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AKO Foundation

SPECIAL REPORT ON BUSINESS ETHICS

Business for Peace

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Deep gratitude is also due also to Henrik Syse for his guidance on this report. A Norwegian philosopher and author, Syse is a research professor at the Peace Research Institute Oslo and a part-time professor of peace and conflict studies at Bjorknes College in Oslo.

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Introduction

At the turn of the 20th century, Indian laborers in South Africa led what American philosopher Henry David Thoreau might have called lives of quiet desperation. Deprived of political rights and forced to work under inhumane economic conditions, they might have been excused for taking up arms to fight for better lives. In a twist that made history, they chose not to do so. Instead, many followed a virtually unknown Indian lawyer, Mohandas Gandhi, who advocated confronting injustice through nonviolence. In 1906, Gandhi coined a term to describe this approach to dealing with conflict: satyagraha, or truthful, polite insistence.

Once Gandhi had shown how effective satyagraha could be as a strategy for winning results in South Africa, he moved to India and demonstrated that the approach worked equally well on that subcontinent. When textile mill workers in Ahmedabad in the western state of Gujarat agitated for higher wages, Gandhi deployed satyagraha to lead them. He urged the same approach when indigo growers in Bihar in eastern India demanded higher prices for their crops. Whenever hostile economic circumstances threatened to ignite conflict, Gandhi gently pointed out that the solution lay not in violence but in peace.

Louis Fischer, an American journalist who wrote Gandhi's biography in 1950, described satyagraha in these words: "Satyagraha is peaceful. If words fail to convince the adversary, perhaps purity, humility and honesty will. The opponent must be 'weaned from error by patience and sympathy,' weaned, not crushed; converted, not annihilated. Satyagraha is the exact opposite of the policy of an-eye-for-an-eye-for-an-eye-for-an-eye which ends in making everybody blind. You cannot inject new ideas into a man's head by chopping it off; neither will you infuse a new spirit into his heart by piercing it with a dagger."

Today, the world faces similar challenges that Gandhi and his generation did. Globalization, technological change, immigration, competition for resources – all these still impel adversaries to tear at one another's throats. At such times, what role does and should business play? Does corporate involvement help reduce conflict, or does it further inflame violence and make things worse? Under what conditions do the actions of companies escalate conflict and when do they promote peace?

This report on Business for Peace attempts to answer these questions and more. Based on interviews with experts in academia as well as practitioners in business and nongovernmental organizations, this is the third in a series of reports on business ethics that Knowledge@Wharton has produced in collaboration with the AKO Foundation. The report tries to show—as Gandhi did more than a century ago—that violence begets violence, which begets more violence. For people to co-exist and thrive in harmony, business can and must be a force for peace.

Peace does not simply mean the absence of conflict. Witold J. Henisz, a professor of management at the Wharton School of the University of Pennsylvania, says: "If we just focus on the absence of conflict, we lose sight of the importance of pre-existing grievances and their impact on future conflict. We must do more than just make the status quo nonviolent. We must connect factions and groups that have historical animus. Peace requires building constructive relationships between groups that are isolated from one another, groups that are prone to conflict."

Our goal in this report is to explore business models that promote harmony and well-being and contribute to the construction of an inclusive society while also conducting business in a professional and profitable way. However, inclusion is more complicated than it might seem. As Henisz notes, well-meaning people are sometimes wont to believe that if an impoverished area receives economic assistance, that leads to peace. That is not necessarily true. "Economic benefits can also contribute to conflict if they are distributed in ways that are not perceived as fair," he says. This report examines how that dynamic has played out in different parts of the world. We take an in-depth look at the experience of one country, Rwanda, whose leaders tried to make economic collaboration part of peace-building after a genocide ripped the country apart.

The report emphasizes the importance of learning from role models -- companies, foundations, as well as not-for-profit organizations that are trying to develop business models that foster peace. The Business for Peace Foundation in Norway and the Peace Research Institute Oslo (PRIO) are playing a critical role in this respect. For years, they have recognized organizations through the annual Business for Peace awards. This report examines the role of one social entrepreneur, Durreen Shahnaz, founder of the Impact Investment Exchange in Singapore, who is trying to engage the financial sector in making the world more peaceful.

Learning from role models is important because, too often, companies believe that corporate social responsibility (CSR) initiatives are enough. According to Henisz, while the domain of CSR is where such issues should be discussed, "too much of CSR is focused on what people can measure or are measuring—what you can put in an annual report. We need to take a broader approach of understanding the social structure and addressing historical grievances. That is what CSR should include. I'm not sure it often does. It is very hard to measure and quantify human rights and put that into your sustainability report."

Henisz believes that over time, "we will get better at measuring what is material within environment, social and governance domains. We are getting better at measuring carbon. We can measure climate impact at sensitivity to a 2-degree scenario. We'll also start getting better at measuring sensitivity to human rights issues and sensitivity to conflict. And then corporate social responsibility will live up to its promise, as opposed to a tick-box, legalistic, marketing approach."

The report includes a section on Peace in the Workplace, which deals with ways to resolve conflicts within organizations. We believe there is little point in looking only at initiatives that contribute to peace at the international, national or industry level if we fail to address them within our immediate work environments, where we spend most of our working lives. In this section, we seek inspiration and insights from the ideas of Nelson Mandela and Bishop Desmond Tutu, who made human dignity a focal point of their efforts to build peace in South Africa. Gandhi, though he belonged to an earlier generation, would undoubtedly have approved.

But first, we consider research that has found patterns in the way private companies have made a positive impact on peace. The next section argues that the most effective methods are likely to be the personal involvement of individual business leaders rather than a faceless corporation. In the following section, we return to Henisz and explain his findings about stakeholders and the need for companies to take an inclusive approach when it comes to obtaining a social license to operate. Without it, a mine or an agribusiness can lead to more conflict, not greater prosperity. ■

Business as Peace-builder

Every time a nation is torn by conflict, opportunities arise for businesses to take advantage of the situation. A fragile economy allows companies to avoid being good corporate citizens and protecting worker rights or the environment. They can externalize the cost of such activities by getting somebody else to pay for them, or they can simply do nothing and turn a blind eye to depredation. Plenty of companies fall into this category. And others, to be sure, are not tarred with the same tawdry brush. Many businesspeople work toward resolving conflicts and restoring peace in the countries where they operate, often at a huge risk to themselves and their businesses. Some are driven by pure altruism; others seek to protect or advance their business interests; still others are compelled to act in the face of existential threats. The response of businesses *in extremis* is as varied as the terrain in which they operate.

Assuming that companies with good intentions operate in conflict-affected areas, is there something they can do to help bring peace? Clearly, much can be achieved by aligning their interests and inclinations with peace-building efforts. Some business activities bring gains for the community, such as assistance for small farmers, more quickly than, say, a mine whose benefits trickle out over a longer period. Some firm-level ownership structures lend themselves better than others to promote peace-building. And there are governance mechanisms causing companies to operate in a manner that reduces conflict and to be held accountable for their efforts. "The fact is that peace in its full expression is not good for profits," says Brian Ganson, head of the Africa Centre for Dispute Settlement, which conducts research into conflict and development at the University of Stellenbosch Business School in Cape Town, South Africa. "You make the most money by externalizing your social and environmental costs, and conflict environments let you do that more easily." In support, he refers to a 2010 Multilateral Investment Guarantee Agency (MIGA) report that focused on investment in conflict-affected and fragile economies. "The MIGA report says returns to [corporate] investment in fragile states far exceed returns to non-fragile states," he continues. "They're great places to make money."

These observations come from a recently published study Ganson co-authored on how businesses could work for peace, titled "A Seat at the Table: Capacities and Limitations of Private Sector Peacebuilding." The study summarized a two-year project focused on identifying effective, peace-promoting roles for the private sector in fragile and conflict-affected environments. It was conducted by the Africa Centre for Dispute Settlement; the Peace Research Institute Oslo in Norway; and CDA Collaborative Learning, an arm of Cambridge, Mass.-based CDA, a research and advisory organization focused on bringing peace to fragile and conflict-affected areas.[1]

The objective of the research project was to examine the role played by the private sector in the "transitions from fragility to development, from conflict to peace, the evidence of those efforts, and to understand what drove them," says Ganson. "The drivers were both skepticism and curiosity about the exuberance around this renewed focus on the private sector in conflict environments," he added. "What is this 'business in peace' that people say is there, that we're not seeing? What would we tell a company or people working with companies that makes a difference?"

According to the study's authors, there is little useful evidence about what businesspeople might do to advance peace in fragile and conflict-affected states. "The question at the heart of this project relates to the effectiveness of companies' efforts: what works, and what does not work, to reduce conflict and build peace," they stated. They pointed to a growing consensus that companies "can, do and should act in ways that also contribute to peace," while avoiding negative societal impacts, such as through complicity in human rights violations or in operating in a way that harms the environment or communities.

For starters, it is important to understand the issues underlying conflicts, says Ganson. He offers three examples: In South Africa, the transition from apartheid to democracy; in Colombia, the lessening of tensions in rural areas, tied to underdevelopment and human-rights violations; in Kenya, the reduction of election violence to derive gains on other fronts.

The study covers 11 case studies on four continents, including corporations such as fruit and vegetable producer Unifrutti Tropical in the Philippines, power company Isagen in Colombia, and aluminum company

[1] The study was funded by the Carnegie Corporation of New York and the Norwegian Ministry of Foreign Affairs, with several of the Colombia case studies funded by the Federal Department of Foreign Affairs of Switzerland. In addition to Ganson, the other authors of the study are Sarah Cechvala, a senior program manager at CDA Collaborative Learning; Jason Miklian, a fellow at the Centre for Development and the Environment at the University of Oslo; and Ben Miller, an associate director at CDA Collaborative Learning.

The research produced some surprising findings, such as one where they found unlikely heroes that championed peace-building initiatives in conflict areas.

Norsk Hydro in Brazil. Other case studies cover business associations such as the Kenya Private Sector Alliance (KEPSA) and the Consultative Business Movement (CBM) in South Africa, a group of liberal and progressive business leaders. The report also includes a study of the role of the private sector in Sierra Leone, and a case study of the investment management arm of the Norwegian central bank that manages the country's enormous sovereign wealth fund, focusing on its investments in companies that operate in fragile states.

The case studies found patterns in the way that private companies were able to make a positive impact on peace. Typically, they deployed one or all of five resources: access to networks among key people and "the hard to reach"; control over significant economic resources; influence and convening power; the ability to confer legitimacy on other actors; and the ability to create channels for addressing grievances, particularly for marginalized groups.

In South Africa, business executives with strong contacts among black labor organizations arranged a meeting in 1985 between the CEO of Anglo American, a large mining company, and leaders of the African National Congress, whose members were regarded, at the time, as "terrorists" and "communists" by the South African government and by much of the country's white population. These discussions helped the companies secure the ANC's support to launch the CBM.

Elsewhere, longstanding local relationships helped Isagen and Unifrutti Tropical to push their own peace efforts. These experiences showed that sizeable businesses could bring parties in conflict to engage with each other. The study is strongest in its effort to understand what interventions work best in achieving peace, says Ganson. Individual business leaders or those running privately held businesses are more likely to engage in peace-building efforts than the management of corporations with a wider shareholder base. "Businesses' engagement for peace can be selfless at the individual leader level, but will always be selfish at the corporate level," says Ganson.

From a financial perspective, companies have little or nothing to gain from peace-building initiatives, he says. In fact, he suggests they usually have more to gain in conflict environments if they look the other way. He cites Sierra Leone, which "has no unique resources, no internal market, no trained labor force, and a transportation cost that's four times the regional average." Businesses that invest in Sierra Leone would do so only "to take advantage of the situation," he observes.

Managers at publicly held corporations are reluctant to engage directly in resolving conflicts, because they are held accountable for the impact of such actions on the bottom line, the report noted. The study also found that conflict issues are resolved through formal and informal dialogue and negotiations, rather than through philanthropic or development activities. Even jobs and other economic benefits do not necessarily help. "In many cases, ostensibly good things like jobs simply feed into the conflict," says Ganson. "If all the jobs go to one ethnic group and ethnic tensions are a key driver of conflict, obviously those jobs are making the conflict worse, not better."

Peace-building efforts also don't necessarily have a positive knock-on effect where "if we fix X, then everything else is fixed," he says. "In no conflict I've seen over my career is there a silver bullet." He cites the case of Colombia, where several initiatives achieved localized peace, with increased respect for human rights and reduced violence, but they did not have much of a positive effect on the broader conflict in the country.

The research produced some surprising findings, such as one where they found unlikely heroes that championed peace-building initiatives in conflict areas. "The so-called 'business and peace actors' do not look like a company listed on an international stock exchange," says Ganson. In Colombia, peace-builders included farmers' cooperatives and a state-owned company with a development mandate. In South Africa, De Beers Group's former chairman, Nicholas Oppenheimer, leveraged the clout of the diamond mining and trading giant to help resolve conflict.

In many circumstances, businesses feel compelled to embrace peace agendas to protect their own interests, but they do not sustain their efforts to address the issues underlying conflicts. "Private-sector actors seem to have a low barrier to exit from peace-building initiatives," says Ganson.

In Kenya, for instance, election-related violence contributed to a 24% reduction in flower exports and at least a 40% decline in tourism in the year after the 2007 vote. KEPSA feared that the next election in 2012 could put at risk its members' properties and their global reputations. It launched campaigns to promote national unity, such as *Mkenya Daima* (Kenyan Forever), "which sought to unite conflicting ethnic groups and reawaken a sense of national unity," the report noted. However, after the 2012 elections, Kenyan businesses displayed "very little interest to actually resolve the issues that were underlying the violence," says Ganson.

In South Africa, during the transition from apartheid to democracy in the mid-1990s, businesses got involved in peace-building activities to protect property rights and ensure access to international markets. However, they did not participate in addressing the underlying issues of conflict such as intense rural poverty, land issues, education and employment opportunities, Ganson notes.

He identifies questions for future research in this area. One is to explore what types of private-sector development are most likely to promote peace. "While sustainable peace needs healthy economies and healthy private sectors, it may not be always wise to increase investments in fragile states," he says.

Research could identify the types of investments that are lower-risk from a conflict perspective, less likely to feed conflict and more likely to empower more people, he adds. In Ethiopia, business reforms directly supported farmers with small land holdings and brought more than 20 million people out of poverty. "An investment in a mine is not the same as an investment in an agro-processing center that helps small holders get their products to market, maintains their land security and maintains their food security," says Ganson.

Finding the best corporate structure that allows for peace-building efforts is also important, whether they are publicly held companies or parastatals (organizations with some political authority that indirectly serve the state), says Ganson. The research could also explore the best corporate governance mechanisms for such organizations.

Ganson suggests creating "special-purpose vehicles that would be willing to accept lower profitability for being a better vehicle for peace-building" and work those peace objectives into their mandate and their governance. "Let shareholders know they're taking a different kind of risk, and that it's not just technical and financial, but also social." He notes that ethical investment funds are becoming increasingly popular among investors, and that other types of companies could be created to suit their environments.

According to Ganson, the dialogue around peace-building has to move beyond job creation and tax revenue generation, and pose new questions, such as: "Did they convene people? Did they empower people? Did they give voice to the voiceless? Did they put hard issues on the table and insist that they be dealt with? Did they create innovative forums for coming together and solving problems?"

The report summarizes how businesses, peace-building organizations and policy makers could address conflicts. It offers a number of guideposts for businesses:

Understand conflict dynamics: Obtain a nuanced understanding of conflict dynamics and of those feeding tensions, those inhibiting willing parties from making progress together, and those enabling positive developments that may be happening all the same.

Focus on conflict-sensitive business operations: Understand that a company's presence and activities affect things like land values near the project site, who does and does not get a job, and who speaks for local communities.

Collaborate with other peace-minded actors: Forge a coalition of the willing that includes people with the vision and courage to challenge the specific social, political, and economic arrangements that underlie conflict, and to foster trends that can catalyze peaceful development. For example, in trying to bring peace to Colombia's troubled Tolima region, Isagen participated only as a sponsor and an observer, while in South Africa, CBM deployed mediators and facilitators who were not on the staff of its corporate members.

Engage internally more effectively: Secure a peacebuilding mandate from their boards, project finance lenders or shareholders.

Focus on effective peacebuilding roles and means: Be a catalyst for positive change in the relationships between other actors in the context; or a facilitator of constructive activities by actors that have an interest in peace; or an influencer of actors who, by virtue of their official position or informal authority and legitimacy, can say "yes" or "no" to changes that build peace. In South Africa, the CBM created local networks of businesses and others across the country that wanted negotiations between the ANC and the then-ruling National Party.

Many of these recommendations might seem like common sense, but they are difficult to carry out in their entirety. In particular, there is a need for companies to focus on external stakeholders who can play important roles in working to resolve conflicts, while ensuring that the interests of internal stakeholders, such as the board and investors, are aligned with the overall goals.

In the next section, we shall focus on the external stakeholders, many of whom are ignored, as companies move quickly to ensure their investments bear financial fruit quickly. But they do so at their peril; taking short-cuts can cause companies to repent at leisure. If they take the long view, cumulative profits over many years are likely to exceed the gains that accrue from a strategy of exploiting resources quickly and then leaving.

One of the vital investments required for a sustainable operation is in human knowledge. Corporate executives need to become students of their surroundings so that they can understand how to navigate the often-complex patterns of conflict and accommodation in fragile states and frontier markets. ■

The Ins and the Outs

The Democratic Republic of the Congo is the second-largest nation in Africa after Algeria, with an area of 905,000 square miles and a population of 81 million. It is a land brimming with mineral wealth and vast agricultural potential. It is also a nation that is wracked by violence. The overthrow of longtime dictator Mobutu Sese Seko in 1997 led to a devastating civil war that officially ended in 2003. But peace has not prevailed since then. A grisly array of armed militia have fought each other for control of the natural resources, especially in the central and eastern parts of the country, leading to the deaths of tens of thousands and the displacement of more than 4 million people.

Weaponized Congolese are not the only people interested in mining DRC for its gems and metals; many foreign resource companies have waded in to extract the wealth from under the ground. Africa Mining IQ, a website, lists 24 international companies, including such luminaries as AngloGold Ashanti and Freeport-McMoRan, that are operating in DRC. With modern equipment and mining knowhow, foreign companies have brought jobs and infrastructure to war-wracked regions of DRC.

One would imagine that such investments might have introduced some social stability into the equation, now that mining employees and their families have something to lose by fighting. Unfortunately, the opposite has occurred all too frequently: Foreign investment and economic development have exacerbated conflict and led to more, not less, social strife.

Why is this? One academic who has sought answers is Wharton's Witold Henisz. Along with Sinziana Dorobantu, a senior research fellow and lecturer at Wharton, and Lite Nartey, an assistant professor at the University of South Carolina, Henisz found that one answer lies in analyzing the perception among stakeholders regarding who benefits and who loses as a result of the investment.

"When business arrives and its relations are more with the elite, it's more elite-dominated, or it's more focused on one faction or one clique than others, that triggers conflict towards the business and overall," says Henisz. "If its distribution of benefits is not broad-based, it's not inclusive, people in the periphery or people in the out groups will be resentful, and they'll first target the business and that may ignite conflict."

Henisz and his collaborators used data from 26 gold mines owned by 19 publicly traded firms between 1993 and 2008. By coding more than 50,000 "stakeholder events" found in media reports, Henisz and his colleagues developed an index of the degree of stakeholder cooperation or conflict for these mines.

The term "stakeholders" in this context, says Henisz, includes everyone from local and national politicians and community leaders to priests, war lords, paramilitary groups, NGOs and international bodies like the World Bank. The term "stakeholder event" includes reported actions or expressions of sentiment from these groups that indicate cooperation with the mine owners, as well as conflict with them. "At one extreme would be militia attacks on mines in the Congo. The other extreme would be groups in the Congo organizing to defend a mine from such an attack," Henisz notes.

Other events are far less extreme, such as peaceful protests by community leaders or demonstrations by environmental NGOs, such as Greenpeace or the World Wildlife Federation. The mines are so big, Henisz adds, that "whoever the politically relevant stakeholders are in an area, they often take sides because so much money and so many jobs are at stake."

"There is a powerful business case to win the hearts and minds of external stakeholders," he says. "We found in our research that the value of the relationship with politicians and community members is worth twice as much as the value of the gold that the 26 mines ostensibly control." Indeed, stakeholder engagement of this kind is an example of the way in which the business case can align well with the political, even the ethical, case. Working with external groups is politically astute and has the effect of nurturing social harmony.

Henisz's research has not stopped with the analysis of these mines; since then he has been able to extend the methodology to cover the entire world, by examining what happens to the people living in thousands of geographical "cells" of approximately 900 square miles when large economic projects come to the area. He has examined data on media coverage of conflict that was collected by an aggregator funded by Google and the U.S. Department of the Army and compared this to the number of casualties in these geographical areas, as counted by the Uppsala Conflict Data Program, which is part of Uppsala University's Department of Peace and Conflict Research.

His findings have confirmed and broadened the conclusions of his earlier study, that when a company (in many industries, not just mining) invests in a particular area and focuses on developing relationships with the elite or with one faction rather than another, this tends to trigger conflict.

"The Chinese projects are systematically aggravating pre-existing conflicts because they're too focused on elites and on factions within each cell. They're not inclusive."

He has found that the same thing is happening along China's Belt and Road Initiative, a multibillion-dollar project to improve land and maritime trade links between Europe and Asia. "The Chinese projects are systematically aggravating pre-existing conflicts because they're too focused on elites and on factions within each cell. They're not inclusive. And they're even worse than Western companies," he says.

"You need not just to focus on who's the president's brother or who's the mayor's brother, and instead understand who the key stakeholders are and include as many of them as possible," he adds. "There may be one ethnic group, one tribe, one religion that's favored. You need to make sure you're including people from the others. Anything that aggravates elite dominance or factional dominance will likely trigger conflict."

To avoid this outcome, corporate investors must do their homework and broaden their network of contacts to include those groups on the periphery as well as the powerful groups at the center. In Henisz's 2014 book, Corporate Diplomacy; Building Reputations and Relationships with External Stakeholders, he advises senior managers to develop a wider range of relationships before it's too late. Henisz explains how to avoid the mistakes made by companies that failed to develop relationships with important external stakeholders at the cost of hundreds of millions of dollars in destroyed assets, lost lives and delayed output.

He advises that companies start by identifying the most important stakeholders, which are the ones that can do the most financial harm. But don't stop there, because if these are the only ones focused on, it will create perverse incentives and reward the wrongdoer. This means building relationships with all the key stakeholders that will help them achieve their objectives while delivering on shareholder value.

Developing those relationships requires tremendous effort; it's not just a matter of holding meetings and talking to stakeholders. Corporate executives must roll up their sleeves. If housing is a key goal for stakeholders, then senior managers should "be out there laying mortar, putting up cinder blocks, helping someone build their home using local technology with local contractors, creating local jobs and working side by side with the resident," says Henisz.

In a nutshell, this activity is a way to earn a so-called social license. "The social license to operate is the perception by a stakeholder that you are behaving in an appropriate manner and that you are acting in a way they perceive as fair or just," he says. It is a license that can be taken away at any time, so relationships have to be continually cultivated, rather like gardening. The maintenance of the social license is not something solely designed to burnish a company's sustainability credentials, but should be integrated into the key performance indicators of its business strategy.

Henisz says that a sizeable number of the mining companies that have suffered in the past by not cultivating a wide range of relationships have learned their lesson. "Now, ironically, these industries that we think of as scorched-earth, environmentally devastating and uncaring are some of those at the forefront of sustainability and stakeholder engagement. Most multinationals in the world could learn a lot by studying what some mining companies are doing in Africa," he says.

Next, we turn to another African country, Rwanda, to seek lessons on reconciliation. There, much of the economic focus has been on the cultivation of coffee, rather than mining. One important takeaway is the importance of the leaders setting the right tone for conflict-resolution, empowering those in less exalted positions to implement reconciliation in organizations, business or otherwise. Indeed, Africa is replete with cautionary and positive tales of businesses helping build peace as well as exacerbating conflict. ■

Lessons from Rwanda

Among the countries of East Africa, Rwanda is especially known for its beauty. Tourism brochures describe lush mountain ranges around Volcanoes National Park that are home to gorillas and golden monkeys. But despite the peace that prevails these days, it is impossible to forget that in the spring of 1994, some 800,000 Rwandans lost their lives in 100 days of genocidal violence, as members of the Hutu majority turned on the Tutsi minority.

Today, the aftermath of the slaughter prompts these questions: What were the roots of the violence? How did Rwanda move on from conflict to reconciliation, and what role did business and economic growth play in the process? What lessons can other conflict-scarred countries learn from Rwanda to enable business to be a force for peace?

Katherine Klein, Wharton's vice dean for social impact, teaches a course about conflict, leadership and change in Rwanda. She explains that the roots of the Rwandan genocide stem from "the vilification and dehumanization of one group by another." The Hutu and the Tutsi, she notes, "are not separate tribes in any sense of the word. They speak the same language; they worship the same gods; they intermarry. There is nothing about their names to differentiate them."

Still, social divisions existed between these groups because while "the Tutsi were historically privileged, the Hutu were more the working proletariat." Belgian colonial rule from 1916 to 1961 exacerbated these divisions. When the colonial period ended, "people were susceptible to Hutu power and the belief that they should eliminate the Tutsi," Klein says. "We know from research that it's easy to divide people. It's easy, toxic, as well as intoxicating. That is how the genocide came to be."

Eric Kacou, co-founder of ESPartners, an entrepreneurial consulting firm in Africa, teaches the course about Rwanda with Klein. He believes that the Rwandan genocide was "a result of poor leadership. The leadership that created the genocide was deeply flawed. The events that led up to the genocide were manufactured to dehumanize people and mobilize others to engage in acts of evil." In addition to poor leadership, Kacou notes, "the economic situation before the genocide was terrible. The country at that time was over-reliant on coffee, which was the main crop. If you look at coffee prices before the genocide, they were very low, so you had economic conditions in which people were literally starving. That makes it easier to provoke people into engaging in acts of genocide."

In 1994, the year of the genocide, Rwanda's economy was in the pits. According to the World Bank Group, gross domestic product or GDP that year sank to a low of $753 million. Since then, though, it has grown dramatically to reach more than $9 billion in 2017. How did this happen?

According to Klein, "The government since the genocide has been deeply committed to reconciliation and reunification." She credits President Paul Kagame for helping the country to realize that retaliation would simply lead to more death. "Kagame gave a fabulous speech at the 20th commemoration of the genocide," Klein notes. "He said, 'We made three fundamental choices that guide us to this day. One, we chose to stay together…Two, we chose to be accountable to ourselves…And three, we chose to think big.'"

Thinking big, for Kagame, incorporated several elements of economic strategy, many of which were listed in Rwanda's Vision 2020 goals. These included making Rwanda attractive for business and establishing a broadband network all over the country. "The government was remarkable in articulating a vision after the genocide, Vision 2020, which everyone in the country could rally around," says Klein. "They said they wanted to become a middle-income country, to live together."

An important aspect of Vision 2020 was empowering women. "That was an interesting combination of realism and vision," notes Klein. "It was realism in the sense that Rwanda, coming out of the genocide, was a female-dominated country, since many men had been killed, were imprisoned, or had fled. Rwanda decided it needed women's talent and built that into the Constitution. That's both realistic and visionary."

Kacou agrees that Rwanda's reconciliation strategy after the genocide focused on empowering its citizens, especially women. "Rwanda has the highest percentage of women leaders in the world, especially in parliament," he says. "The country's constitution says that at least 30% of the leadership positions must go to women. I believe one

An important aspect of Rwanda's Vision 2020 was empowering women.

Even critics who are skeptical about [President Paul] Kagame acknowledge that Rwanda's efforts to nurture reconciliation after the genocide are a textbook case of transformational leadership.

Rwandan leader stands above and beyond everyone else in bringing about these changes—and that is President Kagame. He can be a controversial leader in terms of some of his decisions, but no one can doubt his skills and ability when it comes to bringing about transformation. He was not only able to lead the army that stopped the genocide, but after that he has become a very effective civilian leader. He was able to do that because he could create effective coalitions for change."

While Kagame's strategy to heal Rwanda after the genocide has been hailed, the president does have some detractors. Critics allege that his abuse of human rights has at times been severe. For instance, according to the BBC, the media organization Reporters Without Borders describes Kagame as a "predator" who attacks press freedom. Others have accused the Kagame regime of "suppressing the opposition and ordering the assassination of critics." These criticisms have cast a shadow over Kagame's record.

Still, even critics who are skeptical about Kagame acknowledge that Rwanda's efforts to nurture reconciliation after the genocide are a textbook case of transformational leadership. John Kotter, author of *Leading Change*, outlines an eight-step process for leaders who want to bring about positive change, especially following a crisis. These steps include: creating a sense of urgency; building a guiding coalition; forming a strategic coalition; recording quick wins; enlisting a volunteer army; enabling action by removing barriers; sustaining acceleration; and instituting change. "If you look at those eight steps, Rwanda is a case study of how the country's leadership rallied to bring about positive change in all they were doing," Kacou says. "Vision 2020 was simple and targeted. Once the strategies were known, the country could use these plans to manage what leaders were doing every day."

When governments can formulate a vision as well as macro-level policies that aim at fostering growth, will they lead to reconciliation and peace among people who have formerly been at one another's throats? Whether that will happen depends on the willingness of firms to implement strategies based on forgiveness and peace-building. And this is what happened in Rwanda, says Klein.

She offers the example of Gahaya Links, a Kigali-based firm whose tagline is "Weaving Lasting Peace." According to Klein, two sisters, Janet Nkubana and Joy Ndungutse, founded the firm. They had initially fled Rwanda for their safety but returned to the country after the genocide. "They had a restaurant to serve the NGOs and other organizations that were in Rwanda, and they found women coming to the restaurant and begging. Many were women who had been raped during the war and were infected with HIV. At some point, the women, who were begging for food, said, 'We can pay you in baskets,' because they had traditional basket-weaving skills," Klein says.

"Joy and Janet ultimately realized they could take the baskets, give food to the women who wove them and then sell the baskets to tourists and NGOs," notes Klein. "Ultimately, this became a successful company that exports handmade baskets and jewelry around the world. They got a big break when there was an early purchase from Macy's." The U.S. retail giant wanted a large quantity of high-end baskets, made to its own specifications, which forced Joy and Janet to increase the number of employees so that Gahaya Links could boost output and meet the order. Much to their surprise and dismay, the women who were survivors of the genocide refused to sit together with women who were wives of the perpetrators. "We can't sit next to them," these women said. "Their husbands are in jail for killing and other crimes during the genocide. They hate us. We can't sit with them."

This was a moment of truth for the sisters. Their response was that any woman who refused to sit with her erstwhile enemies could not work at the company. "You can't sit together? You don't have a job," said Joy and Janet, according to Klein. "If you want to work here, you will sit together." Eventually, the act of working together and weaving baskets for customers helped the former victims and perpetrators to reconcile with one another. "That is such a poignant story to me," says Klein. "Now, if you ask anyone in Rwanda, are you Hutu or Tutsi, you are likely to be told, 'I'm Rwandan. We are all Rwandan.'"

What lessons does the Rwandan experience offer other post-conflict countries that hope to use business and economic growth as forces for peace? According to Klein, "three things come to mind. One is utter wariness of division. Division is toxic. Vilifying others is toxic. Thinking of us versus them is toxic. Rwanda's experience with genocide has taught the country that creating division and vilifying others is not just unacceptable but also deeply dangerous." Klein believes other countries that want to learn from Rwanda's genocide and its aftermath should be equally wary of divisions in which one group begins to vilify and demonize another.

Second, it is critical to counteract division and vilification. "That requires a very strong vision of where you want to go and how you want to get there," says Klein. "Rwanda has had ambitious goals, but it is a landlocked country with few natural resources, so it has to rely entirely on human capital. But it is building these up. Its tourism industry is taking off. Volkswagen has opened a plant in Rwanda, which would have been unthinkable in the past. So, it can be done."

Third, according to Klein, as countries try to overcome division through ambitious economic development, they need to ensure that this growth is inclusive. "Rwanda has an incredible sense of patriotism that doesn't look anything like the ultra-nationalism you see in other countries," she says. "It is a passionate sense of rebuilding your country and doing it for yourself and for all Rwandans. That approach has allowed Rwanda to appeal to its diaspora. Many of those people have been inspired to return home because they want to rebuild Rwanda."

Kacou notes that other countries could learn several lessons from Rwanda in using business as a force for peace after the genocide. "When I first came to Rwanda in 2001, I was struck by how much emphasis the country's leadership placed on economic development and business as mechanisms for peace. Rwanda's leaders knew that poverty robs human beings of their dignity. It mattered to them that prosperity was distributed across society, so that it wasn't just a few people who were being enriched through growth, while the average citizen remained poor. That is why they insist on measuring the average income level and on examining what a dignified life looks like for all Rwandans. It's that mindset, that approach to economic growth that is important."

Kacou offers examples to back up his point. "When Rwanda began to plan its economic strategy, it decided to prioritize sectors such as coffee, tea and tourism," he notes. "Why were those industries selected as high-growth priorities? The reason was that analysis showed that by developing those sectors, you could involve and increase the incomes of 80% to 90% of Rwandan households. So, when Starbucks buys Rwandan coffee, for instance, it sets an example for other coffee buyers to buy the same coffee. This means revenues of hundreds of thousands of Rwandan households go up. At one point, some 70% of Rwandan households had coffee as one of the main items in the revenue basket. So, for me, every country that wants to make growth inclusive should prioritize sectors that touch the maximum number of people. Their governments need to work with businesses to really make that happen."

Kacou notes that, in addition to focusing on sectors where growth can help raise incomes for the maximum number of people, governments should also be open to participation from the private sector, especially foreign investors. "If you look at Rwanda's strategy, anyone who wants to generate positive economic activity in the country is welcome," he says. "That is why Rwanda has focused on reforming the business environment. And it is paying off. It is difficult to imagine Volkswagen manufacturing cars in Rwanda unless the country had worked hard to welcome international investment." Kacou believes other countries will need to adopt a similar approach if they are to earn a peace dividend on their growth strategies.

As we have seen, Rwandan women are playing an increasingly important role in developing the economy and promoting peaceful reconciliation. We continue this theme in the next section, in which the leader of an organization dedicated to the empowerment of women in fragile states and elsewhere explains that focusing on women's rights is not aimed against men but is intended to help the sexes to work together. In the following section, we profile a woman whose innovative financing is helping to reduce income inequality and, thus, contain conflict. ■

The Role of Women

Women suffer disproportionately in conflict zones, so by instilling confidence and supporting their entrepreneurial efforts, women's business acumen can help stabilize war-torn regions. A proponent of this view is Yann Borgstedt, president of The Womanity Foundation. Founded by Borgstedt in 2005, Womanity focuses on the education, training and empowerment of women in Afghanistan, Brazil, India, the Middle East and North Africa region and elsewhere. Here are edited excerpts from an interview with him.

On the inspiration for launching The Womanity Foundation in 2005:

I have been questioning the purpose of life from a young age. What are we here for? I consider myself very fortunate that I come from Switzerland. It's a country which is at peace, has free education and is more modern than many places around the world. I've always felt that life comes with a sense of duty to do something with it. The duty for me transcends my close family and friends. I feel it's my duty to try to contribute to creating a better world. This has been important for me both in terms of philanthropy and in terms of religion.

In 2004, when the tsunami happened in Sri Lanka and in Thailand, I collected lots of clothes and shipped around 20 containers to Sri Lanka. That got me thinking. I was part of the Young Person's Organization, and I felt I needed to do something more sustainable and focused. I started with working on a program with an NGO in Morocco called Smiling Children, which focused on single mothers and young girls. We expanded the focus to women and after a few years, to align it with our new focus, we changed the name of the organization to The Womanity Foundation.

On the problem of violence against women:

Violence against women is a very serious problem. At a global level, one out of every three women suffers violence in their life. In some countries, it is one out of every two women. So long as people treat women's problem only as women's problems, they won't get solved. They have to be seen as human problems, and both men and women need to work together to solve them. That's why I don't use the word "feminist" anymore. It's about being "humanist," about wanting every human being to be given the same rights, chances and opportunities.

I think the first step to solving an issue is that we have to be aware of it and we have to discuss it. I feel, to this extent, things are getting better. Society has acknowledged that there is an issue. But are the numbers changing dramatically? Probably not as fast as we want. One of the major causes for violence against women is that people think they can get away with it. They think that it's normal, that it's okay. But if you know you cannot get away with it, you will think twice before doing it.

On Womanity's initiatives to deal with the problem of violence against women, especially in conflict-riven areas such as Afghanistan and the Middle East:

For me, philanthropy is like a business. How can I use the dollar that I have most efficiently? So, when we started working on the problem of violence against women, we first wanted to understand it. At that time, I worked with Accenture, which has a division called Accenture Development Partnerships (ADP) where they work with NGOs. We sent two consultants from ADP to speak with NGOs and governments around the world about violence against women. We wanted to understand the ground realities and see if we could institute an award for innovative solutions, and then replicate those solutions. We did this for around six months.

Based on our research, in 2013 we developed an award called the Womanity Award for the prevention of violence against women. This is an award that two NGOs must apply for together as a team: one that has developed a successful approach to dealing with violence against women, and the other that wants to replicate this solution in its region. [According to Womanity's website, the award helps the Innovation Partner that has developed an already successful approach to the problem of VAW to increase their reach; while their designated Scale-Up Partner receives support to adapt and deliver that project in their own location. The partnership lasts for three years.] The award is given once every two years. We also have a big program in the Middle East in which we use media [an online edutainment series and a radio station] to engage with, and to empower, inform, and inspire both women and men in the region.

On the impact created by the foundation:

We use a company that does monitoring and impact assessment, but it's not an easy thing to measure. Are we really pushing the boundaries? Are we really affecting people? It's very hard to know whether, due to the training we have provided, somebody hasn't committed violence.

On collaborating with different organizations to reduce violence:

I believe collaboration is essential, and I find it frustrating that so many people are working in silos instead of working together. The study with Accenture helped us to understand where we are in the ecosystem, and whom we need to partner with in order to be most effective. Compared to partners who work pro bono, I would rather have partners who work at reduced costs. If we are paying them, we can push them to work if they become lax. But if it's pro bono, we must depend on their goodwill. We are good at doing things on a small scale, but to take it to the next phase, we need to collaborate with the corporate sector and public sector.

On lessons learned from of the foundation's work, and the relationship between business and peace:

You may use your heart to start a development program, but you must finish it using your head. When you start something, it's very important that you know what is the impact that you want to measure. Things may change during the program, but before you start, you should be clear about this. After 12 months, 30 months, you must try and measure the impact. You may not have chosen the correct parameter, but you do need to start measuring something to see whether you had any impact or not.

On priorities in terms of reducing violence against women:

One of the key things is that people in government must understand that it's a priority. Another is to be able to measure the costs of violence against women. My priority is how can I engage more men and make them understand that it's not a women's problem; that it's about humanity. One of the biggest obstacles is that a lot of men are put off by what they call women's rights. We need to see how we can change the label of feminism, of the #MeToo movement, to show that that it's not against men. It's about human beings working together and not one against the other. ■

Learning from Role Models – Impact Investment Exchange

Durreen Shahnaz's life was shaped by wars. As a child growing up in Bangladesh, she lived through its war of independence in 1971. Thirty years later, when Shahnaz worked on Wall Street in 2001, she survived the Sept. 11 attack on the World Trade Center, which claimed nearly 3,000 lives. These experiences taught her to abhor violence and instilled a commitment to peace. As Shahnaz said in a speech at the United Nations General Assembly in April 2018 , she "emerged from these experiences as a defiant optimist with a relentless determination to change the way the world works…To catalyze this change, I have enlisted one of the greatest weapons on this planet—finance—as a tool to create peace."

Shahnaz was honored in 2017 as a winner of the Oslo Business for Peace Awards, which are awarded by the Business for Peace Foundation in Norway. The award recognized her work as the founder of Singapore's Impact Investment Exchange, the world's first social stock exchange. Founded in the aftermath of the financial crisis 10 years ago, IIX has so far raised some $75 million from the private sector to benefit 15 million people. Shahnaz believes that reducing income inequality can help reduce conflict and lead to sustainable peace. To that end, in her talk at the U.N., she announced the launch of a five-year peace initiative to raise $1 billion and help 100 million poor and marginalized people, especially women.

To make finance a force for peace, notes Shahnaz, it is crucial to grow from "thinking of peace as something we keep to acknowledging peace as something we *build*. We have evolved from thinking of peace purely as a product of policy, to peace as a product of our systems. As a result, today we are advocating for sustainable peace: addressing at their roots the inequalities and injustices within today's world that lead to conflict. And building peace in a new way by changing the existing systems, including the financial system, within which every being operates."

Specifically, how does IIX and its sister organization, IIX Foundation, deploy finance to reduce conflict? According to Shahnaz, the roots lie in what is often called "innovative finance." "Through innovative finance, we have built the infrastructure for a new financial system where all people belong. We started by creating the world's first social stock exchange, followed by Asia's largest debt and equity crowdfunding platform for impact investing, and [then] we listed the world's first Women's Livelihood Bond. The Women's Livelihood Bond brought more than 385,000 disadvantaged women of Southeast Asia to the forefront of the capital markets. It created a place for the Cambodian woman entrepreneur, the Filipino farmer, and the Vietnamese mother in the financial market, an opportunity previously not only unavailable, but unthinkable to these women."

Shahnaz notes that in order to operate in sustainable ways that foster inclusion, companies must have a holistic view of business. "Business is not about maximizing profit any way you can," she says. "If you think about it as maximizing shareholder value, well, how do you define value? I think if the definition of value is just financial, then that's a very weak definition. As we know, that myopic way of thinking has caused most of the problems we have in society and the world."

Shahnaz remembers the disaster that befell Bangladesh in 2013 when Rana Plaza, a garment factory in Dhaka, collapsed, killing more than 1,300 workers, most of whom were women. "It was horrible, and there was widespread outrage," Shahnaz notes. "The first reaction of people was to stop buying garments from Bangladesh. But the answer should not be to stop buying clothes. The answer, interestingly, is, 'Am I really looking for the cheapest shirt to buy?' That, in effect, affects the entire value chain. It forces factories to squeeze themselves so hard that they create a horrific set up. They are forced to squeeze out any amount of profit they can make, because they have to deliver their shirts at the lowest possible price to Walmart."

According to Shahnaz, in these situations it is wrong to just say that it is the garment factory's fault, or that it is Walmart's fault. "It is also our fault that we, as consumers, want those cheap shirts at the lowest price, no matter what. And when such thinking leads to violent disasters and lives are lost, we organize protest marches and proclaim we will not buy shirts from Bangladesh."

People must accept that business does not happen in a vacuum, says Shahnaz. "We are all part of this phenomenon, even though we may not be shareholders in such companies. We are part of the system where such businesses exist. That is why we need to recognize that as a society, we are all integrated and interdependent. That is why thinking about these issues in a holistic way is necessary." Failure to do so will continue exploitative business practices that undermine peace and lead to periodic eruptions of conflict and violence.

Shahnaz points out that the cost of failing to achieve peace can be very high. "The economic impact of violence to the global economy was $13.6 trillion in 2015, the

> *"The overarching mission will be to use innovative finance to unlock $1 billion, impacting 100 million lives, to drive forward sustainable peace-building efforts around the globe."*

equivalent of $5 per day for every person on the planet, or 11 times the size of global foreign direct investment," she said in her U.N. speech. "This amount is on top of the $5 trillion to $7 trillion estimated to be needed annually to meet the U.N.'s Sustainable Development Goals. These figures may seem overwhelming; however, if we can harness the power of financial markets, which globally total $210 trillion, the figures become more manageable." It should be noted that Shahnaz's macro-level perspective of the financial costs of conflict and environmental degradation stands in sharp contrast to those who believe that at a micro-level, conflict is often profitable. Both perspectives are true in their own way, but they capture the problem in different ways.

Shahnaz's objective is to tap into the global capital market to achieve peace through IIX's Innovative Finance for Sustainable Peace Initiative, a five-year program. "The overarching mission will be to use innovative financial mechanisms to unlock $1 billion, impacting 100 million lives, to drive forward sustainable peace-building efforts across the globe – in post-conflict countries, countries with a high risk of conflict and countries seeking to mitigate rising threats of violence – by creating systemic social-economic resilience," she says.

The initiative aims to achieve three underlying objectives. The first goal is to "effectively use financial markets to drive sustainable peace across the world by creating businessworthy companies, equal communities and a resilient planet for all," she says. The second goal is to "embed a gender-lens into the global peace dividend and shift the narrative from viewing women as victims of war to recognizing women as solutions to peacebuilding." And finally, the third goal is to "galvanize key stakeholders from the public, private and philanthropic sectors to jointly create innovative financial products for peace."

Shahnaz uses the term "businessworthy" to describe the kind of companies that need to be created. What does that expression mean? According to the Business for Peace Foundation, which devised the term, businessworthiness represents "value-driven business behavior. To be businessworthy is to apply one's business energy ethically and responsibly with the purpose of creating social as well as economic value."

Businessworthy leaders are expected to serve as role models to society and their peers; they win the trust of their stakeholders; and they are active advocates for the importance of ethical and responsible business practices. Business for Peace founder Per L. Saxegaard explains the concept in detail in a 2011 paper, in which he notes that businessworthiness is essential to re-establish trust between companies and society. (Examples of business-worthy companies and leaders appear in the next section.)

How does Shahnaz view the role of investors in the effort to harness finance in the service of peace? While individual corporations might be motivated by narrow, profit-driven concerns, does the presence of massive institutional investors, such as pension funds and sovereign wealth funds, have an important role to play in bringing about peace? Would such investors have a tangible interest in policies that promote peace and aim to minimize conflict?

According to Shahnaz, that is absolutely the case. "Institutional investors, such as sovereign wealth funds, are closely linked to the country that they are part of and they are aligned with that government's policies," she notes. "Most of these institutional investors, and the countries they belong to, are part of the U.N. They pass resolutions and do all the policy work in terms of bringing peace in the conflict areas or maintaining peace. So, it definitely goes hand in hand."

Shahnaz notes that she often hears pension funds and other institutional investors say that, while they endorse policies that enhance peace, they also argue that "Oh, but we have to make market returns." That leads them back to the same equation that, if returns are measured only in financial terms, "then the pension funds and other investors are, frankly, acting like any other investor."

Shahnaz believes that institutions that look at returns more broadly stand a much better chance of participating in investment opportunities that reduce conflict and enhance peace. That, she adds, is beginning to happen, but not yet at a major scale.

Looking back on IIX's journey over the past decade, Shahnaz believes several measures and initiatives contributed to peace. "The most impactful measure is the fact that we have been able to give value to every bit of a human life. It's no longer seen as an afterthought," she says. "We could bring education to remote parts of Bihar and off-grid electricity to Andhra Pradesh [two of India's poorest regions]. We could bring clean water to the remote parts of Indonesia. The list goes on. For me, these are basic needs that make people lead the fulfilling life they want. Wars have been fought over the centuries because these needs were not met. We have worked to fulfill them, with a financial side attached. That is why we believe we have contributed to peace for the 10 million lives we have impacted so far. I believe we have kept them out of conflict and helped them lead a fulfilling life. We hope to reach 100 million lives in the next few years. That is what we aim to do."

Shahnaz believes other companies around the world that want to run their businesses in ways that contribute to peace could learn from IIX's experience. "It involves being very clear about the mission, about what the company is trying to do. At the same time, they must be very practical about how they are going to accomplish their goals," she says. "Sometimes we see two sides. It is difficult to be in the middle, where you are trying to do good and be financially viable, because the tendency is to lean one way or the other. It's tempting to say that you will focus just on your social goals, or to first make money and then give it away after you have made it. It is much more difficult to be in the middle and do both. But it is much more fulfilling and impactful, not only to your shareholders, but also to your employees and your customers. I think companies can accomplish that, and ultimately they will be rewarded for staying true to their mission." ■

Businessworthy Role Models

Building businesses in conflict zones is fraught with risk, but some of the most resilient ones are home grown. By sticking to their mission, these companies have survived adversity and are continuing to practice what they preach, strengthening social networks, promoting gender equality and adopting sustainable practices. Here are some examples of companies that have promoted peace by helping to bring together warring communities. These are examples of companies that the Business for Peace Foundation in Norway has recognized as being "businessworthy."

Merrill Fernando: Dilmah Tea

Traditionally, teas have been blended from different countries, often fetching low prices in supermarkets. Merrill Fernando set up Dilmah in 1981 to buck the trend, marketing his leaves as pure Ceylon tea and charging higher prices. The gamble has worked, because Dilmah is now one of the largest tea brands in the world, paying wages above the global average and investing its profits in the MJF Charitable Foundation, which trains Sri Lankans in entrepreneurship and other skills. By building a sustainable tea operation, Fernando provided stable employment irrespective of ethnicity during Sri Lanka's civil war, which ended in 2009 after 25 years. His efforts earned him an award from the Business for Peace Foundation in Oslo in 2015.

Jennifer Riria: Echo Network Africa

Echo Network Africa (formerly Kenya Women Holding, until the name was changed in 2018) is a development institution headquartered in Kenya. Echo Network Africa (ENA) was started by women, is owned by women, and aims to "empower, position, and advocate for women, youth and persons with disabilities." Founded by Jennifer Riria in 1981, the institution's initiatives include mentorships for young women, and a Democracy Trust Fund, which identifies, prepares and positions women for leadership. It also offers microloans for women starting their own business. In addition to being Kenya's largest microfinance provider, ENA works with many civil rights groups, such as the Tukuve Initiative for a Peaceful and Fair Electoral Process. Since it was founded, it has disbursed more than $1 billion in loans to women.

Edgar Montenegro: Corpocampo

Corpocampo is a Colombia-based company founded in 2003 by Edgar Montenegro. Corpocampo operates in the jungles of the Colombian Pacific, called the Pácifica Region. Corpocampo offers a safe, legal source of income that is an alternative to drug traffickers and illegal armed groups.

The company helps local farmers to grow organic products as an alternative to illicit crops. They work with vulnerable, impoverished communities to help them grow and sell organic crops in both the national and international markets. Corpocampo works in partnership with the indigenous and Afro-Colombian communities in the region, processing mainly the naidí palm and acai berry. These sought-after products, which are harvested in a sustainable system, bring revenue and more opportunities for business to the region.

Murad Al-Katib: AGT Food and Ingredients

AGT Food and Ingredients (formerly Alliance Grain Traders, rebranded in 2014) was founded in 2003 by Murad Al-Katib. Today, it is the world's largest vertically integrated supply chain for lentils, chickpeas and peas. Al-Katib believes in the concept of "compassionate entrepreneurship," which is demonstrated by his efforts to help Syrian refugees. Through the global supply chain of AGT Food and Ingredients, more than 4 million family ration cartons were delivered to international agencies (such as the U.N. World Food Programme) for Syrian refugees. AGT Foods and Ingredients is also committed to sustainable agriculture, particularly water conservation and lessening meat production.

Lori Blaker: TTI Global

TTI Global describes itself "one of the world's leading providers of business performance solutions." With more than 2,000 employees on five continents, the staffing, recruiting and consulting firm is headed by Lori Blaker. She brought TTI Global's business programs, which focus on gender equality, to the Middle East and India. In 2016, Blaker opened an Automotive Service Center and Training Center in Kabul, Afghanistan, which is notable in that it employs women, as well as men. Blaker instituted training programs for local women to learn management and leadership skills as part of her efforts to push for gender equality. In addition to providing employment and training programs, the center allowed Afghan women to work towards financial independence.

Empowering Indian Tribeswomen

As this report has pointed out above, companies often make the mistake of cultivating the support of elites and ignoring the disadvantaged, thus fueling social tensions. Sometimes, the marginalized groups are women; at other times, tribespeople; and occasionally, both. An example of the latter is Vikash Das, founder of Vat Vrikshya, a social enterprise in India aiming to create a sustainable livelihood for tribeswomen. Edited excerpts follow."

On why he set up Vat Vrikshya:

I grew up in a tribal neighborhood [in the eastern state of Odisha] and so I was aware of the problems from a young age. I also realized how fortunate I was to have so many opportunities. After completing my master's degree in software engineering, I worked with IBM as a security consultant for four years. On one occasion, when I was visiting my hometown on Durga Puja (an Indian festival worshipping Goddess Durga), I saw that a tribal woman was not being allowed to have a glimpse of the [statue of the] goddess. I felt a sense of shared hypocrisy. We were worshipping the goddess, and yet, at the same time, we were not allowing tribal women to enter the temple.

This tribal woman was a 65-year-old widow who had been abandoned by her family. She told me that she was very good at bamboo craft, but no one knew about her talent and so she had to beg on the streets. This led me to think that instead of offering charity, which is not sustainable, we need to look at long-term solutions, some kind of a business opportunity. That's how I came up with the idea of a social enterprise. We called it Vat Vrikshya because in Sanskrit it means banyan tree, which is considered sacred by tribal people. We started the groundwork in November 2013 and it became operational in April 2014.

On the concept of a social enterprise:

A social enterprise is like any other business, but the main bottom line is social impact. At the same time, we generate profits so that it's sustainable. Tribals typically have a bad impression about outsiders because they come in the guise of helping them, but then they actually exploit them. They usually don't share any profits with the tribals. We felt that by setting up a social enterprise, we could involve the tribals as partners and they could become a part of the solution process. In our business model, the tribals can work with us as employees or as entrepreneurs. A significant amount of our profits goes for social welfare like educating their kids and hiring women.

On the activities of Vat Vrikshya:

We promote tribal handicrafts, we connect the tribals with the markets, we connect them with retail chains and e-commerce firms, we provide business and financial training for those who want to start their own business, and we also connect them with banks and financial institutions. We also bring in designers who train them in the design aspects. We have trained around 22,000 tribal women to date of whom 53 have started medium enterprises and 230 have launched small businesses. For some women who had an existing business, this has become their second business. Apart from India, we have customers in Europe, China and Japan.

When people are financially independent, their level of confidence and their entrepreneurial skills also increase. Their business skills increase. Traditionally, tribal women are very shy and don't talk to many people, especially outsiders. Now they interact with customers, they get to understand customer needs and market demands, and they design their handicrafts based on that.

On funding:

When we started our organization, we were self-sustaining. We provided the tribals with funds starting from around Rs 3,000 ($42) and going up to around Rs 15,000 each. We then helped them to create self-help groups and connected them with banks and other financial institutions.

We have around 37 self-help groups and around 21,000 women totally. According to our survey, because of our training, these women have increased their income by 70% to 90% and profit margins by 60%. They have been able to eliminate the middlemen who were exploiting them. We are planning to train 50,000 tribal women in the next five years [to 2023]. Presently we are in South and Eastern India. Going ahead, we will be focusing on the Northeast, and Western India also.

On Vat Vrikshya's impact on reducing violence and increasing peace:

I would say that violence [in these regions] came into being because these areas have been neglected by our government, and because of corruption. While there are government schemes for these people, these are not reaching them, and that has made them unhappy with the government. The tribals whom we are working with have become messengers of peace. They tell the others in their communities about their work and their opportunities, and ask them to join in. This is a deep-rooted change and will take time. It's been happening over the past 10 years or so, and I am very hopeful that in the coming five or 10 years, we will see significant improvement.

On the long-term dream for Vat Vrikshya:

Vat Vrikshya sells tribal handicrafts at present. My dream is to make people aware of tribal culture and tribal languages. These are dying a slow death. My goal is to create a common platform for an exchange of ideas, an exchange of cultures, where we pass on the knowledge we have to the tribal society and we become aware of the tribal culture. My long-term business goal is to create an e-commerce company for all kinds of Indian handicrafts. ■

Peace in the Workplace

Much of the preceding report has examined the relationship between companies and their external environment; in this final section we focus on internal conflicts in organizations and on the idea that companies cannot build external peace if there is warring within. Among the business school professors who have studied this important question are Bard Kuvaas and Anders Dysvik of the BI Norwegian Business School. Their research has shown that when supervisors are supportive of their subordinates, this positively effects employees' performance."

One academic has played a major role in examining this aspect of conflict resolution: Donna Hicks, an associate at the Weatherhead Center for International Affairs at Harvard University, who has been a conflict-resolution specialist for more than 25 years. Her book, *Dignity: Its Essential Role in Resolving Conflict*, defined a cause of conflict that was relevant to the international arena. "That cause was that people were experiencing many wounds to their dignity, and it was not being addressed in the negotiations we were conducting," Hicks says. The book explored how relationships break down when dignity is violated, making it one of the deepest underlying causes of international conflicts.

After the book was published in 2013, Hicks found to her surprise that its concepts struck a chord among business people. "Lo and behold, I was contacted by people in the corporate world, in fields like health care, because they thought I had named a source of conflict that they were experiencing in the workplace," she says. Hicks recognized that these conflicts, too, were rooted in unaddressed issues related to dignity. The result was that "people in the workplace felt miserable. They didn't like even going to work because they felt their dignity was being violated." That led Hicks to extend her research from the international arena to the corporate world, and to publish in 2018 a second book, Leading with *Dignity: How to Create a Culture That Brings Out the Best in People*.

Dignity is often viewed as being the same as respect, but according to Hicks, the two are fundamentally different. While respect must be earned through one's actions, "dignity is something we're born with," she says. "Every human being is born with dignity, and by that, I mean inherent value and worth. I often ask people to imagine an infant coming into the world; these newborns are so precious. We are all born worthy. But just as we are all vulnerable to physical assaults, we are also vulnerable to having our dignity violated. That is a source of pain and suffering."

Hicks notes that when dignity is violated, this leads to a breakdown in trust. "You're just afraid," she says. "When someone hurts you, you don't want to make yourself vulnerable to that person. Your trust in that person is eroded because you don't trust that he or she won't injure you again. That is the first thing to go when we have a violation to our dignity. And sadly, when trust breaks down, empathy breaks down, as well. We are naturally born to be empathic with other people, but the minute we get our dignity violated, those two things happen. Trust breaks down, and secondly, empathy is severed." Both breakdowns help set the stage for conflicts.

As Hicks writes in her book, it was a conversation with South African Nobel laureate Archbishop Desmond Tutu that helped her understand the nature of dignity. "I worked with Archbishop Tutu in Northern Ireland," she says. "We brought perpetrators and victims of that conflict together in the hope that we could promote reconciliation. I told him about how all over the world I had worked with parties in conflict who felt that their dignity had been stripped away. When I said that, [Archbishop Tutu] said, 'No, that's not possible. Nobody has the power to strip us of our dignity. How do you think we got through apartheid? Our dignity was the only thing we had left to hang on to, to get us through.' Nelson Mandela points out in his book *Long Walk to Freedom* that no one could strip him of his dignity. When he was in prison on Robben Island, the first thing that prison officials tried to do was to strip prisoners of their dignity. Mandela said, 'No way. No man or institution is ever going to rob me of my dignity."

Hicks uses the term "Mandela consciousness" to describe the perspective that nobody can take away another person's dignity. "That was an astonishing insight for me, because I did up to that point believe that someone could take away our dignity. But the consequences of such thinking are profoundly negative. As Archbishop Tutu points out, if you think your dignity has been stripped, you won't fight for it. You'll just give up. This is the source of suffering. Don't think anyone has the power to take your dignity away. It is the one thing that you have control over and nobody else does."

The implications of this insight, that dignity is inborn and does not stem from external sources, are profound, says Hicks. "We can feel good about getting a raise or being promoted. All these external things make us feel a

> *"Even good people – decent leaders with good intentions – can end up violating dignity if they don't have dignity consciousness."*

sense of worth, and that's okay. But we need to have a deep grounding in Mandela consciousness, the belief that "nobody can take my dignity away." If we are grounded in that simple truth, that's a powerful place to start in terms of how you feel about yourself." This notion is so crucial that it appears in the preamble to the United Nations Declaration of Human Rights of 1948, where the term "inherent dignity" is central.

What is the relationship between dignity and ethical leadership? Even more importantly, how can leaders know if they are treating others with dignity or are unconsciously violating it? Hicks says she believes "that even though we are all born with dignity, we're not born knowing how to act like it. That means each of us, especially those in leadership positions, have to educate ourselves about what it looks like to treat people with dignity."

Hicks has developed a model to help business leaders understand the elements of dignity, as well as ways in which dignity can be violated, consciously or unconsciously, in the work environment. "I've come up with 10 elements of dignity, and 10 ways that we can violate our own dignity. We don't learn this in business or professional schools. Even good people—decent leaders with good intentions—can end up violating dignity, if they don't have what I call 'dignity consciousness.' People who lead with dignity aren't born that way; they have to spend time and effort in understanding what to do and how to do it."

To develop the Dignity Model, Hicks interviewed people from all over the world about "ways in which they felt their dignity was honored, and ways in which they felt their dignity was violated." She found consistent patterns while doing her research in Asia, Africa, North America, South America and the Middle East. The elements in the Dignity Model include:

- Identity: People want their identity accepted, no matter their race, religion or ethnicity. In one toxic workplace, Hicks mentions that women felt they were being treated differently simply because of their gender. "No one felt they could be their authentic selves."
- Recognition: They want recognition for their unique qualities and way of life. They want recognition in the workplace, especially for doing a good job.
- Acknowledgement: They want acknowledgement when something bad happens. They want to someone to say, "I'm sorry about that. What happened to you was wrong. It should never have happened."
- Inclusion: People want to feel a sense of belonging. Managers who leave others out of meetings in order to maintain a narrow sense of control violate this element of dignity.
- Safety: Hicks says when she interviews people in the corporate world, safety is the element of dignity that is violated the most. "I'm not talking just about physical safety," she says. "I'm talking about psychological safety. What they mean by 'safety violations' is that they don't feel safe to speak up when something bad happens. They are terrified that they will lose their job, they won't get a promotion, or they will get a bad performance review. It is ubiquitous in the workplace." In other words, people in toxic work environments worry constantly about being "thrown under the bus."
- Fairness: People want to be treated fairly.
- Independence: People don't like to be micromanaged at work. They feel trusted when they can operate with autonomy.
- Understanding: People want to feel they have an opportunity to share their perspectives with people. They don't want to be stereotyped. They want to be understood.
- Benefit of the doubt: People want to be given the benefit of the doubt. It makes them feel they are trustworthy.
- Accountability: People want to be apologized to when something bad happens. "It's not just an apology, it's a commitment to changing the hurtful behavior," Hicks says. In toxic work environments, people are not held accountable for hurtful behavior and they "resist confrontation, pretending that nothing hurtful has happened."

Hicks notes that in her experience, this framework helps people make sense of their own experience when they think their dignity has been violated. Rather than have an abstract sense of grievance, they have a specific name for the violation, such as, "I feel unsafe" or "I feel excluded," which gives them a way to understand what happened and a vocabulary to discuss it.

How can companies implement the dignity model? What processes and steps are involved? According to Hicks, the most important step for a company that wants to nurture a culture of dignity is to ensure that the leadership is on board. When Hicks has been asked to consult with companies to "go and solve a conflict" in a troubled department, she has generally found that the roots of the trouble lie deep within its leadership. "What I mean by that is that leaders develop policies that are dignity-violating and not even know it."

In addition to committed leadership, companies should put in place a systematic process of dignity training for employees, Hicks notes. "It is critically important to provide dignity education to every employee who comes into the workplace. If you want to create the culture, instead of just one or two people knowing how to do this, it must be system-wide. Dignity education starts at the top, with leaders walking the talk and demonstrating what it looks like, taking responsibility when you've violated someone's dignity, and giving people permission to give you feedback when you violate dignity."

Companies must also recognize that honoring dignity is not a one-time deal. "The whole process is a constant," she says. "This isn't something you pull off the shelf. It is a way of life. I've been studying this stuff for decades now, but still there are days when I mess up terribly, and I have to go back, apologize to the person whose dignity I violated. It's not something that you learn once and then forget about it. It's a conscious choice every single time you interact with people. It involves a lot of self-reflection. It's about responsible, ethical leadership. I use the word 'responsible' a lot because we have to shift our default setting, from wanting to blame everything on others to wanting to take responsibility."

Every organization has an emotional infrastructure, Hicks explains. "When that emotional infrastructure is toxic, when people feel their dignity is being violated all the time, that workplace is going to be toxic," she says. "People will be unhappy with their jobs. They're not going to be productive. But when that workplace is a place where people feel seen, they feel heard, they feel validated, they feel acknowledged, then that workplace will turn into a place where everybody is going to want to be."

Some of Hicks' colleagues in the field of business ethics are working on measuring the impact of dignity training. She says they are doing "pre-tests and post-tests of dignity intervention—very simple scales, Likert-type scales." What the research shows is that when people feel their dignity is honored at work, employee engagement increases. "They feel more productive," says Hicks. "They're more loyal to the company. And the other thing that happens in dignified work cultures is that profits increase. When people feel their dignity is honored, they give discretionary energy—they go that extra mile. They also feel—and this is part of creating the culture—they are doing work that is meaningful and has a sense of purpose. Being in an environment where everyone is trying to promote one another's dignity, that is a meaningful place to be and spend eight to 10 hours in your day."

How can a culture based on dignity contribute to peace at work? "Desmond Tutu taught me there is no peace without dignity," says Hicks. "He was talking about peace in the international sense, but it also applies to the world of business. There can be no peace at work without dignity. When people feel they are treated as if they are worthy and have value and are appreciated, there's no better feeling. Here's the upside: Once you learn how to honor dignity, and you do it daily, people feel joyful. They are not afraid of being their authentic self, even if they mess up. Part of the dignity culture is that when you make a mistake, you don't think of it as a mistake, but as an opportunity for learning. When you get rid of that culture of shame and fear, people thrive, because dignity work is joyful work. Relationships based on a foundation of mutual honoring of dignity are the best relationships you can have. That is why I keep saying this is a cost-effective way of doing business. You're bringing out the best in people. Peace is about feeling free from fear and free to be your authentic self. I've seen it happen. I've seen the transformations. It's just so joyful." ■

Conclusion

This concludes the final section of the special report on business and peace. Much of this publication has looked at the role played by individual people and companies in working toward the resolution of conflict, often in dangerous situations. It has also considered some of the broader trends that can help and harm efforts to promote peace in extremely complex anddifficult contexts.

There are a few lessons we can draw from both the particular examples and the general trends that can be applied in this important field of study. First, peace building is not a spectator sport; private companies need to understand they have an important role to play in the process of conflict resolution. It cannot be left entirely to government officials, the warring parties and civilian organizations, important as they are. There must be constant pressure to counteract social divisions in the workplace, as in the case of the two Rwandan sisters who insisted that employees from opposing sides must work together or lose their jobs. As Wharton's Witold Henisz says, peace is not merely the absence of conflict; it requires people to dig down and remedy their deep-seated grievances.

Second, corporate investment and job creation can exacerbate conflict by sharpening the differences between the haves and have-nots. To avoid excluding social groups from the benefits of investment and jobs, companies have to take an inclusive approach and ensure that all warring factions are brought into the discussions. This is a complex and time-consuming process in which senior managers must do their homework to navigate their way through a country's power structure. Ultimately, the aim must be to achieve a judicious balance among competing interests, both inside and outside the organization.

Third, women can and should have a crucial part in the business of peace. In many parts of the world, they are the entrepreneurs and are often quick to take advantage of empowerment projects. It is significant that the Singapore-based Impact Investment Exchange aims to "embed a gender-lens into the global peace dividend and shift the narrative from viewing women as victims of war to recognizing women as solutions to peace-building." But the aim is not to lift up women at the expense of men; only by empowering the disadvantaged, male or female, can societies reduce conflict and build stability.

Fourth, private companies must not underestimate their power to effect positive social change. Brian Ganson of the Africa Centre for Dispute Settlement points out firms have access to networks among both important people and the marginalized, and they can create unique channels for addressing grievances, particularly for marginalized groups.

Fifth, companies that want to make sure that they combine their economic success with a drive towards peace could do so by becoming "businessworthy," as the Business for Peace Foundation has advocated for years. This involves conducting business activities in a way that is ethical and upholds the interests of all stakeholders. Several role models, recognized over the years by the Foundation, have shown how this can be done in different parts of the world in various industries.

And finally, while it is critical to focus on peace at the global and national level, it is equally important to address issues that spark conflict within the microcosm of each workplace. The best way to do that, as Harvard's Donna Hicks notes, is by recognizing that everyone has inherent dignity. Companies that consciously adopt practices that uphold dignity will be able to move towards attaining not just peace but also prosperity. ■