What Role of the Private Sector in the Prevention of Election Violence? The Case of Kenya

Pilar Rukavina de Vidovgrad

Elections are a standard ingredient of democracy. They are contests for political power, and can at times exacerbate existing tensions in a country. They can also generate violence (UNDP, 2009). This so-called ‘electoral violence’ is a sub-type of political violence and is a relatively widespread phenomenon (Fischer, 2002). It particularly occurs in sub-Saharan Africa - the site of the “grand democratic experiment after the end of the Cold War” (Straus & Taylor, 2012, p 15). In 2011, 60% of the 17 sub-Saharan countries that held presidential, legislative, or parliamentary elections experienced election violence (Bekoe, 2012). While it must be noted that there is vast variation in the form, duration, and intensity of electoral violence, which can occur at various stages of the electoral cycle, Straus and Taylor (2012) have demonstrated that 20% of all elections in the region held between 1990 and 2008 resulted in high levels of violence.

This paper focuses on the role of the private sector in the prevention of electoral violence. The positive contribution of the private sector to conflict prevention, mediation and alleviation is increasingly recognised in policy and academic circles, yet little research has been carried out with respect to its role in the prevention election violence. To this end, this case study considers the example of Kenya in the hope that novel lessons will be revealed for firms seeking to engage in conflict mitigation strategies related to election-related conflict.

The enquiry into the role of the private sector in the prevention of electoral violence is important because elections are imminent in numerous countries that have been plagued by election violence in the recent past, including Burundi, Burkina Faso, Cote D’Ivoire, and the Central African Republic. While it is indisputable that different contexts call for tailored responses, the aim is to highlight the untapped potential of the private sector as a complementary and
influential actor in the campaign against election-related conflict, in the recognition that private sector participation in conflict mitigation is no panacea, and that it is but one of many stakeholders in violence-prevention efforts. This paper understands electoral violence as “any random or organized act or threat to intimidate, physically harm, blackmail, or abuse a political stakeholder in seeking to determine, delay, or to otherwise influence an electoral process” (Fischer, 2002, p. 3).

Prevention and the private sector

In order to make the case for business engagement in the prevention of electoral violence, an exploration of the current state of and rationale behind private sector involvement in conflict resolution and peacebuilding is warranted. The private sector is undeniably indispensable for creating wealth and spurring socio-economic development, thereby occupying a central role in societies across the globe. Businesses’ pivotal role in development is being accompanied by an increasingly widespread conviction that beyond making profit, and providing employment, goods and services - what may be referred to as the ‘Anglo-Saxon model’ (Sweetman, 2009) - firms require a ‘social license’ to operate (Ruggie, 2013). In other words, the private sector is to perform socially as well as commercially (Nelson, 2000). The purpose of the corporation is thus extended from making profit to ‘profit plus extras’, whereby firms are expected to act in a socially responsible manner, to be good citizens, to serve the common good, and to contribute to the community as a whole (Smurthwaite, 2008). This notion is reflected in the emergence of international, albeit non-binding, instruments seeking to widen the scale and scope of private sector action in support of peace, notably the United Nations Global Compact Principles for Responsible Investment, the Business for Peace platform, and the UN Guiding Principles on Business and Human Rights. As Nelson (2000) contends, we are witnessing a growing acceptance and enquiry into multi-track approaches to conflict prevention and resolution, which are in turn creating expectations and exerting pressure on firms to play a proactive role in this field.

Thus far, the role of firms in conflict-prone environments has been overwhelmingly painted in a negative light. Admittedly, such scepticism is justified in light of emblematic examples of private sector complicity and its perpetuation of conflict (Kobrin, 2004; Nelson, 2000; Ruggie, 2013). However, such an excessive focus on corporate ‘misbehaviour’, and the subsequent demonization of the private sector serves to distract from the far less publicised instances of positive engagements by both multinationals and local enterprises within conflict-ridden business environments. Rettberg (2004) has documented cases of influential local business-led peacebuilding initiatives in Colombia that culminated in highly innovative and pragmatic solutions to the specific needs of companies faced with conflict. Charney (1999) shows how business effectively acted as a neutral broker between government and opposition elites in South Africa, contributing to the peaceful democratic transition between 1990 and 1994 via mediation efforts, the provision of resources and personal leadership. In addition to the Colombian and South African cases, Tripathi and Gündüz (2008) examine instances of direct and indirect private-sector participation in peace processes in El Salvador, Guatemala, the DRC, Mozambique, Sri Lanka, and Northern Ireland, to conclude that businesspeople can be strategic partners in peace processes, interacting with and complementing efforts by other actors of change.

As for the more specific type of conflict that is election-related violence and its prevention, Nelson (2000) cites collective corporate action in the Philippines during its first election cycle in
the mid-1980s, spearheaded by the Philippine Business for Social Progress, and the National Citizens Movement for Free Elections, which was constituted of a business coalition with the mission to promote and monitor fair elections. The notion that business has a role to play in mitigating election violence appears to have gained traction most recently in Nigeria, which was largely dubbed a powder keg in the run up to its March election, deemed a pivotal historical event for the young democracy (Al Jazeera, 2015). Despite widespread apprehension that the country would descend into violence, Nigerians were applauded for the largely peaceful and orderly conduct of presidential and parliamentary elections (Coutrix, 2015). In anticipation of possible conflict, the organisations Fund for Peace and Search for Common Ground (2015) issued a joint statement, advocating for the engagement of businesses in the country to make a private-sector case for non-violent elections. They cite the important role of individual private sector leaders in influencing political actors, as well as the potential of collective action by chambers of commerce, and urge for the inclusion of the private sector actors in dialogues at the state and sub-national levels. This stance is further reflected in USAID’s (2014) Support to Political Party Development Project, a multi stakeholder initiative that facilitates dialogue between Nigerian political parties and private sector advocacy coalitions, among others. These are but a few cases that shed light on the potential of the private sector as an increasingly recognised collaborator in the field of conflict prevention and resolution.

Such activity naturally prompts the question as to what compels businesses to pursue an active role in a sphere that has traditionally been left to civil society organisations, the state, and intergovernmental organisations. The case for corporate conflict prevention essentially revolves around two key themes; a moral imperative, and a commercial interest in peace. In the case of the former, Catholic Social Thought and Kantian theorists for instance, contend that corporations are not merely legal entities, but are moral communities, comprising social and human enterprises (Smurthwaite, 2008). The firm and its composite individuals are deemed moral agents, who, in light of their considerable influence on other people’s lives, have an “added moral responsibility of reinforcing the ends and desires which help persons flourish” (Morse, 1999, p. 56). Such a stance is echoed in Nelson’s (2000) proposition that, due to the centrality of the private sector as a decision maker and source of influence in today’s globalised landscape, there is a leadership responsibility and moral imperative to actively engage in efforts of conflict prevention and resolution. In a similar tone, Alleblas (2015) points to the conviction by many businesspeople that human suffering ought to be arrested and prevented, while Trevino (1986) finds that personal morals permeate decisions taken by executives. Surpassing altruism and moral imperatives for business-led peacebuilding, which Rettberg (2004) argues to be a minor element of business motivations, perhaps more compelling is the reality that firms have a vested interest in fostering conflict-free business environments.

Businesses are not a priori peacemakers, but are arguably galvanized into such action by the risks and costs conflicts pose to their profitable operations. In the words of Kofi Annan (2004), “business itself has an enormous stake in the search for solutions...companies require a stable environment to conduct their operations and minimise their risks”. Beyond the more obvious toll conflict takes on societies’ human and social capital, it is destructive to profit-generating undertakings by companies in the afflicted areas. Critical infrastructure becomes a primary casualty of conflict, disrupting supply chains and damaging capital investments, thereby significantly raising the cost of doing business (Hoeffler & Reynal-Querol, 2003; Nelson, 2000). The tourism industry stands to suffer immensely as a consequence of political instability (Richter, 1992), which is naturally a major concern in countries that derive a large share of their GDP from tourism, such as Kenya. Specifically, political violence, which includes election violence, has
been empirically proven to substantially reduce tourist arrivals (Neumayer, 2004). Foreign investment (Busse & Hefeker, 2005) and a country’s GDP (Polachek & Sevastianova, 2010) quickly fall prey to heightened political risk and conflict. Direct business costs incurred as a result of conflict manifest themselves in numerous ways (Alleblas, 2015; Killick, Srikantha & Gündüz, 2005; Nelson, 2000). Businesses may be forced to contract security forces so as to protect their human and physical assets, may have to pay high insurance premiums, or can even lose insurance coverage altogether. Firms’ private property may become a target of violence, and such material losses stand to be compounded by a loss in skilled, productive workforce. Furthermore, there is the dimension of capital costs, whereby operating in conflict zones makes it both more costly and arduous to raise capital via international capital markets and bank loans. Finally, firms face a surge in overall opportunity costs, derived for instance from a loss of markets and investment opportunities. It is evident then that conflict is bad for business.

While the limited literature on corporate conflict prevention has dealt primarily with transnational corporations (TNCs), the importance of the domestic private sector in conflict prevention cannot be overstated, due to its arguably heightened stakes in peace. Regarding the moral imperative, Banfield, Gündüz, and Killick (2006) contend that due to their embeddedness in the social fabric of conflict contexts, local business actors are directly exposed to the destruction involved, and thus have a natural desire to see the conflict cease. Furthermore, as Rettberg (2004) demonstrates with the Colombian case, local businesses in conflict zones are faced with pronouncedly different options and limitations than their transnational counterparts. As opposed to TNCs, local companies face constraints on exit, have a stake in established networks in domestic markets, and are considerably more vulnerable to the costs of conflict in their operating environments. The one-dimensional focus on TNCs further serves to distract from SMEs, whose corporate strategy in conflict contexts is unlikely to include exiting the economy. The very nature of SMEs as context-specific entities with low investment capacity, and their dependence upon local social, legal, and economic networks, enhances the probability of a response when faced with the threat of crisis (Felgenhauer, 2007; Rettberg, 2004). Business participation in conflict prevention thus becomes a rational act, catalysed by cost-benefit considerations, in the realisation that, put simply, “peace is better business” (Rettberg, 2004, p. 7).

An understanding of the motives behind ‘peace entrepreneurship’ (Banfield, Gündüz & Killick, 2006), while indispensable, warrants a subsequent investigation into how local businesses can contribute to conflict resolution and peacebuilding. Various mechanisms for corporate conflict resolution and prevention have been identified, including business engagement via social investment and policy dialogue, as well as supporting such processes thought core business operations (Nelson, 2000). However, a more in-depth enquiry into private sector strategies for peace within the context of electoral violence serves to illuminate courses of action tailored to this specific form of conflict plaguing business environments around the world.

**Private sector strategies in Kenya**

Having outlined the key incentives for corporate conflict prevention, we must proceed to consider their practical applications within the Kenyan context. Kenya was often hailed as an African beacon of political stability and economic development since the restoration of multiparty democracy in 1992, yet the relatively recent occurrence of severe electoral violence serves to caution us against false optimism. Kenya is no stranger to large-scale electoral violence, which it had experienced prior to the 2007 elections, in 1992 and 1997 (Straus & Taylor, 2012). Nevertheless, the unprecedented and largely unanticipated ethnically expressed
violence that engulfed the country following the disputed 2007 presidential election shocked observers the world over. Violence erupted following accusations of election rigging almost immediately after Mwai Kibaki was unexpectedly declared victorious and sworn in for his second term (Dercon & Gutiérrez-Romero, 2010). Human Rights Watch (2013) estimates put the death toll at 1,300 people, with a further 165,000 displaced. An examination of the conflict’s impact on Kenya’s economy at both the macro and micro level highlights the indirect and direct business costs of the violence to the country’s private sector, thereby making evident the motivation behind peace entrepreneurship pursued both during the turmoil and its aftermath.

The monetary costs of electoral violence are not easily quantified due to its multifaceted nature and temporal flexibility. Notwithstanding, Guibert and Perez-Quiros (2012) have constructed a synthetic model to estimate the economic costs of the 2007/2008 post-election violence in Kenya. They show the effects of the election violence to be drastic, resulting in an average reduction of $70 in per capita GDP between 2007-2011, equivalent to 5% of the 2007 baseline level. According to the World Bank (2015), GDP growth plummeted from 7% in 2007 to 0.2% in 2008. The severity of economic loss is further demonstrated by the fact that FDI to Kenya decreased by almost 75%, from $729 million in 2007 to $183 million in 2008 following the election violence (Kiti & Kitiabi, 2011, p. 1).

While such trends can surely be attributed in part to soaring inflation during this period, it is reasonable to assume that the election violence was a major source of economic disruption. For instance, as Phillips (2006) argues, elections are a clear factor driving perceptions of political risk, to which FDI has been proven to be highly susceptible to (Busse & Hefeker, 2005). Particularly devastated by the impacts of the electoral violence were the country’s three top foreign exchange earners, the tourism, tea, and flower industries. The violence diminished Kenyan flower exports by almost a quarter overall, with firms located in the conflict areas hit hardest, whose exports were reduced by a whopping 38% (Ksoll, Macchiavello & Morjaria, 2009). This was the result of transportation difficulties as well as personnel absenteeism amidst the violence, in addition to the longer-term consequences of workers displacement. The tourism industry suffered immensely as a result of the political violence, and the corresponding travel warnings issued by numerous foreign governments. Industry revenue dropped an estimated 32% in the first half of 2008, with tourist inflows decreasing by 36%, and over 140,000 jobs lost by March that year (Gwamna, 2012, p.74). As for the tea industry, lost exports amounted to $2 million a day, with tea estates, their personnel, machinery, warehouses, and housing becoming deliberate targets of the post-election violence (“Kenya’s flower industry”, 2008). Armed looters were turning tea estates into “fields of death”, killing and pillaging in their path of destruction (Blomfield, 2008).

The Kenyan case is an obvious illustration of the notion that conflict is detrimental to business, and may act as a catalyst for corporate conflict prevention pursued by firms seeking to protect their bottom line.

As noted by Rettberg (2004), on-going perceptions of threat are an important explanatory factor of business commitment to peacebuilding initiatives, and the threat of reversion to election violence in 2013 was clearly a mobilizing agent for Kenya’s private sector, whose role in preventing further violence amounted to a diversified, strategic, methodical peacebuilding campaign over the course of five years, as documented by Owuour & Wisor (2014). The initiatives were spearheaded by the Kenya Private Sector Alliance (KEPSA), the national apex body of country’s the private sector, which is comprised of over 100,000 members hailing from a wide range of sectors, including the Kenya Flower Council, the Kenya Tourism Federation, and the East Africa Tea Trade Association. Perhaps the most visible activity
conducted by KEPSA was its three-phased public communication campaign, ‘Mkenya Daima’ (meaning ‘My Kenya Forever’), conducted in cooperation with civil society organizations, interfaith groups, developmental partners, and the media (Owuour & Wisor, 2014). Phase I of the campaign garnered additional external support for the initiative, sensitized the media, CSOs, and the Inter-Religious Council about the campaign and the need for peaceful elections, and further entailed meetings with politicians and the judiciary. Hot spots of the post-election violence were targeted for community forums delivering messages of peace. Phase II included the training of representatives from women and youth organisations from every county as peace ambassadors, in the recognition that these had borne the brunt of the violence. Phase III was dedicated to the scaling up of the campaign’s peace message via op-ed articles in print media, upcountry youth training in numerous towns, concerts, peace walks, church services, professional student associations, and various roundtables with stakeholders. The Mkenya Daima campaign enjoyed extensive visibility across the country, with 39% of the surveyed population being aware of its peace message by the end of phase I, a figure greatly enhanced amongst the population with social media access, 81% of which had been exposed to Mkenya Daima. (Owuour & Wisor, 2014, p. 12). Visibility was further ensured by individual efforts by KEPSA’s members, for instance the Kenya Flower Council’s provision of peace message stickers of ‘Mkenya Daima’ to flower vendors in Nairobi, and the placing of stickers which read ‘flowers for peace’ on their vehicles (Kenya Flower Council, 2014).

KEPSA further participated in the politics of peace via legislative advocacy to tackle the root causes of poverty including unemployment, corruption, public sector patronage, and corruption. Also, key private sectors actively lobbied key politicians to publicly commit to peaceful elections, further dispersing the message of peace. Private diplomacy by Kenyan business leaders through the formation of an ad-hoc committee in the heat of the post-election violence allowed these to leverage their considerable influence to, amongst others, influence media leaders to avoid inflammatory content, and to interact with politicians on a regular basis and induce peaceful rhetoric, while simultaneously maintaining their neutrality (Owuour & Wisor, 2014). Furthermore, KEPSA organised and hosted the country’s inaugural presidential debates that may have added democratic legitimacy to the political campaigns. For the first time ever, candidates were forced to sit in a single forum and answer questions directly related to issues of national concern. Such public deliberation was further enhanced by post-debate discussions with representatives of CSOs and the private sector.

In the recognition that the media has a significant role to play in instigating or hindering the spread of messages encouraging electoral violence (UNDP, 2009), which some of its constituent members had promulgated during the 2007/2008 electoral violence, representatives of the private sector and media companies initiated training and sensitization programmes for media owners and journalists in order to prevent reporting with ethnic and inflammatory undertones during the 2013 election cycle. Moreover, the Media Owners Association provided one free commercial of the Mkyenya Daima campaign for every commercial purchased (Owuour & Wisor, 2014). It has been acknowledged that hate speech and incitement was widely dispersed via mobile networks during the 2007 election cycle (Goldstein & Rotich, 2008), prompting a response from mobile operators that complimented official guidelines to prevent the use of networks to disseminate hateful political speech in the run up to the 2013 elections (Owuour & Wisor, 2014). Particularly notable are the efforts by Kenya’s largest operator Safaricom, which when threatened with a shutdown of the SMS system, convinced the government to instead allow providers to disseminate messages of peace and calm, which the company proceeded to send to 9 million customers (Goldstein & Rotich, 2008). In addition, Safaricom blocked inciting
bulk text messages, and donated 50 million text messages to the CSO ‘Sisi Ni Amani’ (meaning ‘We are peace’), which in turn used these to specifically target groups in conflict-prone areas (Owuour & Wisor, 2014).

Due to the unfolding of violence across ethnic lines in the earlier elections, numerous firms of various sizes sought to mitigate potential personnel costs via the conducting of employee seminars and harmony-building activities, and granting employees paid leave during election time. Safaricom went so far as to produce a video stressing tolerance, which became mandatory viewing for all employees, and KEPSA had all employees sing the national anthem once a week in the spirit of fostering unity (Owuour & Wisor, 2014). It is evident that the far-reaching efforts by members of Kenya’s private sector were rather multifaceted in nature, whereby participants contributed their leadership skills, capacities, political influence, networks, and resources to the cause of preventing another violent election. Interviews conducted with key informants of the business sector demonstrate that these acted out of both concern for those around them and to protect their enterprises from the risks of political unrest (Owuour & Wisor, 2014), serving to mirror theoretical conceptualisations of business motivations for corporate peacebuilding as driven by self-interest and moral convictions.

Palpable relief was felt across the world when Kenya did not relapse into conflict during the 2013 electoral cycle despite the continued polarisation of the country and electoral irregularities. It would be naive to attribute the cessation of conflict in 2008 and the widespread absence of violence during the 2013 electoral cycle solely to the private sector’s engagement for peace. The largely peaceful elections could not have occurred without the institutional, constitutional, electoral, judicial, police reforms undertaken, nor without the pursuit of transitional justice in the name of enhanced accountability, or the extensive local conflict prevention efforts, notably by the District Peace Committees (Lumsdaine, Akpedonu & Sow, 2013). Additionally, as is evident from the review of KEPSA’s initiatives, their success was predicated upon close cooperation and coordination with other stakeholders, who gave force to strategies of collective action. This underlines the contention that private sector advocates are partners in peacebuilding processes, rather than isolated actors whose undertakings are a silver bullet to conflict resolution. Furthermore, business-led peace initiatives in isolation cannot address the underlying sources of the election violence, which include land ownership issues, corruption, the marginalisation of out-of-power ethnic groups, the formation of political parties across ethnic lines, and socio-economic deprivation and inequity (Spies & Cook, 2009).

Nevertheless, these factors should not serve to discount the commendable efforts by members of Kenya’s private sector to prevent a reoccurrence of conflict. While there currently exists no method whereby the impact of corporate peacebuilding can be measured, such efforts are deemed most successful when pursued alongside strong leadership, collective action, legitimacy and impartiality, and self-reflection on the part of businesses (Banfield, Gündüz & Killick, 2006) – all of which characterised the Kenyan private sector’s response to the 2007/2008 electoral violence.

**Conclusion**

Traditionally, the private sector has been relegated to the periphery of conflict prevention, if not excluded altogether. Its contribution to peace has been conceptualized merely in the broadest sense - as agents of economic development - and it “remains one of the underestimated and underused peacebuilding actors” (Killick, Srikantha & Gündüz, 2005, p.21). Nevertheless, the
widespread disregard of the private sector as a valuable agent of change in peacebuilding efforts is undergoing a gradual shift both in theory and practice. Whether due to moral conviction or economic self-interest, we are witnessing the proliferation of trisectoral multi-track peacebuilding, whereby private sector efforts compliment those of the public and civil society sectors (Sandole & Staroste, 2014). The case of Kenya between 2007 and 2013 demonstrates how the private sector can effectively harness its tangible and intangible resources to engage in “proactive, systematic value creation” (Nelson, 2000, p. 11) within a challenging business environment marred by the threat of further election violence. While various causal factors contributed to the peaceful elections of 2013, corporate conflict prevention by firms in Kenya was nevertheless meaningful in their extensive scale and scope. It is undeniable that each conflict, including electoral violence, is unique, both in its causes and its manifestation, and as such, one size does not fit all. Nevertheless, there is some reason to believe that the Kenyan case may serve as an inspiration for countries whose electoral cycles are characterised by a large degree of uncertainty and risk, which, regardless of location, threaten profitable business operations, especially those of local companies and SMEs on the front lines of conflict. Business cannot be the sole actor of change, but can act as a resourceful partner in collective conflict prevention initiatives. However, a prerequisite for the enhanced participation of business in peace processes, is a shift away from preconceptions of the private sector as an external actor of economic development with no place in such political contexts, to a more widespread recognition both within the business community itself, and local and international peacebuilding organisations, of its potential, albeit differentiated, role in preventing electoral violence.

Bibliography


About the author

Pilar Rukavina is a Masters Candidate in Development Studies at the Graduate Institute in Geneva, Switzerland. She obtained her BSc in Politics and International Relations from the London School of Economics and Political Science International Programme in Madrid, Spain. Prior to commencing her postgraduate studies, she worked at the Institute for Cultural Diplomacy in Berlin, Germany, where she was Programme Director for the Africa Department, after which she worked at the IMANI Centre for Policy & Education in Accra, Ghana as a Research Assistant in the Department of Economics, Development and Trade. She is currently undertaking an internship with Mondelēz International Cocoa Life in Ghana. This paper draws on research prepared for the Graduate Institute’s course “Business and Security in Fragile States”.

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 3,000 peacebuilding professionals and over 60 institutions working on peacebuilding directly or indirectly. For more information, visit http://www.gpplatform.ch.

Series Editor
Dr. Achim Wennmann, Executive Coordinator
© Geneva Peacebuilding Platform, 2015