

Private Sector Can Help in Preventing Conflict



By Ramesh Thakur

Instability and insecurity, chiefly in the poorest countries, is a fact in many parts of the world. Governments are primarily responsible for preventing conflict, but because of globalization, privatization, technology developments and political transition in many countries, the private sector exercises growing influence.

As part of a new Global Governance Initiative, the World Economic Forum recently brought together an international group of experts, chaired by Australia's former foreign minister Gareth Evans, to map the state of peace and security in the world. Among other issues, the security group explored this link between business and conflict, and confirmed that there is much that the private sector can do to make things worse - or better.

Even legitimate businesses can contribute to conflict. Companies may make use of revenues that were originally gained by governments or rebel groups to fund wars or to sustain repressive regimes. Engineering corporations may build major resource and infrastructure projects, such as oil fields and dams, that can have disastrous impacts on human rights and the environment. Companies, especially those in mining and energy in troubled parts of the world, often hire security forces to protect company assets - security forces that on occasion turn out to be ill-disciplined and abusive. Private firms may also sell arms, communications equipment and other products that are ultimately used by repressive regimes against their own citizens.

Several projects are under way to tackle those problems.

The Kimberly Process, for example, seeks to break the link between trade in legitimate diamonds and "conflict diamonds," - precious gems sold by rebel movements to finance their military activities, including attempts to undermine or overthrow governments. Conflict diamonds have financed wars in the Democratic Republic of Congo, Angola and Sierra Leone.

A co-operative effort between the diamond industry, NGOs and the governments of more than 50 diamond producing and importing countries, the Kimberly Process aims to provide certification for legal diamonds so that consumers can be clear about what they are buying. The initiative has by no means resolved all of the technical problems it faces. Still, it offers a useful example of a co-operative approach to managing complex global supply chains and their impact on peace and security.

Another promising project involves a United Nations panel of experts that set a precedent by publicly reporting on the connections between atrocities committed in the Democratic Republic of Congo and companies operating in North America, Europe and Asia. Some companies and governments dispute these findings, of course, but that in itself forces them to demonstrate that their operations are not creating or exacerbating conflicts.

The private sector can also play an active role in preventing and resolving conflict, by supporting national-development objectives, small-enterprise development and cultural diversity through a company's core business operations.

They can also contribute to strengthening the social fabric of the communities in which they operate by offering philanthropic support for public advocacy, local community development, multicultural understanding, civic education, youth development, the provision of health care, food security, effective judicial institutions and a free press.

In the aftermath of a war or conflict, the private sector can offer humanitarian assistance and investment in critical areas: restoring basic services and infrastructure, hiring ex-combatants in need of work, supporting voter education, helping to build a public sector and taking part in broader economic reconstruction.

In the case of the weapons proliferation, the private sector can promote export controls and more effective marking and tracing mechanisms in the legal arms trade.

We are witnessing a growing role for private military companies that offer planning, training and other services to government armed forces and companies that provide security for businesses, humanitarian agencies, government embassies, aid workers and individuals. But Iraq's Abu Ghraib prison scandal - which involved two private contractors - highlights the kinds of problems that can arise when a private company is not properly organized and regulated.

Clearly, businesses do have key roles to play in muting and resolving conflicts, and also to mitigate their worst effects. To play those roles is a matter of enlightened self interest. The resulting peace and stability provide a more secure environment for making profits over the long term, to the mutual benefits of capital, labour, state and society.

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