

# ENTERPRISE CREATION, EMPLOYMENT AND DECENT WORK FOR PEACE AND RESILIENCE:

THE ROLE OF EMPLOYER AND BUSINESS  
MEMBERSHIP ORGANIZATIONS IN  
CONFLICT ZONES IN ASIA





# ENTERPRISE CREATION, EMPLOYMENT AND DECENT WORK FOR PEACE AND RESILIENCE:

THE ROLE OF EMPLOYER AND BUSINESS  
MEMBERSHIP ORGANIZATIONS IN  
CONFLICT ZONES IN ASIA

December 2016

**Jae Hee Chang & Gary Rynhart**

Bureau for Employers' Activities, Working Paper No. 15  
International Labour Office

Copyright © International Labour Organization 2016  
First published (2016)

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Licensing), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: [rights@ilo.org](mailto:rights@ilo.org). The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with a reproduction rights organization may make copies in accordance with the licences issued to them for this purpose. Visit [www.ifrro.org](http://www.ifrro.org) to find the reproduction rights organization in your country.

---

Chang, Jae Hee; Rynhart, Gary.

Enterprise creation, employment and decent work for peace and resilience : the role of employer and business membership organizations in conflict zones in Asia / Jae Hee Chang, Gary Rynhart ; International Labour Office, Bureau for Employers' Activities (ACT/EMP). - Geneva: ILO, 2016. (ACT/EMP working paper; No. 15)

ISBN: 978-92-2-130814-0; 978-92-2-130821-8 (web pdf)

International Labour Office. Bureau for Employers' Activities.

decent work / enterprise creation / corporate responsibility / employers organization / armed conflict / peace / Asia

13.01.1

---

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

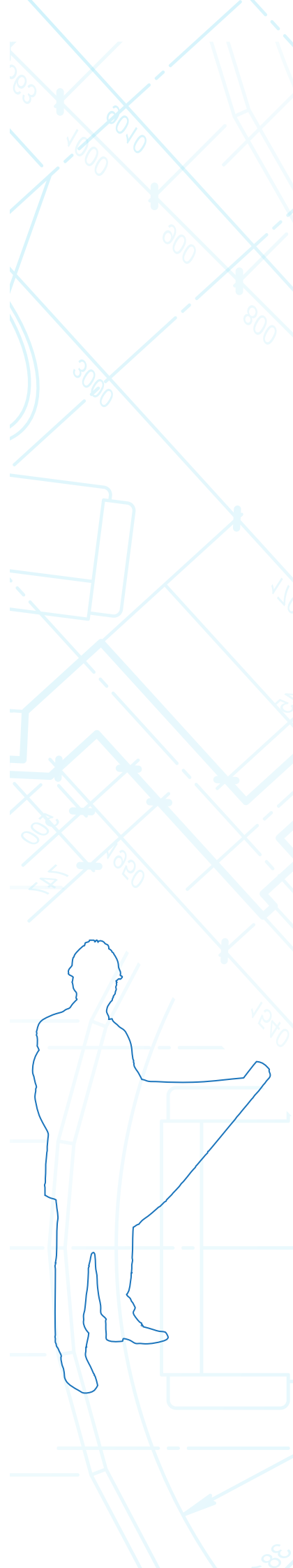
Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications and digital products can be obtained through major booksellers and digital distribution platforms, or ordered directly from [ilo@turpin-distribution.com](mailto:ilo@turpin-distribution.com). For more information, visit our website: [www.ilo.org/publns](http://www.ilo.org/publns) or contact [ilopubs@ilo.org](mailto:ilopubs@ilo.org).

Layout and design by QUO, Bangkok

---

Printed in Thailand





# Preface

The private sector is widely referenced as a critical actor in conflict-affected zones (CAZ). It continues to provide vital goods and services during a conflict and is a key contributor to rebuilding shattered economies and communities after a peace agreement has been concluded. The peace dividend that economic growth and development can bring following a conflict is often listed as an essential enabler for sustaining peace.

This paper examines one component of the “private sector – conflict” interface: what business can do, both during and after a conflict situation, collectively through representative Employer and Business Membership Organizations (EBMOs) – an issue that has not been widely researched or documented. EBMOs are defined as any representative organization (member-based) of the private sector, namely employers’ organizations (national, regional or provincial); chambers of commerce (national, regional or provincial); sectoral associations (representing enterprises in a specific sector of the economy); or any other formal established network of businesses that have come together to work in a collective interest. For the most part, these EBMOs are populated with small, medium or large indigenous enterprises.

This paper looks at what these organizations can do in terms of their core roles in providing goods and services, maintaining employment and pursuing wider social goals such as fostering inclusion in the workplace and engaging in direct activities to facilitate peacemaking actions during a conflict. Specifically, this research examines how peace-oriented goals can be achieved in tandem with other partners, in particular workers’ organizations.

It is important to note that the private sector can equally play a malign role in CAZ. There is much evidence and research on the negative impact of the private sector in conflict-affected areas and how it can perpetuate or exacerbate a conflict situation. Activities in and around extractive industries can be particularly problematic in conflicts over the ownership and control of natural resources between local communities and government, adding further layers of complexity. This needs to be fully acknowledged at the forefront of this research and in any analysis of the wider role of EBMOs in CAZ.

Nevertheless, this paper focuses on the positive role that collective business plays through EBMOs in CAZ, the potential influence they can exert, their convening power and in particular the partnerships that can be established, specifically with workers’ organizations, for more effective peacebuilding and stabilization efforts.

The examples highlighted in this paper demonstrate how EBMOs can provide leadership to the private sector to influence, advocate for and promote peaceful resolutions to conflicts whilst promoting investment and entrepreneurship and assisting to rebuild livelihoods and infrastructure.

The development of this paper was predicated on an extensive desk review of the existing literature, supplemented with comprehensive field level studies in three countries affected by conflict. The fieldwork consisted of semi-structured interviews in Sri Lanka (last quarter of 2015; 25 face to face interviews with senior business leaders); Thailand (last quarter of 2015; 36 face to face interviews with mainly senior business leaders but also other stakeholders such as NGOs); and the Philippines (second and third quarters of 2016; 10 face to face interviews with senior business leaders). Additional field-level inputs were gathered from ILO colleagues working in Myanmar, Pakistan and Nepal.

By outlining the multiple roles played by EBMOs, the paper provides evidence of the need to promote greater participation by the private sector as a way to encourage and increase investment in long-term peace development projects.

Programmatic interventions to help prevent or end armed conflict and build peace in its aftermath require enormous efforts from many individuals and organizations. The business community and those that represent it are an important constituency in responding to these challenges. Consequently, a secondary objective of this working paper is to provide knowledge and insights for future ILO technical work and programmatic interventions.

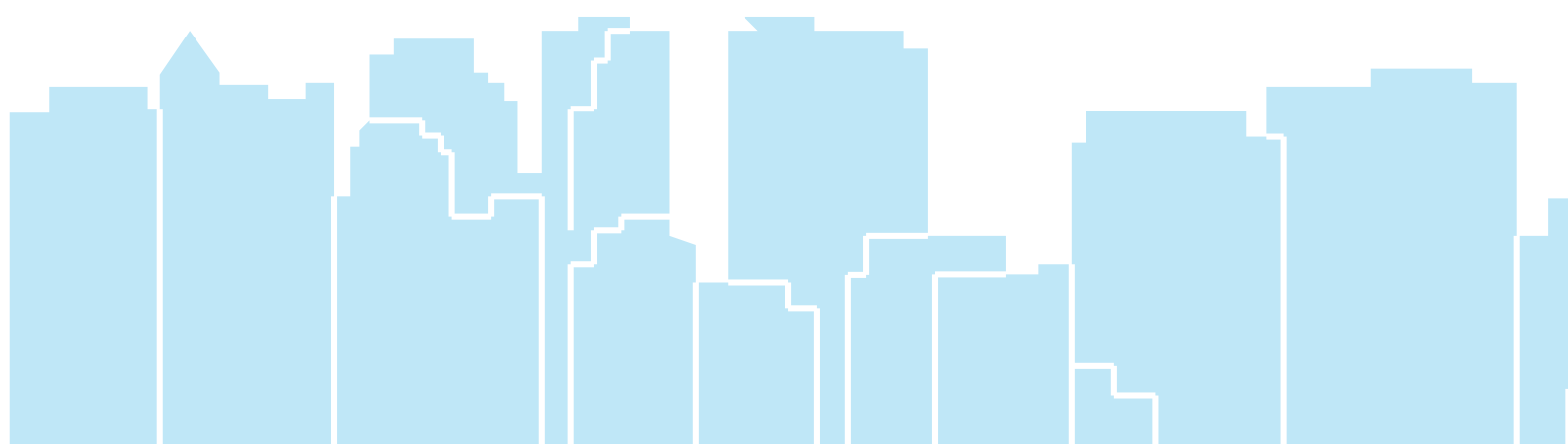
The scope and ambition of this publication was limited and attaining credible information was a difficult process. Nevertheless, we feel this can be a useful contribution and facilitate deeper research efforts that are clearly required.



Ms Deborah France-Massin

Director

Bureau for Employers' Activities (ACT/EMP),  
International Labour Office



# Contents

<b>Preface</b>	iii
<b>Acknowledgements</b>	vii
<b>Overview of conflicts in Asia</b>	viii
<b>Acronyms and abbreviations</b>	x
<b>1. Introduction</b>	1
1.1. The fragility nexus between conflict and natural disasters	2
1.2. The ILO and its mandate for social justice and peacebuilding work	3
1.3. Sustainable Development Goals: The new development framework	4
<b>2. How representative business is structured</b>	7
2.1 Main characteristics of EBMOs	7
2.2 Business representation infrastructure	8
<b>3. The business case for engagement</b>	11
3.1. Why business has a critical stake in peace	11
3.2. Main features of commercial activity in CAZ	12
3.3. Jobs as a driver for peace	13
3.4. Facilitating trading linkages	13
3.5. Awareness of the role of business	14
<b>4. EBMOs providing services and supporting enterprises in CAZ</b>	17
4.1 Helping enterprises maintain commercial operations	17
4.1.1 Liaising with authorities	17
4.1.2 Addressing security concerns	17
4.1.3 Engaging with protagonists	18
4.1.4 Connecting regions	19
4.2 Roles of EBMOs in enterprise development and job creation	20
4.2.1 Promoting employment and enterprise development	21
4.2.2 Training and skills development	21
4.2.3 Supporting sectors	22
4.2.4 Promoting investment	23
4.2.5 Providing vital services	24
4.3 Promoting inclusive workplaces	25
4.3.1 The workplace as a neutral place	25
4.3.2 Promoting inclusivity in the workplace	25
<b>5. Strengthening private sector roles in peacemaking and peace dialogue</b>	27
5.1 Private sector partnerships with workers' organizations	30
<b>6. Conclusions</b>	33
<b>References</b>	36

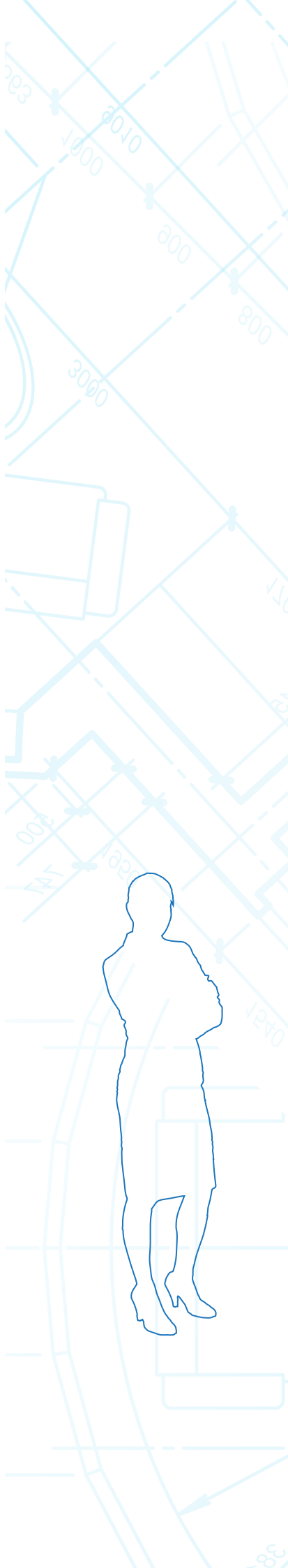


# List of Boxes

Box 1. Calculating the costs of violence	2
Box 2. EBMOs influencing public opinion for peace	9
Box 3. The BPA as a leading post-conflict initiative in Sri Lanka	11
Box 4. The Mindanao Business Council heightens awareness about conflict	16
Box 5. Connecting EBMOs in Sri Lanka for peace	20
Box 6. The private sector: Playing a direct role in peacemaking in Nepal	28
Box 7. The private sector: Playing a direct role in peacemaking in Sri Lanka	29

# List of Figures

Figure 1. Elements of the domestic private sector by tier	8
Figure 2. Private sector responses to conflict	14



# Acknowledgements

We wish to acknowledge the contributions of numerous individuals and organizations in developing this paper.

The contributions of the employers' organizations from across the region were instrumental. In particular, we acknowledge the Employers Confederation of the Philippines (ECOP), Employers Confederation of Thailand (ECOT), and Employers' Federation of Ceylon (EFC) for their support for this project and their extensive help in facilitating the fieldwork. We thank also their respective members such as the various chambers of commerce, sectoral associations and regional branches who provided substantial help.

To the individuals who participated in the field interviews we are enormously grateful. We made a decision at the start of this project to not name specific individuals. Collectively here we thank you for your insights.

We would like to express our deep appreciation to Dr. Danura Miriyagalla, Jennifer Weidman and Aji Espinoza who conducted the fieldwork in Sri Lanka, Thailand and the Philippines respectively. In addition, Seul-A Yi carried out the preliminary research and Linda Vega Orozco undertook secondary research and provided data analysis to enhance the fieldwork findings.

Thanks to ILO colleagues who provided peer review and technical contributions, including Charles Bodwell, Sanchir Tugschimeg, Ravindra Peiris, Miaw Tiang Tang, Bjorn Johannessen, Matthieu Cognac, Ingrid Christensen, Saloman Rajbanshi, Richard Howard, Donato Kiniger-Passigli, Elisa Selva, and Jared Bissinger.

Finally, the ILO team that managed and conducted the overall research was led by Gary Rynhart, Senior Employers' Specialist of the ILO Bureau for Employers' Activities, who managed the entire research process, while Jae-Hee Chang, Senior Programme and Operations Officer of the ILO Bureau for Employers' Activities, provided ongoing technical support.

# Overview of conflicts in Asia

## Sri Lanka

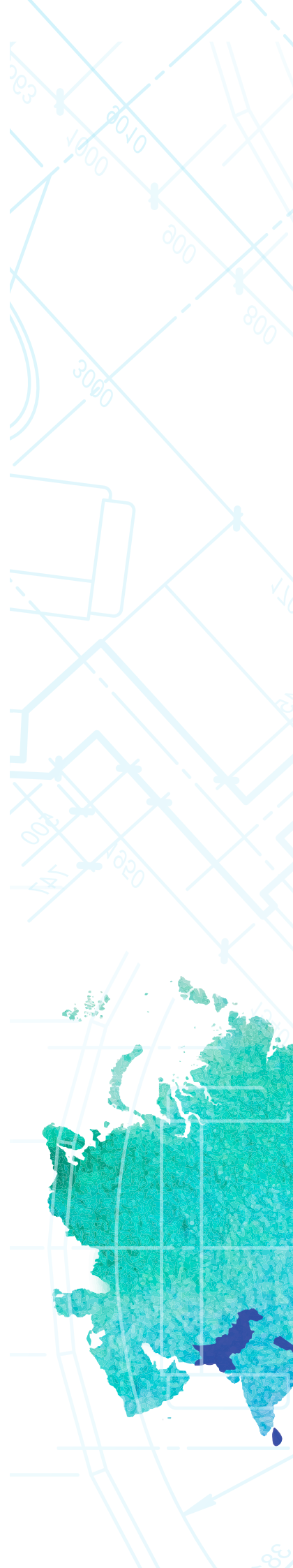
Sri Lanka has been significantly affected by a number of violent conflicts since gaining independence in 1948. These include the ethnic conflict between Tamil youth and the Government of Sri Lanka in the north and east of the country, and two Sinhalese youth insurrections in the south. The most debilitating for Sri Lanka was the ethnic conflict that began in 1983 and lasted almost three decades. The origins of this conflict lie in the linguistic differences between two of Sri Lanka's largest ethnic groups – the Sinhalese and the Tamils – and discriminatory state policies that were meant to favour the majority Sinhalese. Policies against the Tamils led to the formation of a separatist rebel group called the Liberation Tigers of Tamil Eelam (LTTE) that sought to create an independent Tamil State in the north and east of the country. In 1983, the deaths of 3,000 Tamils following the killing of 13 soldiers by the LTTE, marked the beginning of a long and arduous armed conflict between the LTTE and the Government. This ethnic war came to a dramatic and complete end when Sri Lankan government troops overpowered the LTTE on 18 May 2009.

## Mindanao, the Philippines

The conflict situation in Mindanao is between two sets of armed groups that are operating in separate territories: Muslim separatists, the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF) in Central and Western Mindanao, who are fighting for self-determination and autonomy; and leftist insurgents of the Communist Party of the Philippines and its military wing the New People's Army (CPP-NPA) in Eastern Mindanao, who are fighting along ideological lines. The CPP-NPA operates in areas where indigenous people, referred to as Lumads, are also present. The Lumads do not have any military power to engage the Government in armed conflict. In some cases the Lumads have found an ally in the CPP-NPA. Muslim groups (MNLF, MILF) or Moros have traditionally fought for the independence of a number of ethnic groups known as Bangsamoro. The fundamental difference between the MNLF and MILF factions is their differing notions of Moro identity. The modernist MNLF (Nur Misuari faction) adheres to an inclusive definition of that identity (including non-Muslim Christians and Lumads); while the MILF adheres to a definition that proposes greater exclusivity for Muslims. A third Muslim faction is the Abu Sayyaf group, which is an offshoot of the MNLF. This is a radicalized faction suspected of having links to radical Islamic terrorist groups. Violent conflicts in Mindanao have persisted over the past 40 years and reached their most intense phase in the mid 1970s, resulting in various peace initiatives and accords. In 2014, the Autonomous Region in Muslim Mindanao was established through a comprehensive peace agreement.

## Thailand

Thailand has been plagued with political instability since the 1930s, with recurring flare-ups over the past 10 years. In 2006, there was a coup to remove the then Prime Minister Thaksin Shinawatra (the 11th successful coup out of a total of 18 attempts since 1932). Political instability continued, however, with periods of mass protest and violence. While elections were held in 2011 and a democratically elected Government led by Yingluck Shinawatra was installed, political fissures remained. The escalation of street protests led to a successful coup in 2014, which ushered in the current military regime. The past decade of mass political activism has centred on various iterations of groups loosely identified as yellow shirts, who are generally seen as representing the interests of urban dwellers and the traditional elite, and red shirts, generally seen as representing the interests of the rural masses. While these categorizations are far too simplistic, they do serve to point to the intertwined class and regional elements of the struggle for political power and representation.



In addition to these political troubles, the three southernmost provinces of Thailand have been embroiled in an armed insurgency spanning several generations, with the most recent resurgence of violence beginning in 2004. The struggle between the local Thai-Malay Muslim population and Thai government security forces is about self-determination, socio-cultural space and economic opportunity.

## Myanmar

Civil conflicts have been ongoing in Myanmar since the country's independence from the British in 1948, but the roots of the myriad conflicts stretch even further back. There are numerous drivers of conflict, including ideological, religious and ethnic differences. Natural resources, while not often mentioned by ethnic groups as a reason for conflict, are certainly one consideration. The reality is that the complexity of both economic and grievance motivations of conflict defy easy categorization.

Most of Myanmar's armed groups are organized along ethnic lines, although there are often multiple armed ethnic organizations from the same ethnic group. The largest ethnic armed groups are from some of Myanmar's most populous ethnic minority groups, including the Karen National Union, Kachin Independence Organization, Shan State Army-North and Shan State Army-South, and United Wa State Army. There are numerous other types of armed groups in Myanmar, including the Border Guard Forces and the People's Militia Forces, which were created in 2009 by the military.

In 2011, the military Government evolved into a quasi-civilian regime headed by former general Thein Sein. Later that year, the new Government began signing a series of temporary ceasefire agreements with ethnic minority groups and launched other peacemaking initiatives. That fractious process remains ongoing under the new regime led by the National League for Democracy administration.

## Nepal

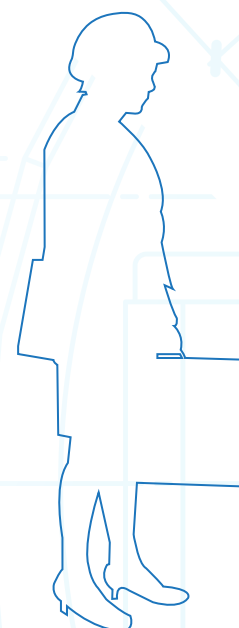
The Maoist Rebellion was a decade-long armed conflict against the Government of Nepal. The rebellion was launched by the Communist Party of Nepal on 13 February 1996 with the primary aim of overthrowing the Nepalese monarchy and establishing a "People's Republic". Throughout war, the Government controlled the main cities and towns whilst the Maoists dominated the rural areas. The conflict ended with the Comprehensive Peace Accord signed on 21 November 2006.





# Acronyms and abbreviations

BPA	Business for Peace Alliance
CAZ	conflict-affected zones
CPLC	Citizens-Police Liaison Committee
CPP-NPA	Communist Party of the Philippines – New People's Army
EBMOs	Employers and Business Membership Organizations
ECOP	Employers Confederation of the Philippines
ECOT	Employers Confederation of Thailand
EFC	Employers' Federation of Ceylon
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FPCCI	Federation of Pakistan Chamber of Commerce and Industry
GDP	gross domestic product
HAN	Hotel Association of Nepal
ILO	International Labour Organization
JAAF	Joint Apparel Association Forum
J-Biz	Joint Business Forum
LTTE	Liberation Tigers of Tamil Eelam
MDGs	Millennium Development Goals
MNLF	Moro National Liberation Front
MILF	Moro Islamic Liberation Front
NBI	National Business Initiative for Peace
NCCI	Nepal Chamber of Commerce and Industry
PBSP	Philippine Business for Social Progress
PPP	purchasing power parity
SDC	Skills Development Council
SDGs	Sustainable Development Goals
SMEs	small and medium-sized enterprises
UGTT	Union Générale Tunisienne du Travail
UTICA	Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
YuPPeace	Young Muslim Professionals for Business and Peace



# 1. Introduction

Understanding how to prevent conflict and violence is one of the key challenges for society today. In the past eight years the world has become less peaceful, as captured by the deterioration in indicators of internal peacefulness.<sup>1</sup> Between 2008 and 2015, the total economic costs of violence on global gross domestic product (GDP) increased by almost 10 per cent, from US\$12.4 trillion to \$13.6 trillion. According to the Institute for Economics and Peace,<sup>2</sup> the 2015 figure represents 13.3 per cent of the gross world product or about \$1,876 for every person in the world and is approximately 11 times the size of global foreign direct investment.<sup>3</sup> To put this in perspective, the impact of violence in 2015 was equivalent to the combined GDPs of Brazil, Canada, France, Germany and the United Kingdom.<sup>4</sup> Moreover, 2016 estimates from the United Nations High Commissioner for Refugees (UNHCR) indicate that 65.3 million people were displaced from their homes and became either refugees or internally displaced as a result of conflict and violence in 2015.<sup>5</sup>

In fragile and conflict-affected States [...] poverty rates are generally 21 percentage points higher than in other States. [...] The threat that their condition poses to the prosperity of others is one compelling reason why the ILO should give priority to them.

Guy Ryder, ILO Director General

Economic losses from conflict overshadow expenditures and investments in peacebuilding and peacekeeping. Spending on peacebuilding and peacekeeping represents a mere 2 per cent of the global economic losses from conflict.<sup>6</sup>

## ILO definition of fragility

**Fragility** may be understood as sudden and/or cyclical situations in which one or more exogenous or endogenous risk factor exacerbates pre-existing political instability and socio-economic vulnerability. From the perspective of the world of work, this translates into the extent to which labour market actors are no longer able to provide and/or access employment and decent work opportunities.

Source: ILO. 2016. Decent work in situations of fragility, conflict and disaster: Guide.

<sup>1</sup> The Global Peace Indicators produced by the Institute for Economics and Peace comprise 23 indicators of the existence of violence or fear of violence. The indicators were originally selected in 2007 and are reviewed on an annual basis.

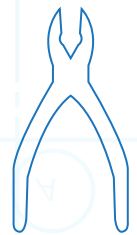
<sup>2</sup> Institute for Economics and Peace (2016a).

<sup>3</sup> In purchasing power parity (PPP) terms.

<sup>4</sup> GDP estimates from World Bank (2016) in current international US dollars, expressed in PPP.

<sup>5</sup> UNCHR, 2016.

<sup>6</sup> Institute for Economics and Peace, 2016a.



## 1.1. The fragility nexus between conflict and natural disasters

The impacts of armed conflict and security challenges can be exacerbated by increasingly frequent and more extreme natural disasters.<sup>7</sup> Indeed, there are 13 times more lives lost from natural disasters in countries with low positive peace as opposed to those with high positive peace.<sup>8</sup>

In crisis and disaster situations poverty, unemployment and informality are aggravated and create a vicious cycle that ultimately leads to greater fragility. Many of the supporting institutions that provide basic needs and oversee law and order are frequently compromised or damaged. All these elements can spark more chaos and conflict.<sup>9</sup>

Pakistan, for example, ranks 153 out of 163 countries in the Global Peace Index and the costs of violence so far have amounted to \$67.5 billion as of 2016.<sup>10</sup> The 2010 floods in Pakistan killed more than 2,000 people and affected over 18 million.<sup>11</sup> Following this disaster, much of the relief effort by business was channeled through local power elites, which in the longer term served to damage the prospects for peace.<sup>12</sup>

In the Philippines, the Mindanao conflict between various Muslim groups, the Lumads and Communist armies resulted in direct economic losses amounting to over \$3 billion.<sup>13</sup> The Philippines is also the fourth most disaster prone country in the world. The combination of a long-standing conflict and recurrent disasters have increased challenges to achieve positive peace in the Philippines.

### Box 1: Calculating the costs of violence

The Institute for Economics and Peace calculates the costs of violence to the economy by using 13 different types of violence-related spending at the national level, and applying a multiplier effect to account for the lingering influence of violence and fear. There are immediate and obvious examples of the impact of violence on the economy, like hospital fees or security costs, and there are also subtle long-term impacts, such as a shift to more defensive spending by individuals, businesses and governments.

Based on this approach, countries with “high” positive peace have characteristics that include attitudes, institutions and structures that create and sustain peaceful societies. Countries with “low” positive peace lack these or have institutions that are not resilient and are more likely to generate internal shocks. The rankings (out of 163 countries) for the countries referenced in this paper are: Pakistan (153), the Philippines (139), Thailand (125), Myanmar (115), Sri Lanka (97) and Nepal (78).

Source: Institute for Economics and Peace (2016a), (2016b).

<sup>7</sup> The 2005 Kashmir earthquake was followed by massive floods in the Indus Basin in 2010 and 2011. Total economic losses from the earthquake and floods amounted to \$5.2 billion and \$12 billion, respectively (EM-DAT, 2016).

<sup>8</sup> Ibid.

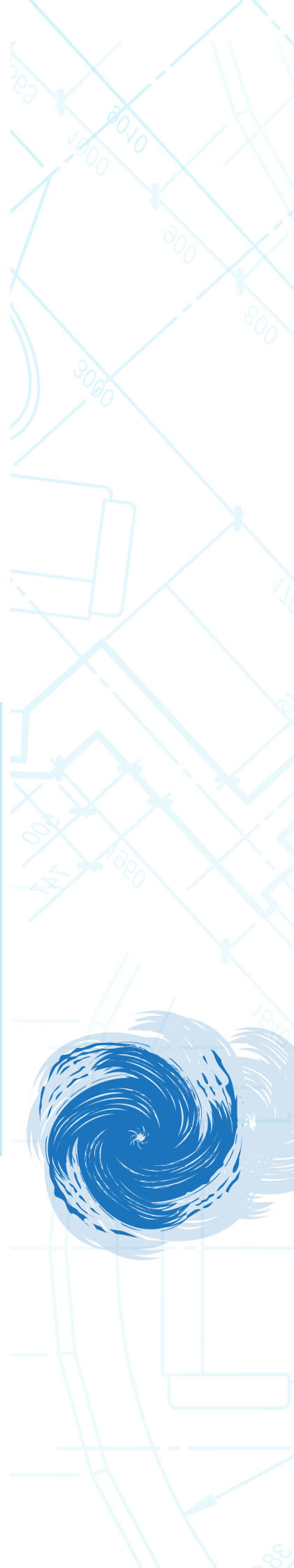
<sup>9</sup> ILO, 2016.

<sup>10</sup> Institute for Economics and Peace, 2016b.

<sup>11</sup> Reuters, 2013.

<sup>12</sup> Ismail and Nusrat, 2014.

<sup>13</sup> The Lumads are fighting against intrusion, economic exploitation and militarization of their ancestral lands and have no military power to engage the Government in armed conflict. Judd (2005) provides the estimate of direct economic losses from the Mindanao conflict between 1970 and 2003.



In societies where peace is stronger, developmental goals are more likely to be achieved. These societies are more resilient when faced with crisis and have fewer grievances and a better performance on well-being measures, gender equality and ecological measures. They are more likely to achieve non-violent positive outcomes when faced with resistance movements and are more likely to adapt and make concessions to reconcile grievances.<sup>14</sup>

## 1.2. The ILO and its mandate for social justice and peacebuilding work

If conflict is described as development in reverse, then job creation, enterprise development and economic and social progress are key antidotes.<sup>15</sup> The ILO's mandate is very much built on the nexus between social justice and conflict and the febrile line between the two. The organization itself was established in 1919 by the Treaty of Versailles as the warring factions of the First World War sought to build an institution that could act as a bulwark in preventing social fissures from breaking into open conflict. After almost a century, that mandate is as relevant as ever.

The ILO's core work is founded on tackling social injustice – the root of many conflicts. The concept of lasting peace flowing from social justice was the most evocative expression of the ILO's role in contributing to peace, and the ILO received the Nobel Peace Prize in 1969 on the occasion of its 50th anniversary. The Declaration of Philadelphia and subsequent declarations, including the ILO Declaration on Fundamental Principles and Rights at Work (1998) and the ILO Declaration on Social Justice for a Fair Globalization (2008) all embody this approach.

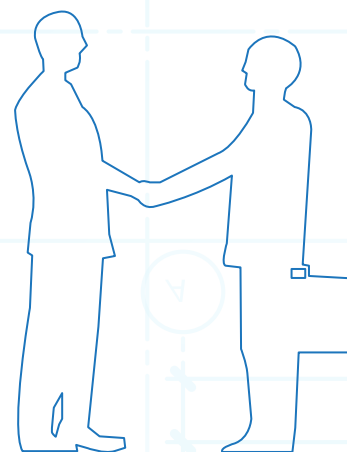
Much of the ILO's technical efforts have focused on reconstruction efforts following a conflict or disaster. Rebuilding an enabling environment for employment and functioning national systems is an essential component of the work of restoration in situations of fragility and crisis.<sup>16</sup> The ILO was intensely involved in the development of the 2009 United Nations (UN) Policy for post-conflict employment creation, income generation and reintegration, which emphasized this approach and additionally the critical role that social partners can and do play in fragile and crisis affected situations.

The scope of these partnerships was explicitly explained in the UN policy:

---

Tripartite business, labour and government representatives need to engage in continuous social dialogue with other civil society groups. United Nations agencies can help to provide this forum. (...) This is particularly important in post-conflict environments characterized by residual social and political tensions. These United Nations bodies can also promote different scenarios where dialogue can occur for example socio-economic forums, and other forums shaped around tripartite consultations, together with more stakeholders.<sup>17</sup>

---



<sup>14</sup> Institute for Economics and Peace, 2015.

<sup>15</sup> The Oxford economist Paul Collier describes civil war as “development in reverse”. See, for example, Collier (2004) and Collier (2007).

<sup>16</sup> ILO, 2016.

<sup>17</sup> United Nations, 2009, para. 102, p.38.

Institutionally, the March 2014 session of the ILO's Governing Body on ILO technical cooperation in fragile states outlined the following as key elements of the organization's strategy:<sup>18</sup>

(a) enhancing the capacity of the ILO's tripartite constituents to develop swift national responses and support social dialogue as a means of consolidating peace;

(b) developing guidance for context-specific responses that tackle poverty, inequality and exclusion through the promotion of decent work by giving special consideration to women, youth and children, as well as to displaced and disabled persons; and

(c) bringing the ILO's approach, expertise and technical cooperation experience in fragile States to the post-Millennium Development Goals (MDG) 2015 debate, as well as to the Global Partnership for Effective Development Cooperation.

The ILO has given substance to these objectives through its Jobs for Peace and Resilience programme, one of five ILO flagship programmes under its current development cooperation strategy.<sup>19</sup>

### 1.3. Sustainable Development Goals: The new development framework

A new and unique feature of the 17 Sustainable Development Goals (SDGs) that were launched in 2015 as the UN's main development framework is the recognition by the international community of the importance of peace and stability as a long-term foundation for development.

The 16th SDG aims to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.” It is hoped that the focus of SDG 16 can invigorate renewed development thinking and efforts to engage in CAZ. The economic case is strong.

Allied to this is the prominence of the role of the private sector in delivering the SDG outcomes and achievements. The SDG agenda recognizes that “private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation” and that “sustained, inclusive and sustainable economic growth is essential for prosperity.”<sup>20</sup> In this context, business requires an environment of stability and peace to operate efficiently and generate resources that contribute to the achievement of global objectives. This is significant because the new development agenda envisages an integrated and holistic approach to development.

The UN Secretary-General Ban Ki-moon noted shortly after the adoption of the SDGs that “Governments must take the lead in living up to their (SDG) pledges. At the same time, I am counting on the private sector to drive success.”<sup>21</sup>

<sup>18</sup> ILO, 2014, para. 28.

<sup>19</sup> One critical comparative advantage the ILO possesses is its extensive network of business and workers' organizations. The ILO has two distinct departments – the Bureau for Employers' Activities and the Bureau for Workers' Activities – that manage the relationship with EBMOs and trade unions and work directly with these organizations to build institutional capacity to make them stronger and more representative. These Bureaux are staffed with technical specialists who are located in major ILO regional and country offices worldwide.

<sup>20</sup> United Nations, 2016. Paragraphs 67 and 27.

<sup>21</sup> United Nations, 2015.











## 2. How representative business is structured

The private sector is not a homogeneous entity. It is made up of a wide ecosystem of actors, from survivalist informal enterprises to multinational companies, with different and sometimes competing interests.

The heterogeneous traits apply equally to the differences within the local business community. The local private sector often has a wider range of motivations to address fragility and conflict and will usually be more interested in making a difference in peacebuilding and stabilization efforts than large enterprises, as they can suffer much more directly from conflict. Furthermore, smaller enterprises tend to be more labour intensive than large ones, are less import-dependent and have close ties and linkages with other local businesses.<sup>22</sup>

EBMOs are embedded in their communities with a variety of linkages to different social and political actors and strata through business relations (with staff, business partners, etc), but also along other lines, such as political, cultural, ethnic or religious. It is this highly “networked” position that is the real added value of these organizations to peacebuilding.<sup>23</sup>

The business community, as expressed through EBMOs, has an inherent interest in stability. This is of fundamental importance to conduct business and can bring pressure to bear on and influence government officials to adopt constructive policies.<sup>24</sup> This ability to put pressure on governments – to use a collective pressure point – is one that is hard to match.

Although weak governance zones cannot be remedied or prevented from occurring by companies, engagement in a process with governments and intergovernmental organizations can help to improve a situation or to prevent a situation from deteriorating further. Business acting collectively through its representative organizations, in particular at local level, can help to provide an impetus to make governments more accountable to their own citizens. A focus on improving public governance and capacity building is particularly relevant.<sup>25</sup>

### 2.1 Main characteristics of EBMOs

The strength of business associations lies in their representative nature and their functioning as networks. These organizations are most effective when they are both truly representative of the communities they purport to represent and are independently funded by the business community.<sup>26</sup>

The most fundamental expectation from the business community is that these organizations are relevant. Relevance means responding effectively to members’ changing needs and being a genuine demand-driven entity.<sup>27</sup> This does not mean it is simple. EBMOs in a developing country setting would normally be faced with some of the following challenges:<sup>28</sup>

<sup>22</sup> Avis, 2016.

<sup>23</sup> Killick, Srikantha and Gündüz, 2005.

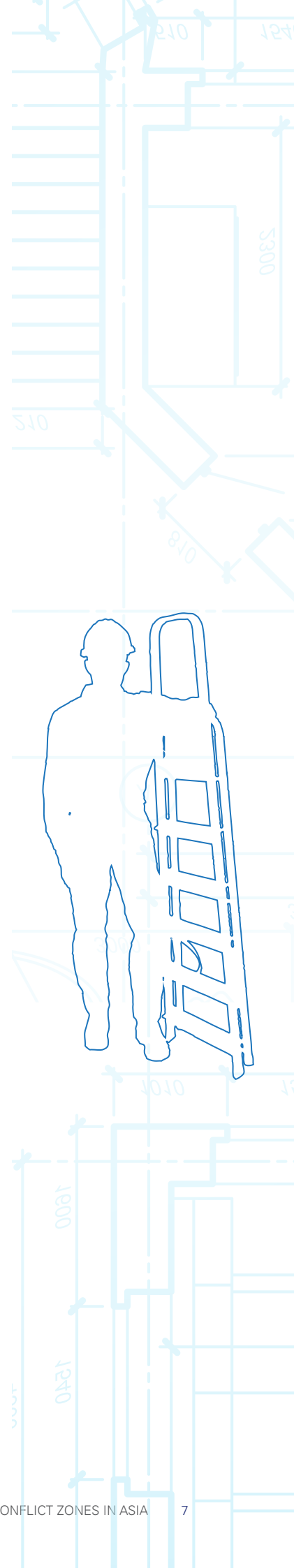
<sup>24</sup> USAID, 2012. The term “EBMOs” is used in the same way that USAID (2012) uses “economic associations”.

<sup>25</sup> International Organisation of Employers, International Chamber of Commerce, and Business and Industry Advisory Committee to the OECD (2006).

<sup>26</sup> There are examples that show that while EBMOs are not directly funded by government, they can have access to a revenue stream because of government legal requirements and this can undermine their legitimacy and erodes their need to rely on services for revenue. See ILO (2011) for concrete examples.

<sup>27</sup> See Rynhart, 2010.

<sup>28</sup> World Bank, 2005. pp. 30–31.



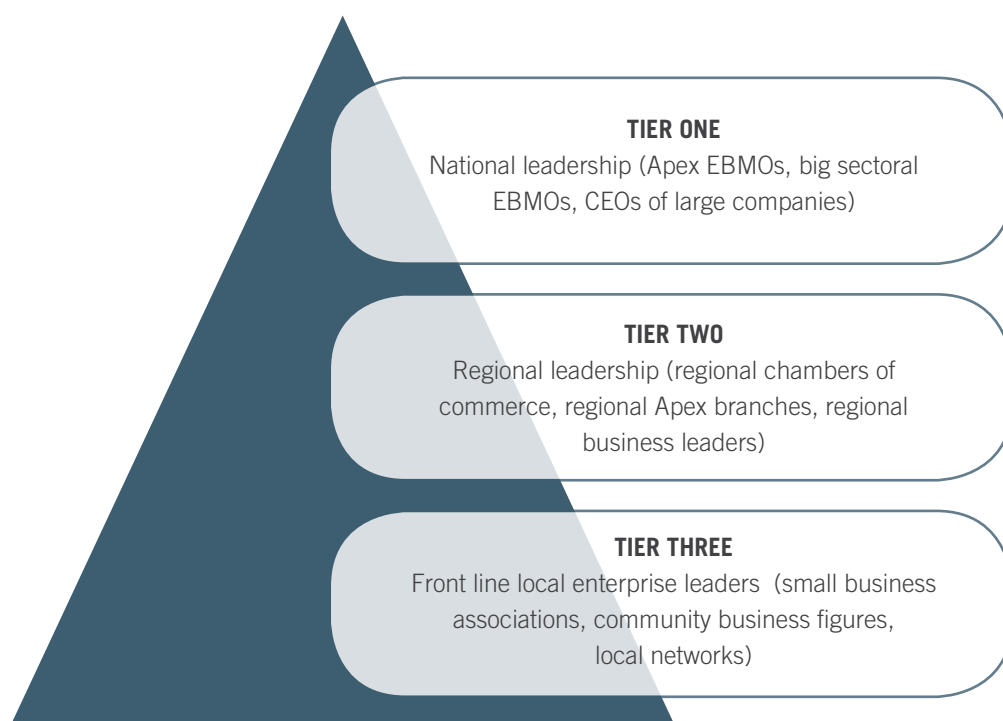
- generalized mistrust between private sector organizations and public bodies, which leads to more political interference and supervision;
- insufficient skills or abilities to monitor the policy-making process, analyse the impact of proposed and new policies and laws on their membership, and prepare instructional position papers;
- fragmentation of private sector interests;
- uneven style of interest representation, which can disproportionately favour more influential and bigger businesses, resulting in recurrent and unforeseen policy changes;
- reliance solely on large enterprises as members, leading to negative views of their representativeness;
- vested interests of influential members and executives, which may lead to self-serving behaviour and a politicization of EBMO advocacy efforts;
- advocacy efforts focused too much on current pressing issues – such short-term thinking often leads to highly personalized ad hoc decisions on advocacy measures.

## 2.2 Business representation infrastructure

Enterprises are represented through a myriad of different associations and networks. These can range from quite formal structures to looser networks and can represent business from certain geographical regions or by industry or sector of commercial activity. Membership can overlap and enterprises (particularly larger ones) can be members of multiple associations and networks.

Figure 1 outlines the main elements of the domestic private sector through its formal and informal networks and associations.

**Figure 1. Elements of the domestic private sector by tier**



Source: Adapted from Lederach, 1997

There are numerous strategic benefits for EBMOs to partner in peacemaking endeavours. These include:

- EBMOs are not usually a direct party to the conflict.
- EBMOs can enjoy access to conflicting sides that other parties may not have.
- Business can mobilize resources in support of peacebuilding initiatives.
- Pertinent economic issues can only be addressed jointly with collective business representation.
- EBMOs have a strong outreach and networking capacity as well as a presence throughout the country.
- EBMOs are one of the few actors who are regularly represented by a democratically elected representative body, giving them a high degree of legitimacy.
- With direct access to policy-makers, business leaders can call for a negotiated settlement to a conflict.
- The business community can garner the support of the public to deliver a categorical message that peace must be achieved.

Collective action through a EBMO fundamentally means that individual enterprises do not have to stick their neck out alone and risk retaliation by those involved in the conflict. No enterprise wants to be a target.<sup>29</sup>

Business responses to conflict need to involve a mix of strategies, which adapt over time to changing dynamics, circumstances and opportunities. During a conflict, EBMOs can be expected to play multiple roles to help members cope with complex challenges and, in some instances, proactively promote a peaceful climate for investment.

However, the nature of a conflict is always very country specific and therefore needs to be analysed in its own context. For example, the civil war in Sri Lanka was about the demand for an independent/sovereign state whereas the Maoist insurgency in Nepal was not about an independent state but against a political system and the market economy. Thus the private sector was one of their key targets. Consequently the types of roles played by EBMOs in Sri Lanka, as outlined in this paper, would not have been possible in Nepal.

## Box 2 EBMOs influencing public opinion for peace

### Sri Lanka

A key element of business community advocacy in 2001 for a peaceful settlement was the Sri Lanka First initiative. In this regard, the apex EBMOs supported some influential business leaders in the country to run a series of advertisements to rally 1 million people onto the streets to call for an end to the war. The central message of the campaign, called “Sri Lanka First – It’s Now or Never”, was that the cost of war was much higher than the cost of peace, and that the campaign would continue until peace talks resumed. At the national event in September 2001 an estimated 1 million people held hands in a chain for 15 minutes, urging an end to hostilities. These efforts, along with strong internal pressure from the Joint Business Forum (J-Biz), led to elections and the new Government’s pledge to agree to a unilateral ceasefire with the LTTE.

### Nepal

The National Business Initiative for Peace (NBI), founded in 2005, aims to support sustainable peace through socio-economic growth. The NBI includes EBMOs such as the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), the Nepal Chamber of Commerce and Industry (NCCI) and the Hotel Association of Nepal (HAN), which work jointly with civil society to push forward peacebuilding and conflict mitigation activities. NBI awards enterprises a “peace certificate” that indicates that the enterprise is part of the peacemaking initiative and has signed up to the NBI’s principles.





## 3. The business case for engagement

### 3.1. Why business has a critical stake in peace<sup>30</sup>

Business requires a stable investment environment and an administration that delivers consistent policy. Predictability in the policy and operating environment is a key ingredient to enable private sector activity to flourish and for attracting investment. Advocating for and influencing policies to ensure a predictable and stable environment and to create confidence in its sustainability is central to the work of apex EBMOs.

Conflict or emerging conflict deters commercial opportunities, investment plans, employment growth and economic and social progress. All members of the community have a stake in preventing it. Critically, countries can shift in and out of emergencies with conflict becoming an ongoing or potential hazard. In fact, past conflict could be an important predictor of whether a country will face conflict in the future.<sup>31</sup>

The more localized the conflict, the more obvious its impacts on business and, therefore, in theory at least, the easier it is to stimulate the involvement of local business. A strong business case will emerge organically if given enough time, but publicizing the costs of the conflict to business can accelerate the process.<sup>32</sup>

#### Box 3 The BPA as a leading post-conflict initiative in Sri Lanka

In the last decade, the Business for Peace Alliance (BPA) started the Networking Regional Business for Conflict Transformation programme, which resulted from the impact of conflict on local actors. This programme consists of reconciliation committees with mostly Sri Lankan stakeholders from diverse religions, ethnicities and occupations so as to raise awareness of the causes of conflict. In addition to this initiative, the BPA conducts workshops on peace, conflict and capacity building to empower communities by increasing tolerance and improving income generating activities. In the context of post-conflict recovery, the BPA engages directly with communities and reinforces conflict reconciliation and peacebuilding initiatives on the ground across six districts in Sri Lanka.<sup>33</sup>

<sup>30</sup> For background reading, see Oetzel et al. (2010) for a comprehensive overview of key international literature on the links between business and peace. See Nelson (2000); and Banfield, Gündüz and Killik (2006) for older but insightful international research on the role of the private sector in peacebuilding in several countries (not including Sri Lanka). See International Alert (2005) on public perceptions of private sector engagement in peace related work.

<sup>31</sup> Collier et al. (2003). Collier observe that countries reaching the end of civil war face around a 44 per cent risk of returning to conflict within five years, partly because the factors that caused the initial war are still present.

<sup>32</sup> Killick, Srikantha and Gündüz, 2005.

<sup>33</sup> According to BPA (2016), the reconciliation committees are being conducted in the Galle, Kalutara, Kegalle, Kandy, Trinco and Amapara districts.

### 3.2. Main features of commercial activity in CAZ

Conducting normal enterprise activity is at best highly challenging in CAZ because the key ingredients – stability and predictability – are absent.

In conflict zones, two forms of private sector activity tend to dominate. The first involves large national enterprises (or more often multinationals), which deal in goods/services (such as beer or telecommunications) or rely on quick gains in high stake, semi-official goods, such as mineral resources. The second group features small local businesses run by families or individuals, including the informal sector. Local businesses mostly operate in a semi-legal fashion or totally outside the legal framework.<sup>34</sup> By being present in most conflict areas, the local private sector and EBMOs are simply compelled to act due to the forced circumstances they find themselves in.

The most widespread commercial activity in CAZ is usually in the retail and services sectors rather than manufacturing, which generally has infrastructure and financing needs that are limited or absent, thus making it unviable. The exception can be high-bulk basic agro-food manufacturing activity, which usually operates close to markets due to the perishable nature of the goods. The trading of easily transportable goods from extractive industries can also be substantive. Telecommunications providers have established successful operations and services in even the most difficult environments.

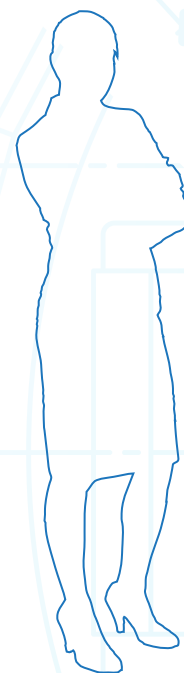
The conflict was impacting everything. Some may say that the policies for a negotiated settlement were obstructing the military solution but we [business community] felt that the set of values based on human life were right. We believed that the war was unwinnable and bloodshed on both sides needed to be stopped. It was also destroying the economy, affecting future generations and dividing the people.

Sri Lankan business leader, ILO interview, 2015

The following, *inter alia*, are typical features of CAZ:

- Trust in government can be absent or severely diluted.
- Informal payments/gifts are frequently required by officials to access basic infrastructure or to acquire essential business permits and licensing.
- Access to finance is limited or absent.
- Poor, weak and/or damaged infrastructure elevates the cost of doing business.
- Frequent and/or long power outages and shortages in water supply/electricity and other basic requirements are common.
- Access to information technology, such as broadband Internet, among others, is limited, absent or ad hoc.
- Security is an ongoing concern and cost.
- Existing biases toward minority and/or disadvantaged groups can be aggravated and as a result, these groups can be impacted disproportionately.

<sup>34</sup> De Vries and Specker, 2009.





### 3.3. Jobs as a driver for peace

It is often assumed that even in conflict zones it is straightforward to generate a virtuous circle of economic growth leading to poverty reduction, which in turn will contribute to peace, with the private sector as a critical driver.<sup>35</sup> That is not necessarily the case and the direct parallels between poverty (unemployment and lack of economic opportunities) and militancy and armed conflict are somewhat contested. Lack of economic opportunities can be a crucial driver of conflict but equally so can other issues such as ethnic, cultural or national identity and belonging.

While economic growth linked to social progress is critical, it may not be sufficient to address the root causes of a conflict. Singular strategies that aim for economic development without consideration of the grievances of ethnic minorities can actually exacerbate a conflict situation. In Myanmar, for example, due to the highly complex web of grievances across ethnic groups, economic growth and employment opportunities alone will not resolve the conflicts.<sup>36</sup>

Economic processes on their own are often not enough to address the multi-layered drivers of a conflict. Strategies to promote economic growth and employment must be accompanied by a political track that addresses deep-seated issues.<sup>37</sup>

However, what is uncontested is the ability of business to generate employment opportunities that, in turn, can promote economic and social development. This is one irrefutable conflict-prevention tool.

By creating jobs and satisfying new demands, the private sector can boost local communities economically and foster social stability. It can play a key role in the de-escalation of conflict and the transition to a stable post-conflict economy. Furthermore, commercial activity can be one of the few remaining points of contact between two sides in a conflict and one of the first to resume in its aftermath.

### 3.4. Facilitating trading linkages

Trade can help increase incomes and consumption, raising the opportunity costs of conflict.<sup>38</sup> It can connect remote areas that have long been relatively isolated by years of conflict, with the rest of the economy and can also expand opportunities for rural communities beyond subsistence agriculture.

Investing in infrastructure to facilitate trading linkages can create new business opportunities, for example in hotels, restaurants, transportation services and commercial agriculture. It can open up economic activities that may have previously been unviable. By generating new economic opportunities for populations who have long been cut off by conflict, trading links can connect individuals, enterprises and different regions and act as a unique means of communicating mutual interest and consequently, decrease the likelihood of conflict. Yet it carries risks.

<sup>35</sup> DFID, 2005; World Bank, 2000; SIDA, 2005.

<sup>36</sup> This position is held by many ethnic actors, who argue that poverty is not the key driver of conflict (Karen Peace Support Network 2014). Chin scholar Dr Lian Sakhong noted: “The [Myanmar] government’s perception is that the reason why ethnic armed groups hold arms is the fact that they are poor, and that development is the solution. And this is the reason why the government uses businessmen as peace brokers. However, the government’s perception is wrong – it is not poverty, but the denial of political and ethnic rights that has caused decades of conflict.” See Keenan (2013).

<sup>37</sup> UNGC, 2015.

<sup>38</sup> See for instance Dube and Vargas (2013); Cali and Miaari (2015); and Berman and Couttenier (2014).



Grievances can be amplified if perceived benefits are not seen to be shared fairly or if outstanding issues, particularly concerning assets such as land and natural resources, are negatively impacted. Production of natural resources, particularly commodities such as minerals, oil and gas, tends to be a flash point in a conflict setting. Control over these economic resources can be both a catalyst for conflict or an obstacle to peacemaking. Infrastructure can facilitate the transportation of natural resources, which can be highly contentious.<sup>39</sup>

In Myanmar, for example, promoting connectivity through trade-related infrastructure is an inherently contentious idea, particularly because many geographical areas have never been controlled by the Government or had close economic integration with the rest of the country. Myanmar is a multi-ethnic/religious/cultural country that has never experienced strong unified structures. Current efforts to improve trade connectivity within its existing fractious states will establish new connections instead of re-establishing old ones and would be viewed and perceived as an inherently political act, not an economic one.<sup>40</sup>

### 3.5. Awareness of the role of business

According to International Alert, an NGO that has conducted research and carried out many technical programmes with EBMOs on conflict-related themes, private sector responses to a conflict setting range from “active negative” to “active positive”. Figure 2 is a useful illustrative example.

**Figure 2. Private sector responses to conflict**



Source: Adapted from International Alert, 2006.

<sup>39</sup> Ibid.

<sup>40</sup> Bissinger and Cali (World Bank forthcoming).

Business reactions can fall anywhere within this range, overtly or inadvertently. As an example of an “active negative” response, the private sector can be seen as promoting or benefiting from a system which has historically excluded or failed large sections of the society. It is vital that the private sector recognizes that other stakeholders may see it as part of the problem and understands why and how that perception has come about. This is a crucial first step that a EBMO needs to take.<sup>41</sup> In particular, if some enterprises have played – or are perceived to have played – a role in perpetuating conflict, then major efforts will be required to address and correct those negative perceptions.<sup>42</sup>

Somewhat neglected in the literature is the fact that smaller enterprises can be culpable of exacerbating behaviours. They can be aligned by ethnicity, political affiliation or religious membership to a particular side in a conflict – factors that can predispose them to influence conflict dynamics (potentially more than large businesses).<sup>43</sup> For this reason, small and medium-sized enterprises (SMEs) require particular attention in situations of conflict and disaster.

An essential first step is to understand the complex relationships that different elements of the private sector can have to conflict.

There can more generally be a lack of appreciation within the business community of its potential role in peacebuilding, in addition to ignorance of how it is a crucial actor in the dynamics of a conflict.<sup>44</sup> Once the potential of the positive and varied roles that businesses can play in a peace process is understood, their commitment can be substantial.<sup>45</sup>

Business leaders are often engaged in difficult negotiations with buyers and suppliers, requiring key skills in deal-making or they may be industrial relations practitioners who need to be able to manage multi-interest negotiations that require careful management of expectations and personal relationships. These are all skills acutely needed in a peacemaking process.

The private sector has one distinct advantage that separates it from other parts of the community. The workplace provides a space that is mostly not defined by one side or another in a conflict.

Reconciliation is a must and should start with business since it is the best live interaction to build reconciliation. Business transactions can help to build trust. Other types of reconciliation do not bring tangible outcomes and are done “by force”.

Sri Lankan business leader, ILO interview, 2015

<sup>41</sup> In Colombia, for example, a group of business leaders deliberately sought out former guerrillas who could help them understand that, however unintentionally and unconsciously, they were an important part of a system that had failed large sections of the population (Killick, Srikantha and Gündüz, 2005).

<sup>42</sup> International Alert, 2006.

<sup>43</sup> Ismail and Nusrat, 2014.

<sup>44</sup> This was very clear from the fieldwork in Thailand where the role of EBMOs was perceived in its classic sense, but when probed many interviewees did realize that they could and indeed should be playing a wider role (ILO interviews, 2015). Moreover, when analysing the role of the corporate sector in resolving conflict in Colombia, El Salvador and Guatemala, Rettberg (2007, p. 464) noted that: “(...) while the mere inclusion of the private sector in peace negotiations cannot guarantee that viable agreements will be concluded and implemented, the exclusion of the private sector will challenge – if not thwart altogether – the consolidation of peace.”

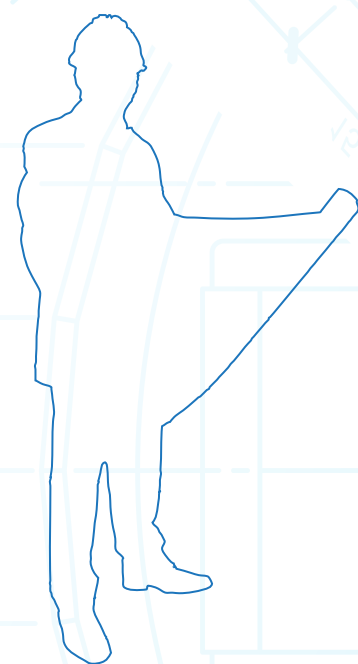
<sup>45</sup> Ismail and Nusrat, 2014.



Taking sides and moving beyond an impartial perception can be bad for business. Interviewees in Thailand, for example, responded in the same way to questions about the role of business in the Thai political struggles. Supporting one or the other side in the red shirt/yellow shirt conflict will usually produce negative results for the enterprise owner. Several examples were offered to illustrate this. In one Thai province, the local newspapers took sides but consequently found it hard to find businesses interested in advertising with them. Enterprises that did advertise, regardless of which side they chose, experienced a negative impact on their business. One group commented that restaurants and shops that showed television broadcasts of either political side also struggled as this created an uncomfortable dining atmosphere.<sup>46</sup>

#### **Box 4 The Mindanao Business Council heightens awareness about conflict**

In the Philippines, the Mindanao Business Council (MinBC) has become more aware of community level concerns, particularly conflicts that involve companies and industries caused by issues around land ownership. In 2010, MinBC signed an institutional arrangement with MinCode,<sup>47</sup> a network of non-governmental organizations in Mindanao, to “essentially work on conflict sensitive business practices” with the assistance of International Alert.<sup>48</sup> A toolkit was created for macro-level conflict risk evaluation and analysis, which looked at external factors and policies that may affect business operations. It also focused on project-level conflict risk evaluation and analysis, which is an internal evaluation of company policies and business practices.



<sup>46</sup> ILO interviews, 2015.

<sup>47</sup> Mindanao Coalition of Development NGO Networks.

<sup>48</sup> International Alert is a non-governmental organization based in the United Kingdom.

## 4. EBMOs providing services and supporting enterprises in CAZ

### 4.1 Helping enterprises maintain commercial operations

The immediate implications for the private sector at the onset of conflict are the destruction of physical infrastructure and the flight of investment and capital (human and financial). Specific dynamics then take hold, commonly leading to a downward economic spiral, including:

- distortion of local markets, with an emphasis on short-term gains, some of which are illicit;
- direct involvement of adversaries in “market activities” from one side or another or both;
- weak or absent regulation where informal settings become the norm.<sup>49</sup>

Some sectors, such as tourism, can be particularly affected by conflict or the threat of violence and this can happen very quickly.

Yet as the conflict embeds, life goes on, including commercial life, and a range of mechanisms and processes are needed to help business function.

#### 4.1.1 Liaising with authorities

Conflict situations can lead to arbitrary taxation and restrictions on movement such as checkpoints, which stifle productive economic activity and breed distrust and resentment between the state and the local population. Attaining licenses and permits, paying taxes and all the other standard interactions between enterprises and a regulating authority continue – albeit in increasingly belligerent ways. EBMOs can help with facilitative relationships largely by creating a critical mass to dialogue with and engage a governing or administrative body.<sup>50</sup>

In conflict situations, the potential for business to act as a “connector” across different sides of the conflict can be maximized with external support. Business linkages lost or weakened due to conflicts, or new and potential areas for cooperation – which tend to emerge informally – can be reinforced by addressing structural difficulties related to cooperation, sharing information and resources, and creating safe spaces and opportunities for exchange.<sup>51</sup>

#### 4.1.2 Addressing security concerns

The private sector can play a meaningful and significant role in addressing local public security issues. For example, the Federation of Pakistan Chamber of Commerce and Industry (FPCCI) collaborated with government institutions and civil society stakeholders to create the Justice and Development Forum for resolving conflicts and disputes.<sup>52</sup>

<sup>49</sup> Mac Sweeney, 2010.

<sup>50</sup> Although facilitating relationships is not always easy, in Myanmar, for example, it is even more challenging because there is a disconnect between the authorities (Government) and the military, who often extort arbitrary taxes and bribes (ILO interviews, 2015).

<sup>51</sup> Ibid.

<sup>52</sup> Ibid.

In 1990, through the efforts of the Karachi Chamber of Commerce, the Citizens-Police Liaison Committee (CPLC) was established. The CPLC was a mechanism for coordinating and improving the security situation in Karachi. The CPLC was subsequently replicated in major cities across Pakistan with partnerships between private, public and civil society stakeholders. It involved businesses working with the Government (security agencies) and community groups to conduct crime analysis, investigation of kidnappings and recording (database) of stolen vehicles. Other interventions included geographic information systems for spatial crime, crime and security hotlines, computerized identity kits for developing sketches of wanted criminals, and providing security information and advice to people and businesses on a real-time basis. It was also a mechanism to encourage individual citizens and groups to participate in policing.<sup>53</sup>

In Kailali (Nepal), the Chamber of Commerce has been involved in district-level mediation efforts (for example local clashes over land have been frequent) and in leading a national advocacy campaign to eradicate the practice of truck syndicates. The chamber has been able to play these roles quite effectively having built up a reputation as an impartial stakeholder coupled with its convening power.<sup>54</sup>

EBMOs in Mindanao organize regular security/peace and order briefings for their members. These can provide enterprises with new intelligence that helps with decision-making, for example in terms of purchasing or investment decisions, and also as regards staff safety or other security concerns related to their premises.<sup>55</sup>

#### 4.1.3 Engaging with protagonists

Businesses are often forced to engage and negotiate with groups capable of disrupting their operations. Whether subsisting or newly emerging, businesses are forced to submit to these new groups in the form of rent-seeking.

Arrangements need to be negotiated to maintain commercial activities and EBMOs can help facilitate that.

We worked with Government agencies and the LTTE political authority, and intervened on behalf of northeast traders on issues such as delays in passing of goods, taxes levied by the LTTE and embargos.

Sri Lankan business leader, ILO interview, December 2015

In Thailand's Deep South, Thai-Chinese business owners pay armed militants "revolutionary taxes".<sup>56</sup> According to insurgents who fought in the 1980s and those who are currently involved in the conflict, revolutionary taxes is a term that is loosely used in reference to payments locals are obligated to make to the armed militants. Normally, villagers in communities where militants are from are asked to pay 200 Thai baht (THB) at the funeral of an insurgent. The money is given to the widow. There is also the Eidil Fitri tax (Hari Raya) to mark the end of Ramadan – 200 THB per household – which goes to the local militant cell. For the basic training of commando units whose members come from various parts of the Deep South, local merchants, including the Thai-Chinese, are asked to pay revolutionary taxes in the form of goods, which could be rice, coffee, sugar or whatever else is requested.

<sup>53</sup> Ismail and Nusrat, 2014.

<sup>54</sup> Crozier, Gündüz and Subedi, 2010.

<sup>55</sup> ILO interviews, 2016.

<sup>56</sup> ILO interviews, 2015.



In Mindanao, the NPA collects revolutionary taxes from businesses and has a system whereby it knows the exact amounts paid.<sup>57</sup> Many ethnic groups in Myanmar collect similar taxes. These are generally regarded by ethnic people as legitimate, much more so than Myanmar Government taxes.<sup>58</sup>

In Nepal, in response to threats to businesses to make forced donations to political parties and trade unions in 2013, the FNCCI and the NBI developed a “Basket Fund for Elections”. This basket approach asked that enterprises voluntarily contribute to a fund opened at NBI or one of its member business organizations whereby the contribution would be officially and transparently recorded. Money collected through this basket fund was distributed to political parties on the basis of a formula, according to the percentage of their votes in the previous election and the percentage of seats contested in the current election. Each enterprise was then in a position to show any group trying to force donations from them that they had already contributed. Actual implementation of the project was mixed for a variety of reasons, but conceptually it was well received and demonstrated private sector support for the democratic process.<sup>59</sup> The NBI also developed a national code of conduct on ethical business practices in 2013 that built on these efforts.

#### 4.1.4 Connecting regions

National apex EBMOs can play an important role in connecting business communities in different geographical regions during periods of conflict.

The FPCCI consistently supported local, regional and sectoral business strategies to reduce conflict and build peace.<sup>60</sup> These initiatives were implemented by individual businesses in cooperation with and under the supervision of the FPCCI and the Government as part of a cohesive national peacebuilding initiative.

Before the end of the war in Sri Lanka, one of the key challenges for businesses was accessing the north and east of the country, and apex EBMOs had to manage formal as well as informal business channels. There were also times when these apex EBMOs had to speak on behalf of regional EBMOs to support trade.

Even though the ceasefire failed, we had built very strong links (with business actors in the conflict regions) for the future that could not be broken.

Sri Lankan business leader, ILO interview, 2015

One of the most important initiatives supporting investment in the conflict-affected regions in Sri Lanka was the “Invest in Peace” project, led by the United Nations Development Programme and supported by the Ceylon Chamber of Commerce. The key objective of the project was to bring businesses in the north and south together to build networks and business-to-business linkages. It supported meetings of the regional chambers of commerce by facilitating discussions between regional businesses and policy-makers, and developing the skills of regional business leaders.

<sup>57</sup> Rumoured to be informants within the enterprises that can gauge commercial activity, for example the number of delivery trucks that exit the company's plants or warehouses (ILO interviews, 2016).

<sup>58</sup> ILO interviews, 2015.

<sup>59</sup> Subedi, 2014.

<sup>60</sup> Ismail and Nusrat, 2014.

### Box 5 Connecting EBMOs in Sri Lanka for peace

In Sri Lanka the heads of the 15 regional chambers of commerce created an organization to work towards business development and peace within the regions. Importantly, the leadership of the Business for Peace Alliance represented all three ethnic groups in the country and its membership represented all regions. It had substantial leverage among regional business and its lobbying efforts demonstrated to national leaders that the call for peace was as strong from the regional business community as it was from the larger Colombo-based entities.

## 4.2 Roles of EBMOs in enterprise development and job creation

Economic development, while not a panacea, is a necessary component for reducing confrontation and violence. It is a domain in which the more traditional roles of EBMOs are obvious contributors. These roles include supporting enterprise infrastructure and services; training and skills development; and entrepreneurship. Many of these activities target specific groups such as youth, women and girls and people with disabilities, including former combatants and returning refugees.

Employment and self-employment enable conflict-affected men and women to establish sustainable livelihoods: they are essential peacebuilding tools. Employment growth facilitates broad, inclusive recovery and is of key importance in sustaining the reintegration of male and female ex-combatants and returnees. But rapid job growth does not just happen. Promoting employment growth is difficult in peacetime, and doubly so in post-conflict situations. Conflict destroys infrastructure, stalls private investment and exports, damages the social fabric, destroys jobs and drives down wages.

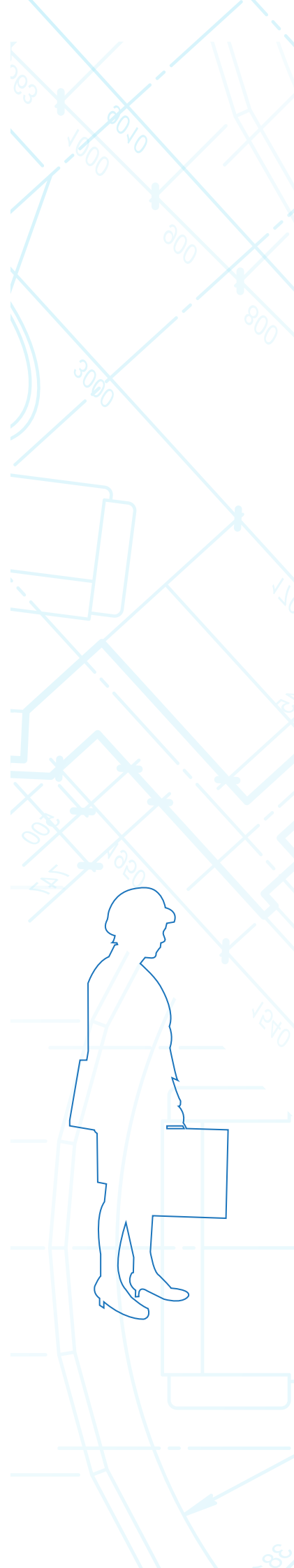
United Nations, 2009, paragraph 8

A key response to conflict is the development of interventions that have a strong ability to create employment. These interventions can be vital in supporting households and injecting cash into the local economy, although they need to be seen as temporary solutions.<sup>61</sup> In Nepal, for instance, after the country's civil war, the key intervention was to expand employment opportunities for the poorest, targeting the most deprived regions and castes. Recognizing the role that caste, ethnic tensions and discrimination played in fuelling the conflict, the Government designed employment schemes specifically for rural areas similar to India's employment scheme, with 100 days of work per household guaranteed.

In the longer term one of the greatest challenges faced by societies rebuilding and reconciling after a conflict is creating a level playing field and equity in the job market. Creating opportunities for those who had fled violence, former combatants and those formerly displaced who have now returned is critical to effective reconciliation strategies.<sup>62</sup>

<sup>61</sup> Although aid-funded labour-intensive reconstruction can create abundant employment during the stability and relief phase, this quick fix is often unsustainable. Whilst these aid-funded jobs may help stabilize the immediate post-conflict situation and revive livelihoods, care must be taken to avoid negative spillovers on the local economy through transmission mechanisms that affect prices, wages and the efficient production and supply of goods and services. According to the UN (2009), the main challenge in post-conflict contexts is to transit from aid supported employment to sustainable and unsubsidized private and public sector job growth.

<sup>62</sup> Killick, Srikantha and Gündüz, 2005.





### 4.2.1 Promoting employment and enterprise development

The majority of enterprises in CAZ are SMEs, many of them micro enterprises, often of a survivalist nature. Enterprises in this latter group are for the most part not members of EBMOs, and tend to operate as informal businesses in sectors that are trade and service oriented. They simply have no other choice but to try and stay in business throughout a conflict.

Micro enterprises and SMEs face very specific challenges, such as limited or no access to finance; infrastructure constraints limiting their ability to buy and sell goods; embedded corruptive practices that need to be navigated; and security concerns. Support schemes through EBMOs need to adopt targeted and innovative approaches.

We [businesses] are not here to fight crime, we're not here to fight the NPA or the MILF. We are actually here to provide employment and we believe that one of the root causes of all these is unemployment or poverty. So if we can help alleviate the [poverty] situation, then why not? That's what we're doing ... providing employment in the hinterlands.

Mindanao business leader, ILO interview, 2015

The ILO's Community Based Enterprise Development (C-Bed) and In Business<sup>63</sup> training methodology is one such approach. In Business is a package of training tools designed to strengthen business management skills and networking among micro enterprises and SMEs. The methodology is ideally suited to hard-to-reach areas and is based on a low cost, trainer-less, peer-to-peer learning approach. This methodology has been successfully piloted in the Philippines by the national employers' organization, ECOP, and specifically rolled out in Mindanao through the chambers of commerce.

### 4.2.2 Training and skills development

Education and skills training initiatives are often the most active areas of business intervention largely because of their more obvious benefits and established delivery mechanisms.

Training schemes often have a direct target in terms of addressing the root causes of conflict. For example, in Pakistan, the Punjab Vocational Training Council, which was established as a partnership arrangement between the Punjabi Government and business groups (Islamabad Chamber of Commerce), specifically targeted disaffected youth prone to radicalization.<sup>64</sup> Youth unemployment rates increased from 7.6 per cent to 10.6 per cent between 2007 and 2014, and youth represents almost half of the total unemployed population.<sup>65</sup> Without a secure and independent livelihood, young people can find themselves unable to marry or earn the respect of their peers. Because of their social situation they become susceptible and malleable to the forces of conflict. In fact, research indicates that youth unemployment in Pakistan is directly or indirectly linked to conflict.<sup>66</sup>

<sup>63</sup> See In Business, 2016.

<sup>64</sup> Ismail and Nusrat, 2014.

<sup>65</sup> ILO, 2015.

<sup>66</sup> Ali, 2012.

In the Ghotki and Daharki regions of Pakistan's Sindh province, companies have established vocational skills centres to help meet their own skills needs and attain the underlying objective of enrolling disaffected youth into training programmes to enable them to find employment. In the Sialkot area (Punjab province), companies have helped establish new schools and formal education structures that have resulted in increased school enrolment.<sup>67</sup>

The Employers' Federation of Pakistan established the Skills Development Council (SDC) as a public-private partnership designed to deliver training to low-skilled, underprivileged and unemployed youth and meet the skills requirements of businesses in Pakistan.<sup>68</sup> The SDC provides vocational, technical, professional and information technology trainings, which are delivered in cooperation with more than 20 learning institutes.<sup>69</sup> The courses are conducted regularly or scheduled according to employers' needs, and students obtain a certificate after successful completion. The SDC was pioneered in Peshawar province and has been expanded to the provinces of Karachi, Lahore, Islamabad and Quetta.

In the Philippines, the privately led organization known as the Philippine Business for Social Progress (PBSP) conducted peacebuilding and employment generation initiatives, including a business and peace programme. As part of this syllabus and in partnership with the Mindanao Business Council, the PBSP in 2001 established a Young Muslim Professionals for Business and Peace (YuPPeace) internship programme to improve human capital and skills in the region. More specifically, this initiative aimed to "create peace dividends through a meaningful cultural exchange between the YuPPeace intern and employees of the host company".<sup>70</sup> Through the YuPPeace programme, young Filipino Muslims gained cultural and professional experience in companies based in Mindanao and Manila for three to six months.

When workers, employees and the community see their economic status improving, they become more loyal to the company and they will be the ones to protect the company from external threats.

Mindanao business leader, ILO interview, 2015

### 4.2.3 Supporting sectors

Certain sectors of the economy can be adversely hit during a conflict. Although there was no direct impact on the apparel businesses in Sri Lanka since they were all outside the conflict-affected region, there were lost opportunities. One was that business operations could not expand to the north and east of the country, and another the fact that lower cost labour in those regions could not be accessed. Furthermore, shipping lines increased war risk surcharges despite the fact that none of the businesses were located in the main conflict-affected areas.

The other key challenge for the apparel sector came from LTTE-supporting diaspora groups, which launched a campaign that labelled garments made in Sri Lanka as "Blood Garments". In order to counter this, the Joint Apparel Association Forum successfully created its own brand as an enlightened self-regulator, called "Garments without Guilt".

<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> SDC, 2016.

<sup>70</sup> Sorza, 2005.

Apparel was the only sector that grew consistently during the conflict, making significant contributions to the economy. The main reason for this was that the industry was well represented institutionally and attracted the highest share of foreign direct investment due to quota availability, which brought finance, markets, technology and business practices. With the support of EBMOs, members were compelled to be compliant to the requirements of buyers and labour legislation.<sup>71</sup>

When the war ended, the fact that the apparel sector had grown in terms of its contribution to the overall economy made it much easier for some members to consider investing in the conflict-affected region. It is worth noting that due to the rigorous standards required for new players to enter the sector, the only companies that have set up factories in the north and east are those that have expanded existing operations in the south.

Tourism was considerably more affected by the conflict in Sri Lanka and thus the EBMOs in this sector operated in survival mode for many years. However, the challenges of war also brought tourism businesses together and they demonstrated great resilience. During the war, the EBMOs tried hard to lobby embassies and travel operators while also bringing pressure to bear on the Government for soft loans and interest moratoriums on behalf of their members. The war's end brought particularly rapid results to the tourism sector, with almost immediate investment and expansionary plans.

#### 4.2.4 Promoting investment

Promoting the confidence of potential investors is something that EBMOs are able to do, mostly in a post-conflict situation and often in concert with relevant line ministries and/or investment agencies.

Projects to encourage investment from large-scale private sector enterprises from outside the region can be critical.<sup>72</sup> However, promoting investment in current conflict-affected areas can be enormously sensitive (and potentially counterproductive, as noted earlier in Myanmar, for example, where trade-related infrastructure development has played a malign role).<sup>73</sup>

In Thailand's Deep South there are virtually no multinational companies and major infrastructure projects either by the Government or the private sector have not been developed because of a lack of confidence due to risk.<sup>74</sup> Yet local EBMOs suggest that the perception of risk is in fact greater than the actual risk.<sup>75</sup>

Providing analytical indicators to track the likelihood of a rise in tensions or actual conflict can be an excellent practical tool to help enterprises – local and foreign. As an example, the Overseas Investors Chamber of Commerce and Industry provides advice as well as reliable security updates to businesses on security situations across Pakistan as a way to counter media stereotypes. The chamber works in cooperation with private security suppliers, law enforcement agencies, the CPLC, foreign embassies and media agencies.<sup>76</sup>



<sup>71</sup> The main apparel EBMOs in Sri Lanka are the Joint Apparel Association Forum and the Sri Lanka Apparel Exporters Association.

<sup>72</sup> Lessons from a recent Sri Lanka project also suggest that it was important to ensure that new outside investors were not crowding out local ones and were attempting to develop partnerships with local businesses. This generally requires persistence, as was made evident during the ceasefire period when large businesses took projects to Jaffna but returned empty-handed due to the low capacity of the smaller regional business partners.

<sup>73</sup> Many ethnic groups are suspicious not only about government projects but also work by outside organizations such as companies and INGOs, especially when those organizations come with government permission, as they see them as synonymous with the Government of which they have an inherent distrust (Cali and Miaari, 2015).

<sup>74</sup> There have been reports of attacks on business establishments in Yala, Thailand. For example, in 2007 and 2013 a Thai-Malaysian and Thai rubber warehouses were burned down by insurgents. See The Star (2007) and Pathan (2013).

<sup>75</sup> ILO interviews, 2015.

<sup>76</sup> Ismail and Nusrat, 2014.

As a conflict nears an end point (or concluding phase) uncertainty can reign. The “end of a conflict” is not in itself enough to attract investors. Compelling enticements are also needed, as demonstrated in Sri Lanka. The Federation of Chambers of Commerce and Industries of Sri Lanka had been involved in stimulating investment through District Enterprise Forums. Since the conflict’s end, these forums have enabled local businesses to raise issues with government ministers directly, and therefore have helped reduce bureaucratic bottlenecks. International exhibitions have also been held in the north since 2013 to facilitate trade, and further efforts are under way to encourage the development of SMEs through links with the relevant ministries.

The very basic component of the conflict sensitivity pyramid is compliance ... expect conflict to arise if a condition has been violated. Compliance is the most difficult stage ... once this is achieved, then can you move on to the next level which is creating an environment for a conflict free area ... and only after this phase can you embark on peacebuilding strategies.

Mindanao business leader, ILO interview, 2015

#### 4.2.5 Providing vital services

A critical role that business can play in any conflict setting is the delivery of key services to the population. The private sector can lift the burden on government and lend legitimacy to the state by providing essential services.<sup>77</sup> Through the private sector’s provision of essential services, a weak government in a fragile or conflict-affected context can strengthen its social contract and build credibility with its citizens.<sup>78</sup>

According to a survey in Pakistan of 800 respondents including civil society groups, media, community leaders, religious heads and citizens, the top-ranked business activities that respondents believed could help prevent armed conflict were: conducting local advocacy (23 per cent); social investment activities (17 per cent); provision of relief to consumers and citizens after natural disasters (17 per cent); provision of employment opportunities in their areas of operation (16 per cent); provision of health services (14 per cent); and provision of educational services (14 per cent).<sup>79</sup>

In the Philippines, the PBSP emerged in 1970 as the joint response by 50 businesses to tackle armed conflict in the Mindanao region.<sup>80</sup> Since then, it has been instrumental in providing vital services to the communities where it operates.<sup>81</sup> In addition to supporting overall social development, the PSBP provides access to better health services and quality education, enables sustainable livelihood opportunities and improves resilience to disasters. In all, it has implemented projects in 65 provinces focusing on, for example, mobile drinking water distribution, reconstruction of vital infrastructure after disasters, creation of jobs in farming, and establishment of systems to control tuberculosis.<sup>82</sup>

<sup>77</sup> Peschka, 2010.

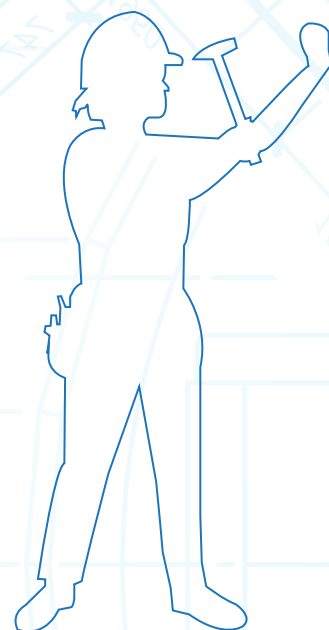
<sup>78</sup> OECD, 2008, p. 17, defines social contract as a dynamic agreement between government and society on mutual roles and duties.

<sup>79</sup> Khan and Ahmed, 2013.

<sup>80</sup> Sweetman, 2009.

<sup>81</sup> As of June 2015, it had a membership of 269 companies.

<sup>82</sup> PBSP, 2015.



## 4.3 Promoting inclusive workplaces

### 4.3.1 The workplace as a neutral place

Enterprises can have one critical advantage that uniquely distinguishes them from other elements of a society caught up in a conflict. The workplace is normally a neutral space, not defined by one side or another.

These are spaces where diverse sets of people can and must interact, work and learn to understand each other – between groups, across conflict lines, or between state and local authorities and citizens.

In the fieldwork conducted in Thailand, the predominant view was that within the workplace everyone was aware of where sympathies lay, but all political activity and discussion happened outside the work environment. Thus the office was a place where people from various political perspectives continued to interact following normal social patterns.<sup>83</sup>

### 4.3.2 Promoting inclusivity in the workplace

A key driver of conflict is a sense of grievance or discriminatory practices in terms of jobs or access to services or resources. The private sector can inadvertently increase tensions because of a failure to consider the impact of its practices on communities. Businesses can exacerbate conflict dynamics in their own operations by, for example, employing one ethnic, tribal or religious group to the exclusion of another. This can unwittingly fuel perceptions of inequality.

By adopting hiring practices that promote diversity in the workplace, integrate multi-ethnic groups and support (for example) employment for marginalized groups, enterprises can encourage relationships and trust-building across conflict lines, thus helping to address inequalities that can fuel conflict.<sup>84</sup>

It is vital to ensure that key groups, such as young people, women and girls, people with disabilities, returning migrants and former combatants are not neglected in any development efforts. EBMOs can promote the recruitment of individuals from disadvantaged groups as a significant way to contribute to peace, although these efforts need careful design to ensure impartiality.<sup>85</sup>

<sup>83</sup> ILO interviews, 2015.

<sup>84</sup> UNGC, 2015, p. 32.

<sup>85</sup> In Mindanao (Philippines) the World Bank funded community driven development projects that were specifically targeted for violence because the MILF, an Islamic separatist organization, perceived that these projects were improving relations between the Philippine Government and local populations. By helping the Government “win hearts and minds”, the project was perceived as undermining the legitimacy of the MILF and hence triggered conflict (Crost, Felter and Johnston, 2014).





**WELLGROW**  
BIO-ORGANIC FOLIAR FERTILIZER  
FOR ALL KINDS OF PLANTS AND VEGETABLES



## 5. Strengthening private sector roles in peacemaking and peace dialogue

There is broad consensus amongst practitioners that most peacemaking activities are ultimately a local responsibility to be carried out by those directly affected; and that the domestic private sector has a role in peacebuilding every bit as diverse and wide-ranging as that of other actors, albeit one that draws on different competencies, skills and resources.

Local businesspeople are considered to be good partners in peacebuilding, having a strong personal interest in ending conflict, and are often willing to engage in community dialogue and partnerships to champion reforms for the broader community good. Individuals involved in EBMOs (such as chambers of commerce) who take on organizational and leadership responsibilities are often natural leaders and well suited to peacemaking roles.

The dividing lines between religious, sectarian, militant, criminal and ethno-political groups can be unclear, with some groups having multiple identities and involved in a variety of activities. Because EBMOs are mostly multi-ethnic/religious/cultural, they have credibility and a connecting ability across society that other groups can lack. That gives them a unique advantage in terms of peacebuilding initiatives.

Yes, I think the private sector should play a role [in peacebuilding]. There are lots of opportunities out there for EBMOs to play. You get the activities going and the cross-cultural element of it will come naturally and gradually. If you look at the chamber of commerce in the region, Muslims are slowly joining and becoming members. The Thai-Chinese welcome their participation in the chamber of commerce.

Thai (Deep South) business leader, ILO interview, 2015

The SME sector in particular is often neglected as an important actor in peacebuilding work. SMEs are deeply connected to their communities and theatres of conflict. Small businesses are often the most experienced and knowledgeable about ways of promoting peace in local communities, yet they are mostly not engaged in a structured way. EBMOs can be a critical vehicle in accessing and engaging this constituency and are an essential stakeholder in any final process.

In formal, political peace processes, representatives from the business community can play direct roles, even as part of a negotiation team. The private sector has the capacities (human resources, managerial and technical, among others) to contribute in different ways. Business leaders have brought some of these essential resources and skills to bear, and harnessed their close connections with political decision-makers in support of peace negotiations. More often, though, they play a facilitative role, nudging the process forward through a range of personal contacts and helping to build trust between parties; or they provide direct support through advocacy advice, helping to mobilize popular opinion and providing direct administrative and logistics support.

The private sector has the capacity to influence others and act as a broker between opposing sides. In a sense, this is traditional conflict resolution, which companies can be very adept at. In other cases, a direct role can be foisted on business.

The local private sector is motivated by a range of factors to be more engaged in peacemaking and stabilization efforts.<sup>86</sup> It tends to be:

- more labour-intensive than large enterprises, less dependent on imports and more linked to other local enterprises;
- based in sub-national urban centres, providing a stimulus for regional development;
- more likely to invest and expand locally as it operates less internationally.

Ultimately the key motivator for private sector engagement in a peace process is the hope that it will result in a stable operating environment and a return to normal business conditions. Private sector engagement in peacemaking activities is often a result of pivotal moments that push business actors into a more proactive role.

Below are two specific examples.

### **Box 6 The private sector: Playing a direct role in peacemaking in Nepal**

In Nepal, business leaders avoided direct contact and engagement with the Maoists for a long time. Direct negotiations would have meant challenging the state authority of specific actors such as the army and resulted in repercussions, including imprisonment.<sup>87</sup>

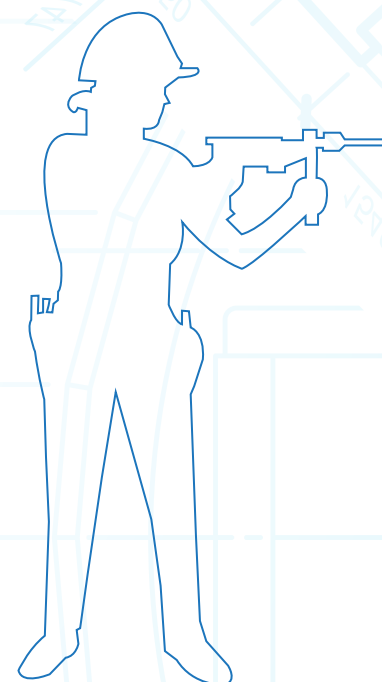
However, when the Maoists announced on 17 August 2004 the closure of 12 enterprises, a tipping point was reached. A week later, the Maoists announced the closure of a further 35 companies, threatening the collapse of the entire industrial sector. The Maoists switched their focus to local industries rather than foreign subsidiaries in order to force a sense of urgency on the business community. A list of demands regarding working conditions was issued, which also included political demands, leaving businesses in the uncomfortable position of having to mediate between the Government of Nepal and the Maoists.

To address these threats the FNCCI, along with other EBMOs such as the NCCI and the HAN, set up a task force to begin collective discussions with the affected industries, the Government and legal trade unions without initially making direct contact with the Maoists. After consultations with civil society, the FNCCI contacted three well-known human rights activists. They agreed to mediate between the business community, the Government and the Maoists thanks to the endorsement of the Government and personal access to decision-makers in the Communist Party of Nepal.

After receiving government approval, the mediators brought together business people and leaders of the Maoist trade union. Following a lengthy process of negotiations, agreement was finally reached on 30 September 2004. The Government agreed to release two Maoist trade union leaders and make public the whereabouts of others who had been detained. The FNCCI agreed that its members would negotiate with trade unions regarding workers' welfare issues. As a result, the Maoists withdrew their threat to force the closure of the 47 factories.

<sup>86</sup> De Vries and Specker, 2009.

<sup>87</sup> Dhakal and Subedi, 2006.



The conflict is aggravated by unjust socio-economic development and political failings. Poverty, disparities, poor governance, corruption and the failure to adequately deliver essential social services and infrastructure to rural communities and marginalized groups are the other underlying causes of the conflict. Therefore, for a lasting solution, the nexus of poverty, poor governance and marginalization needs to be urgently broken.<sup>88</sup>

The NBI outlined its principles, targeted specific goals and set timeframes for their achievement based on the idea that businesses' success is directly tied society's success, and vice versa. Initial aims included the introduction of socially responsible business practices, organization of peacebuilding activities with community outreach, and raising awareness among businesses of their leading role in societal transformation.<sup>89</sup> After seven years of sustained operations, the NBI redefined its four areas of work as: peacebuilding and constitution making; promotion of sustainable business practices; enabling the business environment; and fostering inclusive growth and economic opportunities.<sup>90</sup>

Through this initiative, new knowledge has been generated and several studies have been conducted on issues related to peace, conflict and development, which have been disseminated to stakeholders as a way to foster positive change.

In 2013, the NBI developed a national code of conduct on ethical business practices in Nepal. This code of conduct is currently being adapted to three business sectors: dairy, leather footwear, and construction, and their respective business associations have committed to implementing the code of conduct in their sectors.<sup>91</sup>

### **Box 7 Private sector: Playing a direct role in peacemaking in Sri Lanka**

In 1998, two years after the Central Bank bombing in Sri Lanka, six EBMOs invited all political parties for an All Party Conference (1998).<sup>92</sup> The ethnic conflict had become the single most important factor affecting their members. The conference agenda highlighted the need for a common policy framework that could help strengthen the private sector and thereby improve peoples' livelihoods. Despite the significance of this event, the main opposition party, the United National Party (UNP), did not attend, making consensus impossible.

<sup>88</sup> NBI, 2005.

<sup>89</sup> Dhakal and Subedi, 2006.

<sup>90</sup> NBI, 2016.

<sup>91</sup> According to NBI (2016), the Dairy Industry Association, the Federation of Contractors' Association of Nepal and the Leather Footwear and Goods Manufacturers' Association of Nepal have committed to implementing the code of conduct through a memorandum of understanding with the NBI.

<sup>92</sup> The six EBMOs are: the Ceylon Chamber of Commerce, the Ceylon National Chamber of Commerce, the National Chamber of Industries, the Federation of Chambers of Commerce and Industries of Sri Lanka, the Employers' Federation of Ceylon and the Exporters Association of Sri Lanka.

We played a big role in getting the ceasefire agreement. We ensured that the trade embargo was lifted, and the A9 road (main linking highway) was opened. We were negotiating with both sides to reduce taxes and allow items to enter and leave the area. Then we were the first organization to bring a bus-load of southern business leaders to show our culture and business opportunities.

Sri Lankan business leader, ILO interview, 2015

EBMOs maintained the pressure and developed a ten-point document signed by all chambers and employers' organizations. Apex EBMOs held regular meetings focusing on the common cause of ending the conflict. Cumulative efforts led to the formal establishment of the Joint Business Forum (J-Biz). This new EBMO representing all large chambers and employers' organizations became, over the following few years, the voice of influential apex EBMOs in matters related to peace. All lobbying efforts directed at the political leadership were channelled through this new entity with a primary mandate of influencing the cessation of the war. JBiz spoke on behalf of the business community during the ceasefire period.

All we had done to find peace was not in vain. Even when we saw that the war was going to end through military means, we remained against bloodshed since we feared that with the end of the war real peace will not be accepted and trust could not be built.

Sri Lankan business Leader, ILO interview, 2015

Unusually, J-Biz was directly engaged in the political space, calling for a national unity government comprised of the two main political parties. J-Biz issued press releases advocating for all political parties to work in unison for a peaceful and prosperous future, firmly placing itself behind civil society as a stakeholder in the road towards peace.

The Sri Lankan example demonstrates the decision made by the business community for sustained engagement in the peace process and to align itself strongly with an enterprise position, i.e. that the war was unwinnable and a negotiated settlement was the only viable answer. At various points enterprises suffered for taking that position but in the long term it has emerged as a much more credible actor as the reconciliation and reconstruction phase develops.



## 5.1 Private sector partnerships with workers' organizations

Conflict is very often connected to varying degrees of social exclusion and discrimination. The conflict in Nepal, for example, was primarily class-based, and there is common agreement that uneven development and social and political exclusion were among its root causes.<sup>93</sup> Business was very much seen as the main adversary.

Key workplace issues and wider issues of social justice were reflected in the overall settlement.

<sup>93</sup> See for instance Geiser, 2005.

Both sides believe in the fact that industrial production should continue, the right to collective bargaining and social security in the industrial establishment should be respected and the establishment and workers should be encouraged to seek peaceful settlement of any disputes between them without disturbing the industrial climate of the country, and respect the standards of work as determined by the International Labour Organization.

Clause (7.5.6) in the Comprehensive Peace Agreement of Nepal

This was similarly the case in relation to the Mindanao communist insurgency where the NPA directly aligned its struggle with workers' rights and sought to act directly on their behalf. The NPA "mediated" on behalf of workers or workers' unions. It sent letters to business owners or management representatives to address the complaints of workers, be it about wages, health benefits or other labour or work related concerns. If such "demands" (including the payment of "revolutionary taxes") were not met by the enterprise within a specified period, violent reactions occurred.<sup>94</sup>

Trade unions and workers' organizations can therefore be hugely influential and critically important actors in conflict situations and in direct conflict resolution strategies. Consequently, partnerships where possible with unions can be a critical – even vital – component of peacemaking/building efforts.

The most significant recent example was in Tunisia where unions and employers' organizations were key drivers of the political settlement. The unions (Union Générale Tunisienne du Travail – UGTT) and the employers' association (UTICA – Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat), along with the Tunisian League for Human Rights and the National Order of Advocates, developed a document entitled *"Initiative of Civil Society Organizations for the Resolution of the Political Crisis"*.

This document, considered the roadmap, envisaged the creation of a national dialogue process incorporating all political parties under the aegis of these four organizations, known as the Quartet. Additionally, the document outlined in detail the agreements that would emerge from this "dialogue" and the timing of the next steps in the transition process. The roadmap envisaged three parallel streams: constitutional, electoral and governmental.

Given the unified position of the UGTT and UTICA, the Quartet was able to exert significant pressure on the Tunisian Government to accept the terms of the roadmap, for example by threatening a national strike by UGTT (the UGTT has over 400,000 members) supported by UTICA.

As major national stakeholders with considerable combined clout, the unified position of the UGTT and UTICA was critical in the resolution of the constitutional and political crisis.<sup>95</sup> They were consequently awarded the 2015 Nobel Peace Prize.

<sup>94</sup> For example, destruction of a banana plantation packaging building, which cost between 8–14 million Philippine pesos or interception of delivery trucks that are loaded with marketable goods (ILO interviews, 2016).







## 6. Conclusions

Conflict situations vary from persistent low-level tensions to all-out war. Whatever the specifics, life – and commercial life – will continue, to varying degrees of normality. The examples provided in this paper outline the demonstrably beneficial role that EBMOs play in differing contexts, from helping enterprises navigate a new and dangerous situation to a wider macro role in conflict resolution.

In all the countries where field research was conducted along with some additional country examples, such as Nepal and Pakistan, there is noticeable recognition and acceptance of the important contribution local businesses can make to conflict prevention and resolution and peacebuilding in their communities. Collectively, enterprises are increasingly asked “to become full partners in broader peacemaking and peacebuilding assessment, planning and execution”.<sup>96</sup>

These roles are wide ranging and multifaceted, but in programmatic terms they are often approached as individual components rather than as an overarching comprehensive approach to working with EBMOs, namely: providing support to enterprises before, during and after a conflict and mobilizing the business community for peacebuilding activities.

The main conclusions drawn from this research are as follows:

### **1. Organized business organizations and networks are key channels to provide services and influence the wider private sector during a conflict**

Programmatic responses through EBMOs can help enterprises maintain a certain level of economic activity and indeed viability along with managing their workplaces. The key added value that EBMOs can bring is the ability to “scale up efforts”.

Private sector engagement in fragile and conflict-affected countries requires specific policies and instruments to deal with distortions caused by conflict.<sup>97</sup> In this respect EBMOs are clearly important actors to coordinate such engagement but they need tailored and multifaceted support to carry out their different roles.

### **2. A focus on SME development programmes can produce longer-term dividends**

Small enterprises in CAZ are mostly reluctant to invest in innovation, either by introducing new products or by upgrading existing product lines, certainly much less compared to similar enterprises in non-CAZ. However, according to World Bank research, once enterprises in CAZ decide to innovate (e.g. spend on new equipment) they tend to spend, on average, slightly more as a share of their sales than enterprises in less fragile countries.<sup>98</sup> Enterprises that are able to survive in these environments are often capable of major growth, having a “first-mover” advantage of an established business when the country rebounds and recovers from conflict. These entities need targeted support.

Additionally, and somewhat neglected in the literature, is the fact that smaller enterprises can be responsible for exacerbating conflict situations. They can be aligned by ethnicity, political affiliation or religious membership to a particular side in a conflict, which produces a more direct



<sup>96</sup> Ruggie, 2011.

<sup>97</sup> Peschka, 2010.

<sup>98</sup> Speakman and Rysova, 2015.

and negative impact on conflict dynamics (potentially more than in the case of large businesses). Programmatic responses need to be cognizant of these dynamics. EBMOs can be a critical vehicle in accessing and engaging this constituency.

### **3. Collective efforts in peacebuilding through employers' and workers' organizations can be critical**

Stability and predictability in the operating environment are pivotal for business. Without these, investment and other decisions will be delayed or postponed. This fundamental concern for stability can often bring more pressure to bear on local and national government officials to adopt constructive policies than traditional peacebuilding NGOs.

Certainly, achieving a peaceful settlement to a conflict is a multifaceted endeavour that requires a range of different strategies to be carried out by different actors, depending on the specificity of the conflict setting. But in most every case the private sector, ideally through representative associations, should be a key component of these processes.

There is much evidence from countries as diverse as South Africa (in dealing with the end of the apartheid system in the late 1980s/early 1990s); Northern Ireland (a 30-year civil conflict that formally ended in 1998), Sri Lanka and the Philippines to support the view that collective action is an important factor in bringing about a successful and sustainable private sector intervention.

However, this approach will require patience. Experience from many countries where businesses have played and are playing a constructive role in promoting peace indicates that it can take a significant period of time (e.g. South Africa, Northern Ireland) or a particularly devastating shock (e.g. Sri Lanka) before the private sector accepts it has no choice but to intervene.

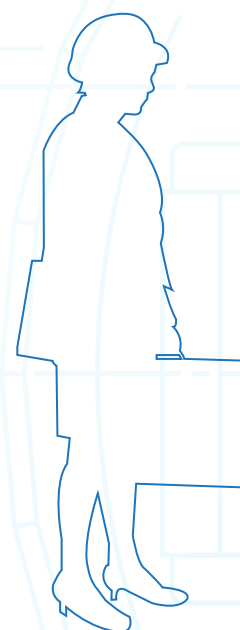
Additionally, workers' organizations can be a key partner with business in exerting joint pressure for a particular course of action or political direction. Collective partnerships between workers' and employers' organizations can make a decisive difference.

Trade unions can have a strong presence in certain sectors or urban areas, although in less populated parts of a country their presence can be less substantive. However, even if unions do not have a presence in the conflict-affected region, efforts should be pursued to establish joint bipartite union and employer approaches as these can be powerful initiatives to put pressure on decision-makers.

### **4. Tailored and innovative approaches to technical programmes are required**

In terms of engaging with the private sector in CAZ, there has been a tendency for the donor community to rely heavily on established and standard models of operation. Many of these generally apply to non-CAZ such as: employment intensive programmes; rebuilding and construction projects; restarting financial services; training and skills development strategies; encouraging enterprise development and entrepreneurship; initiating enabling environment reforms; addressing market failures in the provision of public goods; and improving public-private dialogue where it has desisted or been badly impaired.

For the distribution of benefits from donor-funded interventions, issues of ethnic representation and knowledge of the local context are extremely important for the successful implementation of such projects. Donors, for example, can be limited to working in government-controlled areas and become unwittingly identified as supporting government efforts and losing their credibility as a neutral actor in a conflict. As EBMOs are often multi-ethnic in nature, they can bring an unencumbered perspective to a peace process.



With more and more of the world's vulnerable and poor living in states now deemed “fragile”, development actors and agencies are presented with a major challenge in delivering programmatic assistance in fragile zones in a manner that can be impactful.<sup>99</sup> How programmatic technical assistance can be absorbed effectively in areas of weak governance, rising tensions or actual conflict will require more innovative and tailored approaches.

---

<sup>99</sup> Penciakova, Ledlie and Chandy, 2013.

# References

Ali, W. 2012. *The impact of conflict on young people in Azad Jammu and Kashmir* (London, Conciliation Resources). Available at: [http://www.c-r.org/downloads/IPK\\_youthreport\\_WaqasAli\\_web.pdf](http://www.c-r.org/downloads/IPK_youthreport_WaqasAli_web.pdf) [accessed 5 July 2016].

Avis, W. 2016. *Private sector engagement in fragile and conflict-affected settings*, GSDRC Helpdesk Research Report. Available at: <http://www.gsdrc.org/wp-content/uploads/2016/03/HDQ1331.pdf> [accessed 5 July 2016].

Banfield, J.; Gündüz, C.; Killik, N. (eds.) 2006. *Local business, local peace: The Peacebuilding potential of the domestic private sector* (London, International Alert). Available at: <http://www.international-alert.org/resources/publications/local-business-local-peace#sthash.yuvOwdt0.dpbs> [accessed 12 July 2016].

Berman, N.; Couttenier, M. 2014. *External shocks, internal shots: The geography of civil conflicts*, Centre for Economic Policy Research (CEPR) Discussion Paper No. 9895.

Bissinger, J.; Cali, M. Forthcoming (Washington, DC, World Bank).

Business for Peace Alliance (BPA). 2016. "What we do". Available at: <http://www.bpa-srilanka.com/what-we-do.html> [accessed 8 July 2016].

Cali, M.; Miaari, S. 2015. *Trade, employment and conflict: Evidence from the Second Intifada* (London, Overseas Development Institute).

Collier, P. 2004. *Development and conflict* (Centre for the Study of African Economies, Department of Economics, Oxford University). Available at: <http://www.un.org/esa/documents/Development.and.Conflict2.pdf> [accessed 10 July 2016].

—. 2007. *The bottom billion: Why the poorest countries are failing and what can be done about it* (New York, Oxford University Press).

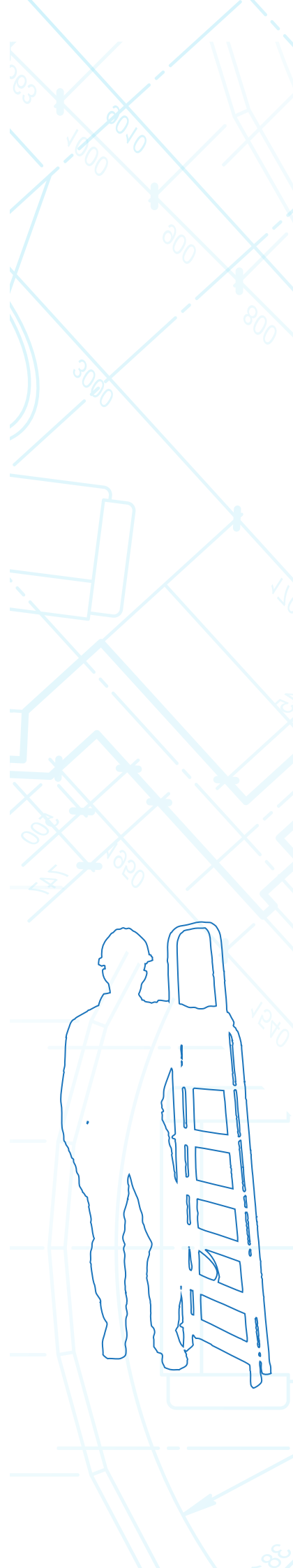
Collier, P.; Elliott, V.L.; Hegre, H.; Hoeffler, A.; Reynal-Querol, M.; Sambanis, N. 2003. *Breaking the conflict trap: Civil war and development policy*, a World Bank policy research report (Washington, DC, World Bank and Oxford University Press). Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/13938/567930PUB0brea10Box353739B01PUBLIC1.pdf?sequence=1&isAllowed=y> pdf [accessed 16 July 2016].

Crost, B.; Felter, J.; Johnston, P. 2014. "Aid under fire: Development projects and civil conflict", in *American Economic Review*, Vol. 104, No. 6, pp. 1833–1856.

Crozier, R.; Gündüz, C.; Subedi, D.B. 2010. *Private sector and public security in Nepal: Perceptions and responses*, Working Paper (London, International Alert).

De Vries, H.; Specker, L. 2009. *Early economic recovery in fragile states: Priority areas and operational challenges* (Clingendael Institute). Available at: [http://www.clingendael.nl/sites/default/files/20091100\\_cru\\_paper\\_specker.pdf](http://www.clingendael.nl/sites/default/files/20091100_cru_paper_specker.pdf) [accessed 15 September 2016].

Department for International Development (DFID). 2005. *Fighting poverty to build a safer world: A strategy for security and development* (London). Available at: <http://webarchive.nationalarchives.gov.uk/+/http://www.dfid.gov.uk/pubs/files/securityforall.pdf> [accessed 22 July 2016].





Dhakal, A.; Subedi, J. 2006. "The Nepalese private sector: Waking up to conflict", in International Alert: *Local business, local peace: The peacebuilding potential of the domestic private sector*, pp. 405–431.

Dube, O.; Vargas, J. 2013. "Commodity price shocks and civil conflict: Evidence from Colombia", in *The Review of Economic Studies*, Vol. 80, pp. 1384–1421.

EM-DAT. 2016. The Centre for Research on the Epidemiology of Disasters (CRED), International Disaster Database: Disaster List (Brussels, Université Catholique de Louvain). Available at: [www.emdat.be](http://www.emdat.be) [accessed 5 July 2016].

Geiser, A. 2005. *Social exclusion and conflict transformation in Nepal: Women, dalit and ethnic groups*, FAST Country Risk Profile, Working Paper 5/2005 (Bern, Swisspeace). Available at: [http://www.swisspeace.ch/fileadmin/user\\_upload/Media/Publications/WP5\\_2005.pdf](http://www.swisspeace.ch/fileadmin/user_upload/Media/Publications/WP5_2005.pdf) [accessed 25 July 2016].

International Alert. 2005. *Conflict-sensitive business practice: Guidance for extractive industries* (London). Available at: [http://www.iisd.org/pdf/2005/security\\_conflict\\_sensitive\\_business.pdf](http://www.iisd.org/pdf/2005/security_conflict_sensitive_business.pdf) [accessed 10 July 2016].

–. 2006. *Local business, local peace: The Peacebuilding potential of the domestic private sector*. Available at: <http://www.international-alert.org/resources/publications/local-business-local-peace#sthash.00UphTcT.dpbs> [accessed 2 July 2016].

International Labour Office (ILO). 2012. *Symposium report*, ILO Symposium on the Business of Representing Business, Geneva, 5-6 September 2011. Available at: [http://www.ilo.org/public/english/dialogue/actemp/downloads/events/2011/symp/symposium\\_report\\_en.pdf](http://www.ilo.org/public/english/dialogue/actemp/downloads/events/2011/symp/symposium_report_en.pdf) [accessed 28 July 2016].

–. 2014. *ILO technical cooperation in fragile States*, Governing Body, 320th Session, Geneva, 13–27 March 2014, GB.320/POL/9. Available at: [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_236057.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_236057.pdf) [accessed 3 July 2016].

–. 2015. "Key indicators of the labour market" (KILM). Available at: <http://www.ilo.org/global/statistics-and-databases/research-and-databases/kilm/lang--en/index.htm> [accessed 3 September 2016].

–. 2016. *Employment and decent work for peace and resilience: Revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71)*, Report V (1), International Labour Conference, 105th Session, Geneva, 2016. Available at: [http://webcache.googleusercontent.com/search?q=cache:daF\\_3Y\\_tND8J:www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_358383.pdf+&cd=1&hl=en&ct=clnk&gl=th&client=firefox-b-ab](http://webcache.googleusercontent.com/search?q=cache:daF_3Y_tND8J:www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_358383.pdf+&cd=1&hl=en&ct=clnk&gl=th&client=firefox-b-ab) [accessed 22 July 2016].

In Business. 2016. Available at: <http://sme-inbusiness.org/> [accessed 29 July 2016].

Institute for Economics and Peace. 2015. *Positive peace report 2015: Conceptualising and measuring the attitudes, institutions and structures that build a more peaceful society*. Available at: <http://www.economicsandpeace.org/wp-content/uploads/2015/10/Positive-Peace-Report-2015.pdf> [accessed 25 July 2016].

–. 2016a. Global Peace Index 2016. Available at: [http://static.visionofhumanity.org/sites/default/files/GPI%202016%20Report\\_2.pdf](http://static.visionofhumanity.org/sites/default/files/GPI%202016%20Report_2.pdf) [accessed 2 July 2016].

–. 2016b. Global Peace Index: Global Rankings. Available at: <http://www.visionofhumanity.org/#/page/indexes/global-peace-index> [accessed 1 July 2016].

International Organization of Employers (IOE), International Chamber of Commerce (ICC) and Business and Industry Advisory Committee to the OECD (BIAC-OECD). 2006. *Business and human rights: The role of business in weak governance zones – Business proposals for effective ways of addressing dilemma situations in weak governance zones*, paper submitted to Professor John Ruggie, the Special Representative of the UN Secretary-General.

Ismail, O.; Nusrat, R. 2014. *Exploring the potential of the private sector to contribute to peacebuilding in Pakistan* (London, International Alert). Available at: [http://www.international-alert.org/sites/default/files/Pakistan\\_PrivateSectorPeacebuilding\\_EN\\_2014.pdf](http://www.international-alert.org/sites/default/files/Pakistan_PrivateSectorPeacebuilding_EN_2014.pdf) [accessed 16 July 2016].

Judd, M.; Schiavo-Campo, S. 2005. *The Mindanao conflict in the Philippines: Roots, costs, and potential peace dividend*, Conflict Prevention & Reconstruction, Working Paper Series No. 24/February (Washington, DC, World Bank). Available at: [http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482477/WP24\\_Web.pdf](http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482477/WP24_Web.pdf) [accessed 24 July 2016].

Karen Peace Support Network. 2014. *Critique of Japan International Cooperation Agency's blueprint for development in Southeast Burma/Myanmar*. Available at: <http://business-humanrights.org/en/critique-of-japan-international-cooperation-agency%E2%80%99s-blueprint-for-development-in-south-eastern-myanmar-%E2%80%93-report-by-karen-peace-support-network> [accessed 22 July 2016].

Keenan, P. 2012. *Burma's ethnic ceasefire Agreements*, Briefing Paper No. 1, January, pp. 1–10.

Khan, S.; Ahmed, V. 2013. “Peaceful economies: Assessing the role of the private sector in conflict prevention in Pakistan”, in *Stability: International Journal of Security & Development*. Vol. 3, pp. 1–9.

Killick, N.; Srikantha, V.S.; Gündüz, C. 2005. *The role of local business in peacebuilding* (Berghof Research Center for Constructive Conflict Management). Available at: [http://www.berghof-foundation.org/fileadmin/redaktion/Publications/Handbook/Articles/killick\\_etal\\_handbook.pdf](http://www.berghof-foundation.org/fileadmin/redaktion/Publications/Handbook/Articles/killick_etal_handbook.pdf) [accessed 22 July 2016].

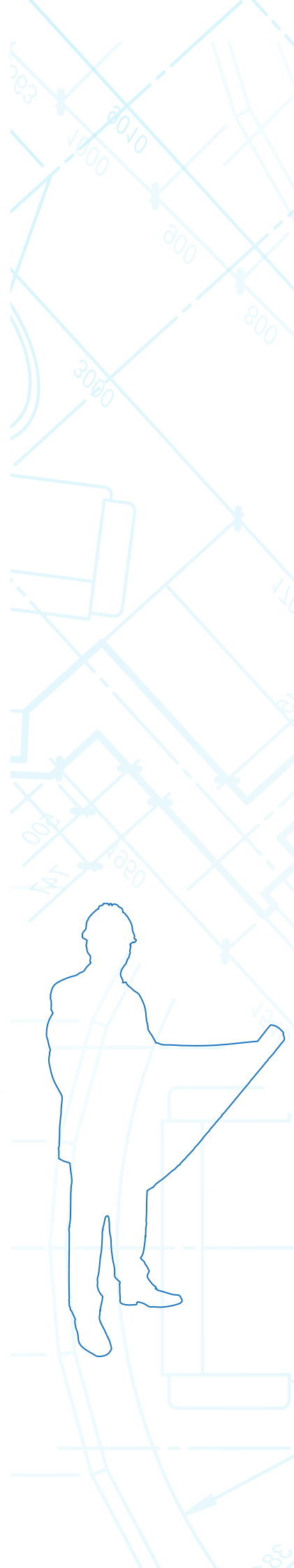
Lederach, J.P. 1997. *Building peace: Sustainable reconciliation in divided societies* (Washington, DC, United States Institute of Peace Press).

Mac Sweeney, N. 2010. *Private sector development in post-conflict countries: A review of current literature and practice* (Cambridge, The Donor Committee for Enterprise Development (DCED)). Available at: [http://www.enterprise-development.org/wp-content/uploads/PostConflict\\_PSD\\_EN.pdf](http://www.enterprise-development.org/wp-content/uploads/PostConflict_PSD_EN.pdf) [accessed 4 July 2016].

National Business Initiative (NBI). 2005. Information Booklet (Kathmandu).

–. 2016. Available at: <http://nbinepal.org.np> [accessed 23 July 2016].

Nelson, J. 2000. *The business of peace: The private sector as a partner in conflict prevention and resolution* (London, International Alert). Available at: <http://www.international-alert.org/sites/default/files/publications/The%20Business%20of%20Peace.pdf> [accessed 25 July 2016].



Oetzel, J.; Getz, K.; Ladek, S. 2007. "The role of multinational enterprises in responding to violent conflict: A conceptual model and framework for research", in *American Business Law Journal*, Vol. 44, No. 2, pp. 331–358.

Oetzel, J. et al. 2010. "Business and peace: Sketching the terrain", in *Journal of Business Ethics*, Vol. 89, pp. 351–373.

Organisation for Economic Co-operation and Development (OECD). 2008. "Concepts and dilemmas of state building in fragile situations: From fragility to resilience", in *Journal on Development*, Vol. 9, No. 3. Available at: <http://www.oecd.org/development/governance-peace/conflictandfragility/docs/41100930.pdf> [accessed 20 July 2016].

Pathan, D. 2013. "Businesses keep faith in South after latest attacks", in *The Nation*, 5 August. Available at: <http://signin.nationmultimedia.com/national/Businesses-keep-faith-in-South-after-latest-attack-30211887.html> [accessed 19 July 2016].

Penciakova, V.; Ledlie, N.; Chandy, L. 2013. *The final countdown: Prospects for ending extreme poverty by 2030* (Washington, DC, Brookings Institution).

Peschka, M. 2010. *The role of the private sector in fragile and conflict-affected states*, World Development Report 2011, background paper. Available at: [http://web.worldbank.org/archive/website01306/web/pdf/wdr\\_background\\_paper\\_peschka\\_0.pdf](http://web.worldbank.org/archive/website01306/web/pdf/wdr_background_paper_peschka_0.pdf) [accessed 11 July 2016].

Philippine Business for Social Progress (PBSP). 2015. Projects. Available at: <http://www.pbsp.org.ph> [accessed 8 July 2016].

Rettberg, A. 2007. "Business and peace in El Salvador, Guatemala, and Colombia", in *Journal of Latin American Studies*, Vol. 39, Part 3 (August), pp. 463–494.

Reuters. 2013. "Pakistan floods", 8 April. Available at: <http://news.trust.org/spotlight/Pakistan-floods-2010> [accessed 14 July 2016].

Ruggie, J. 2011. *Guiding principles on business and human rights: Implementing the UN "Protect, Respect and Remedy" Framework*, Report of the Special Representative of the UN Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie (Human Rights Council, Seventeenth Session). Available at: [http://www.ohchr.org/Documents/Issues/Business/A-HRC-17-31\\_AEV.pdf](http://www.ohchr.org/Documents/Issues/Business/A-HRC-17-31_AEV.pdf) [accessed 11 July 2016].

Rynhart, G. 2010. *The role of employers' organizations in growth and sustainable enterprise promotion*, ILO Bureau for Employer's Activities, Working Paper No. 4 (Geneva, ILO). Available at: [http://www.ilo.org/public/english/dialogue/actemp/downloads/publications/working\\_paper\\_n4.pdf](http://www.ilo.org/public/english/dialogue/actemp/downloads/publications/working_paper_n4.pdf) [accessed 11 July 2016].

Skills Development Council (SDC) Islamabad. 2016. Home. Available at: <http://sdc.com.pk> [accessed 18 July 2016].

Sorza, R. 2005. "Internships help Filipino Muslim professionals", in *Muslim Population*, 29 September. Available at: <http://www.muslimpopulation.com/asia/Philippines/Internships%20Help%20Filipino%20Muslim%20Professionals.php> [accessed 22 July 2016].

Speakman, J.; Rysova, A. 2015. *The small entrepreneur in fragile and conflict-affected situations* (Washington, DC, Directions in Development, World Bank). Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/19906/898560PUB0v10900Box385297B00PUBLIC0.pdf?sequence=5&isAllowed=y> [accessed 4 July 2016].







The private sector is widely referenced as a critical actor in conflict-affected zones. This paper examines the private sector-conflict interface: what business can do, both during and after a conflict situation, collectively through Employer and Business Membership Organizations (EBMOs). The research highlights that EBMOs can provide critical leadership to the private sector to influence, advocate for and promote peaceful resolutions to conflicts while promoting investment and entrepreneurship and assisting to rebuild livelihoods and infrastructure.



**Bureau for Employers' Activities (ACT/EMP)**

International Labour Office

Route des Morillons 4

CH-1211 Geneva 22

Switzerland

Email: [actemp@ilo.org](mailto:actemp@ilo.org)



ISBN 978-92-2-130814-0