


## 7 ways business can be agents for peace (An Excerpt)

**SAMBODHAN (Together Towards Awareness)**

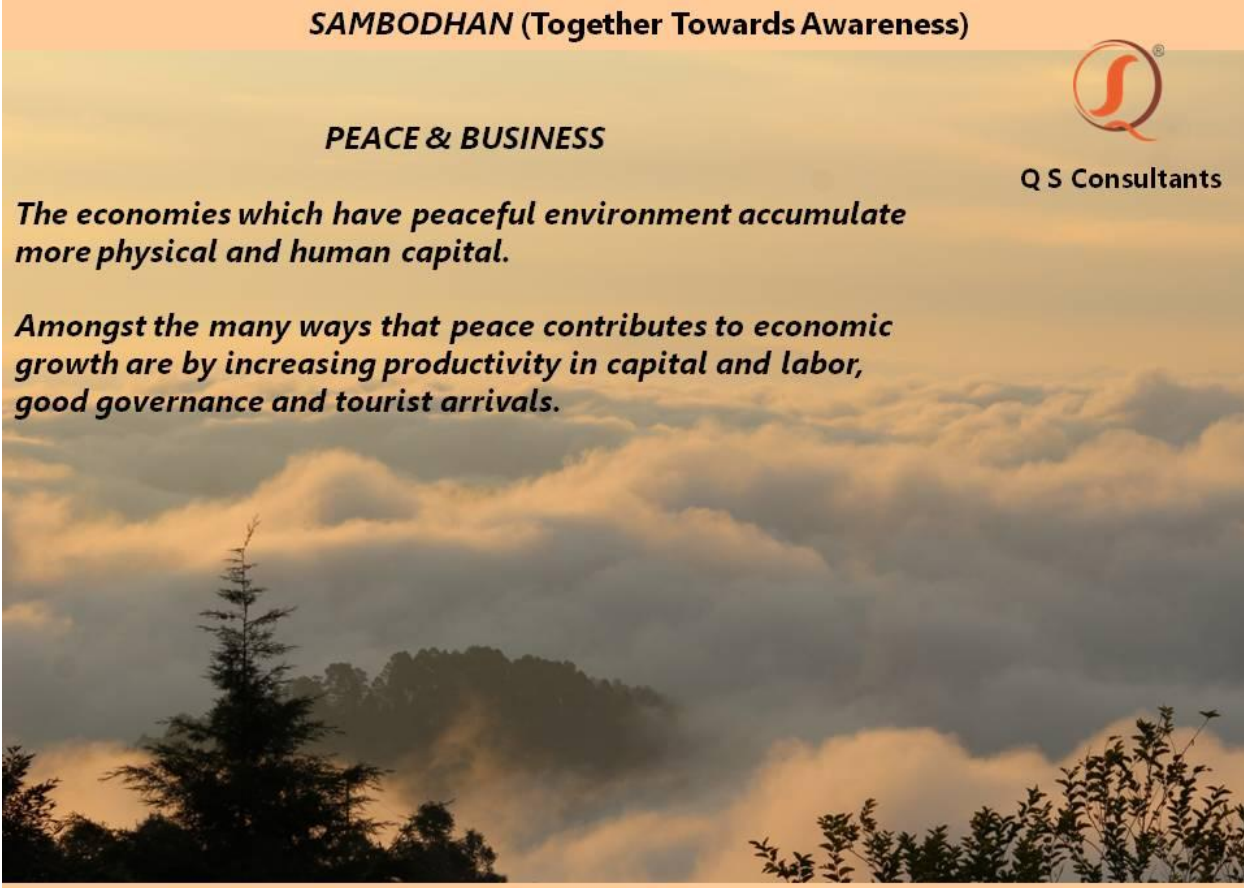
**PEACE & BUSINESS**

*The economies which have peaceful environment accumulate more physical and human capital.*

*Amongst the many ways that peace contributes to economic growth are by increasing productivity in capital and labor, good governance and tourist arrivals.*



Q S Consultants



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The last decade has shown a [steady decline](#) in the level of peace around the world, as civil wars, terrorism and rising violence become increasingly prominent. The costs of this are huge, with the impact of violence on the global economy calculated as equivalent to \$1,988 per person, or 12.4% of global GDP.

These costs disproportionately affect the poor. The poor are more likely to be affected by conflict in the first place; by 2030, [nearly half](#) of the world's poor are expected to live in conflict-affected



situations. Conflict also serves to further entrench economic development challenges. In the 10 most conflict-affected countries, GDP is held back by violence by between [30% and 68%](#).

Recent [research](#) by the UN and the World Bank points to an urgent need for the international community to refocus on building peaceful societies and preventing violent conflict, which they calculate could save between \$5 billion and \$70 billion per year.

Business, alongside all stakeholder groups, has a key role to play here. So what can business do to contribute to peace?

### **1) Explore new places**

Concerns about security risk, costs and reputation mean that companies often overlook business opportunities in conflict-affected areas, even in cases where this might be feasible. This leads to a vacuum of well-governed businesses operating in fragile regions.

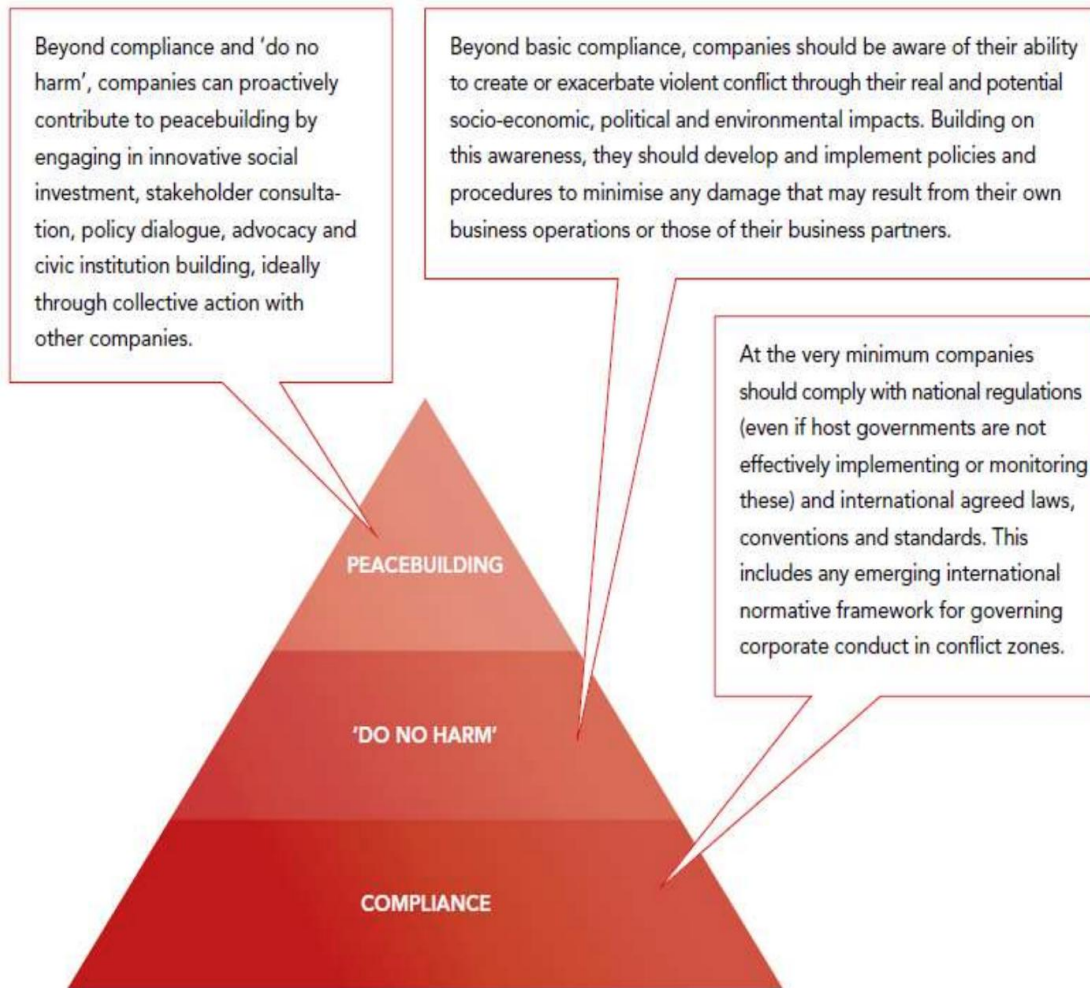
Business presence in itself is no guarantee of a positive contribution to peace-building. There are plenty of examples of businesses, even those that are well-meaning, exacerbating conflict; and it is essential that businesses operating in such environments adopt [conflict-sensitive practices](#).

However, working carefully with development, humanitarian and peace actors to better understand situations on the ground, would enable industry to explore opportunities that also have the potential to contribute to stable and prosperous societies.

### **2) Measure influence on peace-building**

Understanding how a business influences peace-building is central to improving it. The Peace Nexus Foundation, with support from Covalence, recently launched a [Peacebuilding Business Index](#), which incorporates broader Environmental, Social and Governance (ESG) indicators, with additional emphasis on how companies address specific challenges in fragile contexts, such as the disrespect for human rights, high levels of corruption, or the lack of public services.

The criteria used give companies a yardstick to measure and showcase how their policies and practices can actively contribute to the stabilisation and rehabilitation of conflict-affected areas, going beyond simply “doing no harm”, which previous frameworks such as the UN Guiding Principles on Business and Human Rights have often focused on.



**Peace-building Business Criteria Image: Peace-building Business Index**

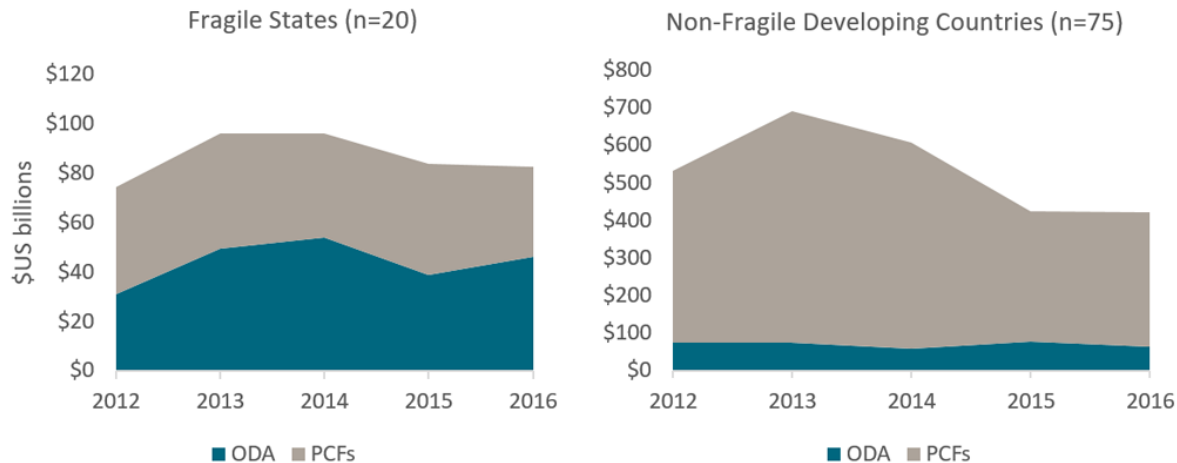
Interestingly, the companies that rated well in the index performed financially better than average. It may be that “conflict-sensitivity” serves as a proxy for sophisticated risk management, capacity to adapt and innovate, and the ability to effectively resist “shock-tests” – key factors of financial success.

**3) Hire across societal lines**

Businesses can reduce, or exacerbate, tensions through their [employment processes](#). Not only can the creation of local jobs address unemployment, often one of the drivers of conflict, but hiring different groups to work together can build good relations between communities.

#### 4) Put your money where your mouth is

Investment has a vital role in addressing the underlying causes of conflict and fragility, yet investors often shy away from the places that need it most. Whereas private capital makes up the [vast majority](#) of external funding to non-fragile developing countries, fragile states remain much more heavily dependent on aid.



**Overseas Development Assistance (ODA) is a prominent source of financing in fragile states Image: Centre for Global Development**

It is key to identify the right partners to work with, who can help investors reduce risk, by covering first-loss or providing guarantees, or by contributing their skills, expertise and understanding of the context.

#### 5) Pay your taxes

A well-designed tax system not only generates sufficient and predictable revenue for states to operate, but it also builds political accountability, enhancing the state’s legitimacy and improving relations between state and society.

Businesses are not the only players here; the feedback loop between the tax system and political accountability relies heavily on citizen engagement as well. However, if businesses, in particular large international businesses, are seen to avoid paying their share, it risks leaving citizens with a sense that the system is inherently unfair. We need a private sector that supports the strengthening of institutions and the rule of law, not one that detracts from it.

#### 6) Share information

Businesses often have a wealth of information about the security, economic and social dynamics of the environments in which they operate, which is frequently kept private as it is considered politically sensitive. However, sharing this information can be valuable for peace, for example



disclosing risk assessments with national governments or other relevant national actors can empower them to mitigate tensions and prevent violence.

On the other hand, the absence of information about key aspects of industry can exacerbate conflict. Business can address this by showing leadership on transparency and driving forward transparency initiatives. For example, the [Extractive Industries Transparency Initiative](#) (EITI) sets a standard for sharing information regarding contracts, production, revenue collection and allocation, and social and economic spending in the extractive industries, overseen by a multi-stakeholder group in each country.

### **7) Use your voice**

The private sector has incredible power to influence the thinking of both government and wider society, and can exert its influence to advocate for peace and support mediation efforts.

*The views expressed in this article are those of the author alone.*

For complete article click on the link below:

<https://www.weforum.org/agenda/2019/05/7-ways-business-can-be-agents-for-peace/>

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**Q S Consultants**, is a management consulting company, we understand the business challenges in the volatile global ecosystems and concentrate our skill set to resolve those challenges and develop solutions for our clients, we have done this in the national and regional context in the fields of Hospitality, Pharmaceuticals, Transport & logistics and in Power & Telecom Infrastructure in creating stable, a successful organizations.

We realize that unless the most important element; **“The Human Being”** is not in harmony with itself and its environment the above mentioned success cannot be sustained.

*Therefore our focus is & will be on developing Individual Human potential and an integrated approach in building successful organizations.*