paralysis easier to overcome when the company incorporates social and political risk scenarios into the core business case, company strategies, and every function’s operational plans. “If the risk of encountering a granite ledge is front and centre in the exploration plan,” said one manager, “the risk of losing local community support should be, too.” Insights, risks and mitigation strategies so codified can transcend any one manager’s tenure or internal function’s leadership of the operations. They become an integral part of management review and dialogue, both among the site manager and her leadership team, and between headquarters management and the local operations.

Companies such as Talisman Energy – which conducted a top-to-bottom review of its governance and management practices after its bruising experience in the Sudan – report success with cross-functional assessments, unified plans for managing “below the ground” and “above the ground” risks, stop-gate processes that make it easier to press the “pause” button when necessary on operations in conflict environments, and clarification of Board level and executive roles.

Decisions must then be put into action. Senior managers largely agree that “The principal distinction between investments in weak and in stronger governance host countries lies not in differences in the concepts and principles that apply to managing them, but in the amount of care required to make these concepts and principles a reality.” Though their success is largely anecdotal, managers describe a full range of performance levers relevant to conflict prevention. Illustrative examples are given in Table 2.
Table 2: Performance levers for conflict prevention

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<th>Lever</th>
<th>Weaker Use</th>
<th>Stronger Use</th>
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<tr>
<td>Risk Scenarios Imbedded in Strategic &amp; Operating Plans</td>
<td>Proliferation of risk studies, impact assessments, and CSR reporting</td>
<td>Unified risk assessment, strategy setting and operational planning to meet technical, financial &amp; social goals</td>
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<tr>
<td>Clear, Concrete Goals &amp; Metrics</td>
<td>Aspirational standards and process measures</td>
<td>Hard (even if modest) targets</td>
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<tr>
<td>Well-Understood Systems and Procedures</td>
<td>“Because every environment is different, we leave it to the local operating head”</td>
<td>Common approaches to analytic inputs, decision milestones, resource calculations, and management review</td>
</tr>
<tr>
<td>Personal &amp; Organizational Accountability</td>
<td>“You can’t hold us responsible for what we can’t control”</td>
<td>Organizational and personal objectives aligned with risks, strategies, and goals</td>
</tr>
<tr>
<td>Professional &amp; Leadership Development</td>
<td>Trial by fire</td>
<td>Sensibilities and capabilities beyond technical expertise, including conflict prevention</td>
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What managers appear to be describing are management approaches that place accountability for operational results with operational management. If protesters are blocking the gate, the plant manager may tell community relations to fix the problem. Yet the root cause may be contractors not paying promised wages or the community believing that company drilling is causing its water wells to dry up. Certainly community relations play critical roles within successful companies. But leaders doubt that companies can meet their conflict prevention goals by turning them over to a small sub-team within the company. To the contrary, they believe that goals and accountability for their achievement must be broadly shared across the company. This is consistent with studies that have found, for example, that “delivery of social performance is ultimately a shared responsibility of the management team.”

Goals and accountability for the achievement of conflict prevention must be broadly shared across the company. Many CEOs doubt that companies can meet their conflict prevention goals by turning them over to a small sub-team within the company. To the contrary, they believe that goals and accountability for their achievement must be broadly shared across the company. This is consistent with studies that have found, for example, that “delivery of social performance is ultimately a shared responsibility of the management team.”

It is common to hear companies state that they can’t be held accountable for what they can’t control. Yet some companies have overcome such thinking. A single workplace fatality, for example, will lower the year-end bonus for every employee in the regional division of a mining company with a strong safety culture. In such companies, safety is on the mind of every person regardless of official role, from the local secretary to the accountant visiting from headquarters who is not only empowered but expected to intervene in any unsafe practice she sees. By contrast, many companies that tout labour rights as a corporate policy have supply chain management or contracting departments whose year-end bonuses are driven by “PQT” – price, quality and timeliness – but not by labour standard compliance. (This may help explain why, at the same time safety records are steadily improving in mining, cocoa farms in Ivory Coast are still employing as many as 800,000 children, often in dangerous jobs, ten years after the world’s chocolate companies promised to tackle child labour.)

Similarly, a study found that although Shell had developed a credible strategy for reconciliation with the Ogoni in Nigeria, Shell’s strategic approach did not “mandate business units to perform in a particular way…. Thus the question remains whether Shell Nigeria has the internal capability and the will to play a full part in Shell’s corporate journey towards a more sustainable approach to development.” Recent headlines, such as “Ogoni vow to continue to agitate for justice,” suggest that at least some stakeholders believe otherwise.
Inter-organisational mechanisms

A common complaint heard from company managers is that “all of us are out ‘consulting’ all the time. So why does everybody still complain that we aren’t listening?” This problem is overcome, say leaders, only when stakeholders agree on the processes and systems for when and how they are consulted, as well as the consequences of reaching or not reaching agreement. This requires an explicit architecture for engagement, negotiated together with the external stakeholders.

Companies report progress in resolution of labour grievances that may highlight principles of more general applicability. Tesco Stores Ltd. is one example. In South Africa, Tesco supported the creation of a mechanism to address labour grievances – typically related to pay or conditions of work – on the private farms from which it purchases fruit exported for sale in European markets. Unlike many company grievance mechanisms, Tesco’s was negotiated among farmers, labour organisations, and NGOs. It uses a multi-stakeholder Oversight Stakeholder Body to ensure that grievance processes are fairly conducted and independent of pressure from any party. Both management and labour receive the same information about their reciprocal rights, duties and obligations. Access points for raising grievances are on the farms but independent from farm management. Where grievances cannot be settled among the parties, mediation support is available. Finally, the system channels unresolved disputes to the Commission for Conciliation, Mediation and Arbitration, supporting rather than bypassing government institutions. Interestingly, the mechanism was successfully negotiated despite significant labour–management tensions over farmworker unionisation and the use of farm labour brokers. There is evidence that confidence-building through the grievance mechanism negotiations has enabled more productive discussions on other issues. The key seems to be that the company’s willingness to help build a process where it was an equal participant with other stakeholders.31

Multi-stakeholder dialogue, problem-solving and decision-making is clearly also critical before grievances arise. Innes and Booher argue that “Collaborative planning is well-adapted to dealing with a complex, changing and fragmented system…. Collaborative processes can lead to changes in the larger system that help make our institutions more effective and make the system itself more resilient.”32 Though buffeted by political tensions in the country and international reluctance to engage outside it, Rio Tinto’s Fagheva (“Flagship”) Programme in Madagascar may be an example. Government authorities, communities, private sector actors, and NGOs have shared accountabilities for a range of economic, education, health, safety, physical infrastructure, SME and other goals. There are some encouraging signs that the process is improving an unstable government’s ability to plan and deliver. Here, too, an important theme is that the dialogue process itself must be negotiated. Laplante and Spears’ extensive study of consent processes in Peru in situations of heightened and often violent conflict reaches the conclusion that “Durable agreements cannot be reached unless companies and communities have the capacity to engage in meaningful consultations.” Furthermore, “Consultations must be part of consent processes in which companies relinquish some measure of control over decision-making.”33 AngloGold Ashanti’s formalized “Cadre de Concentration” in the DRC may provide additional lessons for joint assessment and planning by a company, international NGOs, and local advocates.
Managers note that it is critical that the company be able to coordinate action in the inter-organisational mechanism with action in the company. They reflect that the outward-facing interfaces of the company are often relatively weak players within the corporation itself, with limited capacity to make credible promises or deliver performance on the part of the company. Another study reported “there is a bit of an ‘us’ and ‘them’ relationship between CSR staff and country managers.” One manager related the successful transition his company had made. Formerly, he said, “our CSR staff were promising ‘a new paradigm.’ But their ‘award winning’ CSR report bore little relationship to our actual company operations.” This meant that promises made externally were not delivered on internally, reducing trust and credibility with important partners. Now, “government relations is at the table for strategic and operational planning and review. If it’s not in the plan, they can’t do it. And if it is in the plan, we’re all accountable for making it happen.” He reports that commitments made to stakeholders can more quickly and automatically become part of the operating goals of the company. Company ambassadors, in turn, develop reputations for credibility, integrity and the ability to deliver.

Conclusion: Towards a Framework for Action

From this study emerges the hypothesis that enhanced attention to the individual skills, organisational capabilities and inter-organisational mechanisms outlined above will enable companies to act more constructively in conflict environments and provide an additional and complementary lever for conflict prevention. Now needed is a broader discussion of how to move from an admitted anecdotal to a more rigorous and systematic understanding of capacity for conflict prevention. This can aid both companies and those hoping to influence company actions reach their goals. A robust and useful framework for conflict prevention will test the capabilities hypothesis, and in doing so address three critical questions:

- **Which capabilities matter most?** Which specific conflict prevention capabilities – individual, organizational, or external facing – provide the greatest leverage for mitigating the risks of disruptive conflict, particularly in environments of already-heightened socio-political tension?

- **How are these capabilities optimally deployed?** Where should any crucial reserves of expertise be established, and how broadly must capabilities be instilled across the organization in order for them to constitute a critical mass of sensitivity to, and skill for preventing and managing, conflict?

- **How do we know if they’re working?** What are the indicia or leading indicators of an organisation possessing an adequate level of conflict prevention capabilities? How can we know if an organisation is not effectively identifying and preventing conflict, before disruptive conflict breaks out?

A useful starting point can be identification of success cases, where multiple stakeholder groups report at least qualified success in preventing and / or managing potentially disruptive conflict. Narratives of conflict and its prevention from each significant stakeholder group (presumably including at least the company, community members, labour and government) can be combined with analysis that draws out cumulative learning that has a high probability of both general validity and practical applicability. These can provide the basis for a refined framework for conflict prevention capabilities of greatest salience to companies in conflict environments, as well as the productive paths for embedding these within company operations.
Even before the hypotheses herein developed are further tested, some conclusions both for companies and for actors attempting to influence company actions in conflict environments will be ventured.

The study hopes to have established the value of shifting some share of mind from the “what” to the “how” of corporate operations. Beyond standards of conduct to which companies operating in conflict environments are expected to adhere, or lists of activities expected to be completed at various project phases, at least some inquiry needs to made into a company’s capacity to meet its obligations and take more constructive action. The Basel II Accord might be taken as a model in the manner it moves beyond concepts of credit and market risk – the “what” of banking regulation – to require banks to assess and manage operational risks resulting from inadequate or failed internal processes, people and systems – its “how.”34 Furthermore, at least the broad contours of operational due diligence for companies operating in conflict environments – analysis from the stakeholder perspective, incorporation of socio-political risk into strategic and operating plans, authoritative, cross-functional governance structures, a negotiated architecture for external stakeholder relations, effective integration into core operations, and conflict prevention training – may not be so hard to define.

A second insight may be the value of a systems approach to conflict prevention. Explained in the context of safety. In systems approaches, socio-technical systems are treated as dynamic processes that are continually adapting to achieve their ends and to react to change in themselves and their environment. The processes must not only satisfy appropriate safety constraints in their original design, but continue to do so as changes and adaptations occur over time. Accidents, using a systems approach, are viewed as the result of flawed processes involving interactions among system components, including people, societal and organizational structures, engineering activities, and physical system components.35

The overarching picture that emerges is that effective conflict prevention requires a whole-systems approach for the business, incorporating and connecting individual skills, organizational capabilities, and inter-organisational mechanisms, adapting and linking these to the dynamic processes of the broader environment.

Finally, Nelson Mandela was reportedly fond of saying that an issue “was not a question of principle; it was a question of tactics.” In the same vein, one senior manager noted that “we need to get past the notion that managing social performance is somehow different from managing other parts of our business.” This might be the parting lesson for companies and others concerned with business and conflict prevention. 

“We need to get past the notion that managing social performance is somehow different from managing other parts of our business”
About the author and the paper

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About the Geneva Peacebuilding Platform

The Geneva Peacebuilding Platform is an inter-agency network that connects the critical mass of peacebuilding actors, resources, and expertise in Geneva and worldwide. Founded in 2008, the Platform has a mandate to facilitate interaction on peacebuilding between different institutions and sectors, and to advance new knowledge and understanding of peacebuilding issues and contexts. It also plays a creative role in building bridges between International Geneva, the United Nations peacebuilding architecture in New York, and peacebuilding activities in the field. The Platform’s network comprises more than 2500 peacebuilding professionals and over 60 institutions working on peacebuilding directly or indirectly. As part of its 2012-2014 Programme, the Platform provides policy-relevant advice and services, ensures the continuous exchange of information through seminars, consultations, and conferences, and facilitates outcome-oriented peacebuilding dialogues in five focus areas. For more information see [http://www.gpplatform.ch](http://www.gpplatform.ch).

The Geneva Peacebuilding Platform is a joint project of four institutions: The Centre on Conflict, Development and Peacebuilding (CCDP) of the Graduate Institute of International and Development Studies; the Geneva Centre for Security Policy (GCSP); Interpeace; and the Quaker United Nations Office, Geneva (QUNO).
Endnotes

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