

Business in Zones of Conflict

The Role of the Multinational in Promoting Regional Stability

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Introduction

The human rights responsibilities of multinational corporations – particularly companies operating in unstable areas of the world -- are increasingly the subject of media attention and Non-Governmental Organization campaigns. Human Rights Watch's World Report 2000 noted recently, while progress had been made in increasing corporate attention to human rights more needed to be done.

The recognition that business and human rights were inextricably intertwined continued to grow throughout the year and moved beyond a simple debate over the need to adopt codes of conduct. Those companies that previously stated a commitment to human rights continued to develop programs to implement their policies.¹

The Economist recently described the risks faced by companies operating in conflict zones:

Pipelines can be blown up by terrorists. Contracts can be torn up by crooked partners. Fragile economies can collapse. And in recent years, firms doing business in countries with unpleasant governments have been pilloried by non-governmental organizations (NGOs), endangering the most priceless of assets, their good name.²

The first section of this paper gives a brief overview of some well-known cases in which the media and NGOs have criticized business for its activities in zones of conflict. The second section reviews examples of initiatives that companies have undertaken in cooperation with governments, civil society or the UN.

I- Business in Zones Conflict: Recent Cases

1. Extractive and Energy Sectors

In 1994, Royal Dutch/Shell, came under international scrutiny by human rights groups and the press when the Nigerian Government executed Ken Saro Wiwa and eight other Ogoni Tribe members for protesting Shell's environmental policies. At the time, a Shell spokesperson declined any public comment, on the ground that the action of the Nigerian Government in executing the Ogoni 9 was "not an appropriate subject for private companies...to comment on." Following intense media and NGO criticism, Shell began to work with Amnesty International's United Kingdom Business Group on its human rights policies. Amnesty has published "*Human Rights, Is It Any of Your Business?*" intended as a primer for international businesses to examine their new responsibilities in the global economy.

¹ Human Rights Watch, World Report 2000 (December 2000). Reports of the Corporations and Human Rights division of Human Rights Watch (www.hrw.org) include: "Human Rights Concerns Raised by the Security Arrangements of Transnational Oil Companies" (1998); "Crackdown in the Niger Delta" (1999); "Update: Recent Human Rights Violations In Nigeria's Oil Producing Region"; "The Price Of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing Communities" (1999); and "The Enron Corporation: Corporate Complicity in Human Rights Violations"(1999).

² "Business in Difficult Places: Risky Returns," *The Economist*, May 20, 2000.

Another extractive industry company targeted by NGO and media campaigns is Freeport- McMoRan Copper & Gold Inc. The company runs a large gold and copper mining operation on the Indonesian island of Irian Jaya (West Papua). The area is environmentally sensitive, culturally diverse and one of the most politically unstable parts of Indonesia. Freeport came under criticism primarily because of serious abuses by Indonesian security forces perceived to be acting on its behalf. These abuses led to local rioting, civil lawsuits by the indigenous Amungme Tribal Council, and a series of campaigns targeting the company by leading NGOs.

Freeport's Chairman, Jim Bob Moffet, reportedly learned first hand about the human rights abuses of the Indonesian Government's security forces during his first visit to Irian Jaya. The visit followed demonstrations by university students outside his New Orleans home. Following Moffet's visit, the company began its own internal evaluation of its human rights performance. In January 2000, Freeport engaged Gabrielle Kirk McDonald as special counsel on human rights. Ms. McDonald is a prominent American civil rights lawyer and former Federal judge who had just stepped down from her post as judge of the International Tribunal for the Former Yugoslavia. Freeport also joined the 'Global Mining Initiative', which seeks to assess "the environmental impacts of extraction, and impacts on communities, indigenous peoples and human rights".³ Freeport adopted an Environmental Policy and a Social and Human Rights Policy that was developed in consultation with the RFK Center on Human Rights and Amnesty International. The company's annual report to shareholders now includes a section entitled "Working Toward Sustainable Development," in which it reports on its progress on environmental issues.⁴

The operations of the U.S.-based oil, gas, and chemical company Occidental Petroleum Corporation in a remote area of Colombia have enmeshed the company in an increasingly complex controversy that involves the cultural rights of an indigenous people, one of Colombia's oldest guerrilla armies, and bilateral relations between the Governments of Colombia and the United States. Occidental Petroleum is currently planning to drill for oil in an area that lies in a predominantly forest region in northern Colombia and is believed to hold anywhere from 1.4 to 2.5 billion barrels of oil. The area in question is claimed tribal homeland of the indigenous U'wa tribe people, whose leaders have opposed drilling on their land.

U'wa opposition to Occidental's plans have led to violent confrontations involving the loss of lives. In February 2000, three U'wa children reportedly drowned in a river after fleeing from government troops that were called in to break up an anti-Occidental demonstration. According to the Rainforest Action Network, the U'wa's have threatened to commit mass suicide if Occidental is allowed to follow through with its plans. Leftist rebels of the National Liberation Army (ELN), which have long attempted to disrupt multinational petroleum operations in Colombia, have exploited the situation.⁵ ELN

³ See www.globalmining.com for more information on this initiative.

⁴ See Freeport's website www.fcx.com.

⁵ RAN website www.ran.org. RAN began its corporate responsibility campaigns since its inception in 1985 aimed at "convincing key corporations to respect endangered forest ecosystems and the rights of indigenous peoples." It mobilizes its 30,000 members and 150 Grassroots Rainforest Action Groups (RAN's), building alliances with environmental activists and attracting media attention. RAN's Beyond Oil Campaign: Occidental Petroleum in Colombia targets Oxy, Fidelity Investments (largest Oxy Shareholder) and Al Gore who is a shareholder. Beyond Oil's tactical elements include a Campaign 'News Site' on Ran's website as well as related articles from newspapers around the world and 'ten things you can do to help the U'wa.

leaders promised to escalate military action against multinational oil companies, while expressing sympathy for the U'wa's plight. The ELN is responsible for hundreds of bombings of Occidental's Cano Limon line, which have had a major impact on Occidental's profits, and have devastated the surrounding environment.

In the Sudan, where thousands of people have been killed and thousands more displaced in a brutal civil war between the Muslim regime in Khartoum and rebels in the Christian and animist black South, the operations of the Canadian company Talisman Energy and other multinational oil companies are under attack by a coalition of NGOs and religious groups. The companies are accused of fueling the civil war by supplying equipment used by the Khartoum Government in human rights abuses against civilians and funding its repressive activities through their royalty payments. The Canadian Government's 'Harker Report' confirmed that Talisman's oil operations are exacerbating the conflict in the Sudan, and that the Khartoum regime is responsible for grave human rights abuses, including the systematic enslavement of children and women. In response to these criticisms, Talisman is now drafting a corporate responsibility report to be audited by Price Waterhouse Cooper of London, and is developing a human rights monitoring programme that will include training its own security forces to respect human rights. See Amnesty International's recent report "*Sudan the Human Price of Oil*" for further details.

ExxonMobil/Chevron/Petronas, the World Bank, and the Governments of Chad and Cameroon have formed a consortium to finance a \$3.7 billion 663-mile oil pipeline from southwestern Chad through Cameroon, to the Atlantic coast. Under guidelines issued by the World Bank, which supplied 3% of the funds, the Government of Chad pledged that 80% of the revenues it received would be devoted to social programmes benefiting education, health, infrastructure and agricultural projects. Several independent panels with representatives from international agencies, NGOs and business have been set up to oversee the financing and construction of the pipeline.

Although the project was presented as a model for new partnerships in order to prevent oil revenues from being diverted to corrupt government officials - it was thrown into question in December with the announcement that Chad's President Deby had used \$4.5 million of the Government's first oil receipts to buy weapons. World Bank officials were highly critical of the arms purchases, and warned that they could disqualify the country from debt relief that could save it almost \$12 million a year. "We cannot defend new projects in Chad if they violate agreements with us," said Robert Calderisi, World Bank Director for Chad. "People are going to be very, very skeptical and reluctant to help Chad if they misuse the money." ⁶

In Burma, a country widely criticized for its human rights abuses, many companies, including Texaco and the former Atlantic Richfield have ceased their operations, but Total and Unocal have remained - despite intense international criticism. According to Le Monde, "These two companies, which joined with Myanmar Oil and Gas to exploit the Yadana gas deposits and build a pipeline, are accused of profiting from human rights violations committed by the Burmese military in a dozen villages in connection with this work." In 1996, EarthRights International, a human rights and environmental group issued a report urging Unocal, Total, and Premier to "immediately

⁶ Washington Post, December 4, 2000 and e-monitors.

withdraw” because “violence and forced labor in the pipeline region have continued unabated.” EarthRights also reported that the military had been responsible for “suppression of dissent, environmental destruction, forced relocation, torture, and summary executions.”⁷

Unocal was sued in an action arising out of its involvement in a gas pipeline project in Burma under the Alien Tort Claims Act (ACTA), a US law that allows aliens to sue in the US Courts for Torts for damages inflicted outside US borders -- including those resulting from human rights abuses. On 31 August 2000, the US District Court for the Central District of California dismissed all claims against Unocal, ruling that the company could not be held liable because it had not participated in the human rights abuses committed by the Burmese military. The opinion acknowledged, “[t]he evidence does suggest that Unocal knew that forced labor was being utilized and that the Joint Ventures benefited from the practice.” Plaintiffs are appealing the decision to the Ninth Circuit.⁸

2. The Diamond Sector

As the *International Herald Tribune* recently put it:

“Where they are mined responsibly, as in Botswana, South Africa or Namibia, diamonds can contribute to development and stability. But where governments are corrupt, rebels are pitiless and borders are porous, as in Angola, Congo or Sierra Leone, the glittering stones have become agents of slave labor, murder and wholesale economic collapse.”⁹

The issue of conflict diamonds was brought to public attention by a unique combination of NGO campaigning and reporting by international and national government agencies. In 1999, Global Witness, in partnership with two other NGOs, launched an international consumer campaign - called “Fatal Transactions”¹⁰ - to address and publicize the issue of conflict diamonds. Several in-depth studies and initiatives followed, exposing key players in the business of conflict diamonds.

In March 2000, under the auspices of the Security Council, the Canadian Ambassador to the United Nations released the report of a six-month investigation that revealed that the two-year Angolan diamond ban, which had been imposed to stop UNITA from using diamonds to fund its civil war against the Angolan government, had been compromised by other African nations and by the Central Belgium diamond clearing-house. The report concluded that UNITA used the funds from diamond sales to buy small weapons from Bulgaria, and that at least three heads of African states received diamonds in return for goods and services.¹¹ A similar report by the Institute of

⁷ e-monitors, May 31, 2000

⁸ e-monitors, Dec 20, 2001

⁹ “To Some Countries, Gems Bring Only Misery” *The International Herald Tribune*, April 7, 2000.

¹⁰ Global Witness operates in areas where natural resources and environmentally destructive trade is funding conflict or human rights violations. Reports include *A Crude Awakening: The Role of the Oil and Banking Industries in Angola's Civil War and the Plunder of State Assets*; *Conflict Diamonds: Possibilities for the Identification, Certification and Control of Diamonds*; *A Rough Trade: The Role of Companies and Governments in the Angolan Conflict*. www.oneworld.org/globalwitness.

¹¹ Written by Ambassador Robert R. Fowler. Report on website www.un.int/canada. A UN report released December 21, 2000 reportedly exposes a “clandestine international network of individuals who fly weapons into conflict areas of Africa.” The report states “that rebels in Angola mined diamonds worth more than \$150

Security Studies, "Angola's War Economy," funded by the Government of Finland, analyzed what it called "the Angolan 'abundant resource' war".¹²

In response to this wave of criticism, De Beers, the world's leading producer of diamonds, formally ended its purchases of Angolan diamonds, and adopted a policy of refusing to buy diamonds from conflict zones.

In July of 2000, the United Nations Security Council voted to impose an international ban on the purchasing of diamonds from Sierra Leone's rebels, seeking to cut off the financing for a civil war that had already taken the lives of tens of thousands of people. The resolution established the diamond embargo for 18 months, a timeframe that could be extended if the Government does not reassert its authority over Sierra Leone's diamond mining areas, 90 percent of which remain in rebel-held territories. This ban is significant in that the diamond industry is now seeking to work with governments and the UN to develop a system of "certificates of origin". These actions have not ended the trade in conflict diamonds, and the issue remains high on the agenda of the international community.

3. The Financial Sector

Because the financial industry is so closely connected to the corporations it finances, it has also been the focus of NGO campaigns to promote transparency and social responsibility in international lending and investment.

As part of its campaign on behalf of the U'wa tribe in Colombia, the Rainforest Action Network (RAN) has targeted Fidelity Investments, which is a major investor in Occidental. RAN has also commenced a "Campaign for a Sane Economy", targeting Citicorp as a "key financial player in many of the world's most destructive projects." Some of the projects they have identified include the Chad/Cameroon pipeline and the Three Gorges Dam in China. The RAN's website also cites Citigroup as "a top funder of new logging, mining and oil projects" and indicates that the corporation "is ranked fifth in the world among financiers of oil exploration and development."

Recently, eleven leading banks, including Chase, Société General, and Deutsche Bank, and the NGO Transparency International (TI), an anti-corruption organization, agreed to a "know your customer" rule that seeks to prevent corruption and criminal activities by investigating the sources behind third parties opening accounts under suspicious circumstances. The new rule is aimed at banking schemes that enable corrupt government officials to divert public funds to their own personal use and disguise other illegal activities including arms trading.

4. Other Sectors

A 1995 report by Global Witness, "Forests, Famine, & War—The Key to Cambodia's Future," described how trade between Thailand and Cambodia's timber industry was funding the Khmer Rouge in its civil war against the Royal Government of

million in 1999 to finance their war against the government and that they sold the gems directly to diamond cutters, through tenders held in third countries, and on the open market in South Africa." *Financial Times*, December 22, 2000

¹² Written by Jakkie Cilliers, Christian Dietrich. To order: Thandi@iss.co.za.

Cambodia (RGC). The report asserted that the Khmer Rouge was earning \$10 to \$20 million each month, and that the timber profits were funding human rights abuses as well as creating severe environmental problems in Cambodia.

As a direct result, the IMF froze the next (US\$20 million) tranche of its Enhanced Structural Adjustment Facility (ESAF) and threatened the lapsing of this support if the Cambodian Government failed to implement forestry reforms. The IMF was true to its word and in November 1996, the ESAF lapsed. This strong action placed forestry at the top of the international agenda for Cambodia. The international community convened a meeting of donors in Tokyo in February 1999. With political stability, and the country at peace for the first time in 30 years - the meeting would be able to address the core issues of Cambodia's reconstruction and rehabilitation.

The donors' meeting identified the need for independent monitoring to ensure the Cambodian Government's compliance with the promised forestry reforms. The IMF's re-engagement and the World Bank's new Structural Adjustment Credit were conditional on the signing of the deal. Global Witness was appointed to this official independent monitoring role. The appointment of a watchdog NGO to this kind of role is probably unique in world terms. This deal was funded in the first year by a \$600,000 grant from Britain's DFID, and a \$150,000 grant from AusAid, channeled through the FAO. The independent monitoring role is part of the recently established Forest Crime Monitoring Unit, which is also made up of inspection teams from the Forestry Department and the Ministry of Environment of Cambodia.

The increasing number of dams being built worldwide has led to questions regarding their impact on the environment, local communities, displacement of population, and proper compensation. The case most covered by the media and NGOs is that of the Three Gorge Dam in China. In a novel approach to solving the conflict that may ensue for these types of infrastructure development projects, the World Commission on Dams was formed in 1998. Its two main objectives are:

1. To review the development effectiveness of dams and assess alternatives for water resources and energy development, and
2. To develop internationally acceptable criteria and guidelines to advise future decision-making in the planning, design, construction, monitoring, operation, and decommissioning of dams.

Most significantly, it reflects the assumption that global public policy issues can no longer be addressed without the active participation of governments, the private sector, and civil society. The Commission's 12 members were chosen to reflect regional diversity, expertise, and stakeholder perspectives, with each Commissioner serving in his or her individual capacity. The Commission is independent and none of the Commissioners represents a specific organization or country. It deals with issues addressing broader considerations such as water and energy policy, as well as more specific technical and policy-oriented questions such as resettlement, compensation for affected communities, and watershed impacts."¹³

¹³ - See www.dams.org.

Virginia Haufler¹⁴ points out the possible roles that other non-extractive industries might play in promoting peace:

- Industries that sell directly to consumers, including clothing, athletic shoes, and rug manufacturers rely on their reputation and brand name. This makes them particularly sensitive to being associated with violent conflict. They tend to withdraw from localities where war has broken out. In unstable areas, they are likely to adopt corporate codes of conduct that address human rights issues. These light industries are the first ones that many countries need during post-conflict reconstruction.
- The travel and tourism industries have a direct interest in peace, and are becoming more active in promoting peace. American Express and others engage in peace promotion activities.
- Information industries can provide the infrastructure to rebuild after conflict. They can also provide tools for other groups to engage in conflict management programmes. Cisco Systems is building and running Internet Academies in Rwanda, to train people to use information technologies and to create a regional information center.
- Media industries can be used as a tool to promote tolerance and democratic change, and to facilitate the work of civil society groups and international organizations that are involved in conflict management activities.

On a CNN interview broadcast 3 January, 2000 Shimon Peres observed that access to fresh water is a key source of conflict in certain regions, but can also present unique opportunities for peacemaking initiatives: "There are many ways to save water and to produce water. Water may be the watershed between peace and war in the Middle East. We spent over \$100 billion over the last ten years to acquire arms. Would we invest the same amount of money to produce water or use [recycled] water, we would enjoy peace and prosperity at the same time . . . If we shall together try and bring in a real plan to supply water to all the needed parties of the Middle East, it can be both good business and a great contribution for peace."

II- Partnerships in Zones of Conflict

1. Government, Business and NGO Initiatives

A very recent development in the effort to address the issues affecting businesses in zones of conflict has been the creation of innovative strategies involving unique coalitions of government, business and NGOs.

On 20 December, 2000 the governments of the United States and Great Britain finalized the "Voluntary Principles on Security and Human Rights," a groundbreaking agreement by several major oil and mining companies to voluntarily support a set of human rights principles governing their use of security forces in foreign operations. In the statement announcing the accord, the Governments of both countries described it as

¹⁴ Virginia Haufler, "Does Business Have a Role in Conflict Management?" in *Turbulent Peace*, editors Chester Crocher, Pamela Aall and Fen Osler Hampson (United States Institute of Peace, forthcoming).

part of “a continuing dialogue” to assist multinational companies “in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.”¹⁵

The initiative is unique and significant for two reasons. First, it demonstrates that multinational corporations working closely with governments and non-governmental organizations can develop *practical* solutions to human rights problems that businesses face when operating in zones of conflict. Second, the accord is significant because the participants include many corporations that have been principal targets of NGO campaigns aimed at the extraction industry, and many of the NGOs who have waged those campaigns. The companies that initially signed the principles include Texaco, Chevron, BP, Conoco, Freeport McMoRan, Rio Tinto and Royal Dutch/Shell. The non-governmental organizations agreeing to the principles were Amnesty International, Human Rights Watch, Business for Social Responsibility, Fund for Peace, International Alert, Prince of Wales Business Leaders Forum, Council on Economic Priorities and the Lawyers Committee for Human Rights.

In April 2000, Deputy Assistant Secretary of State for Democracy, Human Rights and Labor Bennett Freeman, noted that the accord was important not least because:

“The extractive sector holds tremendous potential for progress in terms of companies recognizing and assuming new roles and responsibilities in ways that do not take companies too far in the direction beyond their basic business concerns. Many prominent companies agreed to these principles because they make good business sense.”¹⁶

2. Business Association/ NGO Initiatives

Three NGOs, The Council on Economic Priorities, International Alert, and The Prince of Wales Business Leaders Forum, recently published a groundbreaking report, “The Business of Peace,” which provides a framework for understanding both the positive and negative roles that business can play in situations of violent conflict.¹⁷ In its examination of over 30 countries and a variety of industry sectors, the report asserts that “both domestic and multinational companies have an increasingly important role to play in conflict prevention and resolution” and that “in today’s global economy they also have a growing business rationale for playing this role.”

“The Business of Peace” makes a strong argument for the proposition that business has an interest in promoting conflict resolution:

¹⁵ Excerpt from the Statement by the Governments of The United States of America and The United Kingdom, on ‘Voluntary Principles on Security and Human Rights’-US Dept. of State.

¹⁶ Deputy Assistant Secretary of State Freeman’s statement at the *Business and International Security Conference* held by the International Peace Forum with the New York University Center for Law and Business, 29 April, 2000. The conference addressed challenges of companies working in partnerships with NGOs, multilateral institutions and governments in international conflict situations. For a conference summary go to ‘events’ www.intlpcf.com.

¹⁷ PWBLF promotes corporate social responsibility through training and education. It is supported by 60 major global companies and presents human rights as an integral part of risk management and reputation assurance. CEP is a US-based organization that examines the social and environmental policies of multinational corporations. IA focuses on conflict resolution and peacebuilding and believes “The private sector, from large multinationals to small local businesses, has a vital role to play in creating wealth, promoting socio-economic development and contributing to the prevention and resolution of violent conflict.”

“There are 72 countries where the security risk for the majority of locations in which foreign business operates is rated medium, high or extreme for 2000. Today, only about 4% of the world’s GNP is military related; 96% of the international business community provides civilian products and services. Most of these business sectors have a vested interest in stability and peace.”¹⁸

The report argues that the private sector can no longer afford to ignore the causes and costs of conflict. It outlines some of the key factors that determine whether business plays a negative role by creating or exacerbating violent conflict or a positive role by helping to tackle it.

The report identifies six principles through which business can make a positive contribution to conflict prevention and resolution: (i) strategic commitment; (ii) risk and impact analysis; (iii) dialogue and consultation; (iv) partnership and collective action; (v) evaluation; and (vi) accountability. These principles encourage a company to adopt measures such as creating guidelines to incorporate human rights into the company’s operations, communicating with people in the community affected by the company’s operations, and examining the impact of its business activity on conflict.

The report also provides numerous encouraging examples of the principle of “partnership and collective action” between the private sector, multilateral and non-governmental organizations for conflict prevention, crisis management, and post-conflict reconstruction.

3. Business/NGO Initiatives

The many examples of successful business/NGO initiatives provide clear illustration of the gains that can be achieved when both sides are willing to explore existing opportunities:

- The ‘Partnership for Quality Medical Donations (PQMD)’ is a new group that includes leading pharmaceutical companies such as Bristol-Myers Squibb and Merck, as well as voluntary organizations like AmeriCares and International Aid. Their projects aim at promoting greater effectiveness in provision of voluntary medical aid and services to developing countries including zones of conflict.
- In Ireland, Oracle worked with the State of the World Forum to donate 100 internet-ready computers to Catholic, Protestant and nonsectarian schools in Belfast as part of a program called ‘Computers for Coexistence’.
- In Kosovo, DHL helped to re-establish distribution of mail and parcels and put in place the necessary logistics for continued service.
- In the Balkans, the Swiss-Swedish construction company ABB has encouraged diversity and improved ethnic relations in the workplace by bringing Serbs, Kosovars and Bosnians together to work on re-building war damaged electricity infrastructure.

¹⁸ The Business of Peace, page 5.

- In the Middle East tourism professionals and desert guides from Israel, Jordan and the Palestinian Authority are working together to develop regional tourism packages and the Shimon Peres Center, which promotes business links between Palestinian and Israeli companies, and the International Institute for Peace Through Tourism brought officials from over 60 countries to Jordan for a conference on peace and tourism.
- In Southern Africa, the Peace Parks Foundation helps partnerships between governments, the private sector and local communities to promote conservation, eco-tourism and job creation across national boundaries.
- In Washington DC, the NGO Fund for Peace, has created a 'Business and Human Rights Roundtable' bringing together human rights activists, government leaders and business leaders to talk about their common goals of respecting human rights. This group reached an agreement on a set of six 'Joint Statements of Principles of Representatives of the Business and Human Rights Communities' to be used by the roundtable to examine case studies and develop practical solutions for business and human rights.
- In New York, "The Coexistence Initiative," founded in 1996, focuses on how NGOs that are engaged in *coexistence* work might work productively with the business sector. It is now looking at how to "translate" the lessons learned and best practices documented in *The Business of Peace* and other reports into practical resources — handbooks, workshops, etc.
- In Northern Ireland, Future Ways and Counteract are two NGO's helping companies to promote tolerance, diversity and interdependence between the Catholic and Protestant communities.

Many other conflict resolution and peacebuilding NGOs are available to assist companies looking for guidance and partners in this developing area. Dr. David Hamburg, President Emeritus of the Carnegie Corporation, recommends groups like the Carter Center, the Conflict Management Group, Search for Common Ground and Harvard University's Program on Strengthening Democratic Institutions in the Former Soviet Union as good sources of advice and possible partners for business working in regions of conflict. According to Dr. Hamburg, "the activities of these groups include monitoring conflicts, providing early warning and insights into a particular conflict, convening the adversarial parties in a neutral setting, paving the way for mediation and carrying out education and training for conflict resolution."

4. Business/Multilateral Organization Initiatives

Recognizing the new role that business can play in peacebuilding, multilateral organizations have called upon corporations to assist in working toward global development and peace. The genesis of these efforts dates to the end of World War II, when the business community actively promoted the creation of the United Nations to further its interest – and the world community's -- in avoiding the destructive effects of war and violent conflict.

Examples of the types of partnerships that have developed include high-tech and telecommunications that have proven to be important partners for disaster-relief: Immarsat's satellite phone were donated to the International Committee for the Red Cross (ICRC), and Microsoft's designed computerized registration system for the United Nations Commissioner for Refugees during the crisis in Kosovo. Novel internet partnerships with international organizations include IBM's support of the ICRC's website and Cisco Systems' support of UNDP's NetAid.org initiative, which has raised over 12 million dollars and mobilized the involvement of 3,000 NGO's and 200 corporations to support humanitarian causes. Ericsson, the telephone company, has a partnership with the United Nations Office for the Coordination of Humanitarian Affairs and the Red Cross to establish a major Disaster Response Programme, providing communication aid for humanitarian relief workers.

In 1997 the World Bank created the Post-Conflict Unit as part of its social development department. The unit advises the Bank on how its lending policies can help to prevent conflict and promote social cohesion, while at the same time promoting economic growth and poverty reduction. It also gives grants for economic initiatives that promote regional stability and supports research on the potential of cross-sector partnerships and the role of the private sector in post-conflict resolution. In May 2000, the Post-Conflict Unit entered into partnership with PeaceWorks (which calls itself a "not-only-for-profit" gourmet foods company), the United Nations Office for Project Services (UNOPS), and Guatemala's Industries for Peace network and an association of exporters to build new businesses among former adversaries in Guatemala.

The most significant development in this area has been the United Nations' "Global Compact," initiated by United Nations Secretary-General Kofi Annan to harness the energy and influence of multinational corporations in promoting human rights and avoiding conflict: "Announced by United Nations Secretary-General Kofi Annan at the World Economic Forum in Davos, Switzerland, in January 1999, and formally launched at United Nations Headquarters in July 2000, the Compact calls on companies to embrace nine universal principles in the areas of human rights, labour standards and the environment. It brings companies together with United Nations organizations, international labour organizations, NGOs and other parties to foster partnerships and to build a more inclusive and equitable global marketplace. It aims, in the words of Secretary-General Kofi Annan, to contribute to the emergence of "shared values and principles, which give a human face to the global market."¹⁹

The European Center for Conflict Prevention and Transformation is now encouraging the European Union to "endorse and support the UN Global Compact and include a commitment in EU policy documents to engage the private sector as a partner in furthering EU development and conflict prevention objectives and make such a commitment explicit in a EU declaration." The Center also calls for the EU to "consult and work with the private sector on issues which address the root causes of conflict, including: institution-building, equitable distribution of resources, anti-corruption measures, poverty eradication, human rights promotion and protection, security sector reform."²⁰

¹⁹ UN Global Compact Brochure

²⁰ The European Platform for Conflict Prevention and Transformation www.euconflict.org an open network of European and international NGO's involved in the prevention and/or resolution of conflict in the international arena. Its mission is to facilitate networking, to encourage co-operation and facilitate the

Conclusion

One of the realities of doing business in the global marketplace is that managers in multinational corporations find themselves operating in areas of armed conflict, indigenous cultural disputes, epidemic disease and other kinds of social upheaval. As globalization of the world's economy continues, the international business community will increasingly find itself confronted with the challenge of promoting peacebuilding in its areas of operation, or being blamed for contributing to the conditions that lead to violent conflict. These new challenge will increasingly require business professionals to apply conflict resolution and peacebuilding strategies in situations where promoting peace is an essential element of successful business operations.

About International Peace Forum

The International Peace Forum (IPF) (www.intlpf.com) a division of World Monitors, provides consulting services to foster and promote creative initiatives in international conflict resolution and peacebuilding. The President of IPF is Juliette Bennett. On 29 April 2000, IPF, in partnership with the New York University Center for Law and Business, held a conference on "Business and International Security," which was the first in a series of conferences around the globe that explored the ethical responsibility and accountability of corporations working in areas of conflict.

exchange of information as well as to develop advocacy and lobbying activities among participating organizations. It acts as the secretariat of the European Platform for Conflict Prevention and Transformation. The paper from this quote is "Preventing violent conflict: Opportunities for the Swedish and Belgian Presidencies of the European Union in 2001"