

## Business - A Force for Peace Why and What? A Theoretical Study

MSc program in Management and International Business Master's thesis Tilman Bauer 2015

Department of Management Studies Aalto University School of Business



# **Business – A Force for Peace**

## Why and What? A Theoretical Study

Master's thesis

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November 20, 2015

Master's program in Management Aalto University School of Business If we value the pursuit of knowledge, we must be free to follow wherever that search may lead us. The free mind is not a barking dog, to be tethered on a ten-foot chain.

– Adlai Stevenson Jr.



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Title of thesis Business – A Force for Peace: Why and What? A Theoretical Study				
Degree Master of Science in Economics and Business Administration				
Degree program Management				
Thesis advisor(s) Prof. Matti Häyry				
Year of approval 2015	Number of pages 116	Language English		

#### Abstract in English

This research is a theoretical and conceptual study of business being a force for peace. As the business world finds itself in a crisis of values, peace is one of five areas *Forbes* has identified as the future of corporate social responsibility. Moreover, there is a growing literature on "Peace Through Commerce" – an idea that ethical business fosters peace also through core business activities.

In my thesis, I approach the relationship of business and peace on the micro-level, i.e. from the perspective of individual companies and their multidimensional potential to contribute to peace. By analyzing the nexus of business and peace, this study outlines a conceptual framework or a "mental map" of the intricate connections. The research questions start with the question what peace is. What do we mean when we speak of peace, and how is the concept defined? Next, the intersections of business and peace are discussed. On that basis, I ask why business should be concerned with peace. Moreover, what kinds of actions does fostering peace entail and what can business do in practice to contribute to peace? Finally, I will ask what the main implications are for the business paradigm, if we entertain the idea that business can and should foster peace in society.

The basis of the study is the philosophical and theoretical foundation of the meaning of peace. Peace entails three stages: Weak peace (the absence of war or systematic violence), strong peace (the presence of positive ideals such as justice, health, happiness, education, prosperity, sustainability, and wellbeing), and holistic peace (the transrational vision for humanity, the ultimate higher purpose of human endeavor).

The business-peace connection historically originates in the 17<sup>th</sup>-century idea that trade fosters peace through international cooperation. This traction has been lost with the emergence of an ethically questionable business culture in the 20<sup>th</sup> century, but it should be regained because peace is in the interest of both business and society. This entails recognizing that creating positive impact, i.e. fostering peace, is at the crux of the purpose of the corporation, as it refers to creating value for society. Business can contribute to weak peace, for example, through impact assessments, self-regulation and certification, diversified hiring, clear standards and policies, stakeholder dialog, and other ethical core business practices. Strong peace efforts include, for example, supporting human rights, promoting gender equality, and respecting the environment. Finally, activities that foster holistic peace entail, for example, nurturing a higher purpose, transcending self-interest, and embodying moral excellence.

Essentially, corporate leadership for peace is a new, emerging mindset that enables business to climb up on the ladder of morality by assuming a responsible role in society. Such a new paradigm takes the holistic wellbeing of all stakeholders, including nature, to the center of attention.

Keywords business, peace, new paradigm



#### Tekijä Tilman Bauer

Hyväksymisvuosi 2015	Sivumäärä 116	<b>Kieli</b> Englanti	
Työn ohjaaja(t) Prof. Matti Häyry			
Koulutusohjelma Johtaminen			
Tutkinto Kauppatieteiden maisteri			
<b>Työn nimi</b> Business – A Force for Peace: Why and What? A Theoretical Study			

#### Tiivistelmä suomeksi

Teoreettis-käsitteellisen tutkielmani aiheena on liiketoiminnan osuus rauhan edistämisessä. Liikeelämää koettelevassa arvokriisissä *Forbes* on todennut rauhan olevan yksi viidestä tulevasta yritysten yhteiskuntavastuun alueesta. "*Peace Through Commerce*" -aihetta käsittelevä kirjallisuus on myös lisääntynyt. Sen taustalla on ajatus, että eettinen kaupankäynti vahvistaa rauhaa ydinliiketoiminnan myötä.

Tutkimuksessa lähestyn liiketoiminnan ja rauhan suhdetta mikro-tasolla, eli yksittäisten yritysten näkökulmasta tarkastellen niiden mahdollisuuksia vaikuttaa myönteisesti rauhaan. Analysoimalla liiketoiminnan ja rauhan välisiä yhteyksiä tavoitteena on hahmottaa näiden usein mutkikkaiden kytkösten käsitteellinen viitekehys tai 'mentaalinen käsitekartta'. Tutkimus lähtee kysymyksestä: Mitä rauha on? Mitä tarkoitamme puhuessamme rauhasta, ja miten käsite määritellään? Seuraavaksi tarkastelen liiketoiminnan ja rauhan välisiä risteyskohtia. Tämän pohjalta kysyn, miksi liiketoiminnan tulisi pyrkiä vaikuttamaan rauhaan. Lisäksi, minkälaisia toimia rauhan vaaliminen edellyttää, ja mitä käytännön toimia liike-elämä voi toteuttaa rauhan edistämiseksi. Lopuksi kysyn, miten liiketoiminnan ajatusmalli muuttuu, jos hyväksytään ajatus, että liiketoiminta voi ja sen tulee edistää rauhaa yhteiskunnassa.

Tutkimuksen lähtökohtana on rauhan filosofinen ja teoreettinen perusta. Rauhan käsitteen muotoutumiseen sisältyy kolme tasoa: 'heikko rauha' (sodan tai systemaattisen väkivallan poissaolo), 'vahva rauha' (positiivisten käsitteiden olemassaolo, kuten oikeudenmukaisuus, terveys, onnellisuus, koulutus, vauraus, kestävä kehitys ja hyvinvointi), sekä 'kokonaisvaltainen rauha' (transrationaalinen visio ihmisyydestä, ihmisen pyrkimyksen perimmäinen tarkoitus).

Liiketoiminnan ja rauhan yhteys juontaa juurensa 1600-luvun aatteeseen, että kaupankäynti edistää rauhaa kansainvälisen yhteistyön myötä. Tämän näkemys on unohtunut eettisesti kyseenalaisen yrityskulttuurin ilmaannuttua 1900-luvulla. Aate tulisi kuitenkin elvyttää, koska rauha on sekä liiketoiminnan että yhteiskunnan etu. Tämä edellyttää, että ymmärretään myönteisen yhteiskunnallisen vaikutuksen luomisen - rauhan edistämisen - kuuluvan yrityksen ydintarkoitukseen, koska se luo lisäarvoa yhteiskunnalle. Liiketoiminta voi vaikuttaa 'heikkoon vaikutusanalyysin, tai rauhaan' esimerkiksi itsesääntelvn sertifioinnin, diversifioidun henkilöstöpalkkauksen, selkeiden standardien ja käytäntöjen, sidosryhmien vuorovaikutuksen sekä muiden eettisten ydintoimintojen myötä. 'Vahvaan rauhaan' pyritään esimerkiksi edistämällä tukemalla sukupuolten tasa-arvoa ja kunnioittamalla ihmisoikeuksia, elinympäristöä. Lopuksi, 'kokonaisvaltaista rauhaa' edistäviä toimia ovat esimerkiksi korkeimpien tavoitteiden vaaliminen, itsekkyyden ylittäminen ja moraalisesti esimerkillinen toiminta.

Rauhaan tähtäävä yritysjohtaminen on orastava ajattelutapa yritysmaailmassa. Sen myötä liiketoiminta voi edetä moraalin tikkailla omaksuessaan vastuullisen roolin yhteiskunnassa. Tällainen uusi paradigma ottaa kaikkien sidosryhmien sekä luonnon hyvinvoinnin keskiöön.

Avainsanat liiketoiminta, rauha, uusi paradigma

## Acknowledgements

This thesis has been a long journey. I have been interested in the topic of business and peace for several years and along the way I have had discussions with many people who have influenced my thinking. Though it is impossible to list them all here, I am grateful for those deliberations.

First and foremost, I would like to thank my thesis supervisor Professor Matti Häyry for his continued help and support. His advice has been invaluable, and I appreciate the broadmindedness with which he accepted this, slightly unusual, topic at a business school. Thank you!

Further, special thanks go to Professors Timothy Fort and Luk Bouckaert for showing me their forthcoming transcripts ahead of time. This enabled me to read about the business-peace connection while waiting for their pre-ordered books to be published. I would also like to thank them both for their encouragement, support, and insights into business and peace.

Finally, I wish to thank all my friends who provided useful feedback and proofreading help. And last but not least, I am especially grateful to my parents for their endless support and love.

T.B.

November 20, 2015

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## **1** Introduction: The Nexus of Business and Peace

"There can be no successful business in an unsuccessful society and there can be no successful society without successful business. Prosperity requires peace." – Nepalese National Business Initiative

### 1.1 Background and Aim of Study

This thesis, and its *raison d'être*, is based on my long-term interest in peace and the potential for business to contribute to peace in society. McKenna (2013:2) states that there is "a strong desire for future opportunities for collaboration between industry and academia on exploring the nexus between business and peace." Although this thesis is not an example of such a collaboration, I do intend to narrow the gap inherent in the nexus.

The current state of the world is alarming (Assadourian and Prugh, 2013) and today's business challenges revolve around overcoming a crisis of values. It can be called a crisis because excessive profit/greed, an exaggerated emphasis on short-term revenues, and apathy towards human needs and the environment are some of the root causes of the challenges that we face. These challenges are often interrelated and interconnected. In today's globalized world, in the sense of interconnectedness and interdependence, different "issues" (Van Tulder and Van der Zwart, 2006) require an integrated approach. For example, the War in Darfur, one of the world's worst humanitarian crises (United Nations News Centre, 2003), was caused by, among other things, environmental degradation due to climate change (University for Peace, 2006). This exemplifies how two crises, a war and climate change, can be interconnected. Fritjof Capra, one of the most prominent scholars advocating a shift from the old way of thinking to a "new paradigm," explains further (1996:3-4):

The more we study the major problems of our time, the more we come to realize that they cannot be understood in isolation. They are systemic problems, which means that they are interconnected and interdependent. For example, stabilizing world population will be possible only when poverty is reduced worldwide. The extinction of animal and plant species on a massive scale will continue as long as the Southern Hemisphere is burdened by massive debts. Scarcities of resources and environmental degradation combine with rapidly expanding populations to lead to the breakdown of local communities and to the ethnic and tribal violence that has become the main characteristic of the post-cold war era.

Connecting business and peace – and assigning business the role of fostering peace – seems, on the one hand, a difficult and highly complex undertaking that does not often appear as a topic at a business school. Capitalism / the free-market economy is known for exploitative practices, and there has historically always been one stakeholder that had to pay for the externalities, whether it was slaves, minorities, nature, or the global periphery. Our current system seems to depend on, or at least encourage or allow, the exploitation of ethically questionable opportunities. In that context, does it make sense to talk about business as a force for peace? Bouckaert and Chatterji (2015:xvi) comment:

Many businesses are involved in the economy of the arms race and the overexploitation (and hence destruction) of planetary and human resources. [...] Therefore, the formula 'business for peace' cannot be interpreted as a simple description of *facts*. Neither should we consider it as a purely subjective and normative viewpoint expressing what *ought* to be done independent of what is. We believe that 'business for peace' expresses an option for an emerging future that on the one hand is not yet realized but on the other hand is already present as a potential and necessary reality. The emerging future manifests itself as a historical movement calling for a deliberate moral commitment. Without moral commitment, the historical potential will not be realized. But simultaneously, without historical embeddedness the option of peace will remain abstract, moralistic and highly utopian. 'Business for peace' combines historical awareness with a personal sense of moral responsibility to change the state of affairs. Global Compact as a United Nations Network recently launched its Business for Peace program (September, 2013), and the Oslo Business for Peace Award honors creative peace-entrepreneurs.

The touchpoints of business and peace represent the areas where business has the potential and arguably the responsibility to contribute to the creation of a new system in which no stakeholder is exploited and in which the holistic and sustainable wellbeing of all is truly prioritized. On the other hand, philosophers such as Immanuel Kant and Charles de Montesquieu, as well as the "Father of Economics" Adam Smith, have for centuries recognized the role of business, or trade and international cooperation in general, in creating stability and peace in society.<sup>1</sup> But what does this mean for an individual company, the locus of action where change begins?

The nexus of business and peace has been the focus – not only from a macroeconomic perspective but also from the point of view of individual companies – of some contemporary scholars, such as Timothy Fort and Luk Bouckaert. Moreover, the United Nations Global Compact, The Prince of Wales International Business Leaders Forum, the UK-based non-profit organization International Alert,<sup>2</sup> and the recently founded *Business, Peace and Sustainable Development* journal<sup>3</sup> edited by Debby Haski-Leventhal are important fora of, and for, the debate. Importantly, peace is one of five areas *Forbes* has identified as the future of corporate social responsibility (Guthrie, 2014). Guthrie (ibid) elaborates:

> 'Business For Peace' (United Nations Global Compact): Will business staples – impact investment, infrastructure, trade, jobs, anti-corruption and improved quality of life – be enough? For years, the issues of commerce have seemed completely removed from left-oriented topics defined by the peace movement. However, with groundbreaking work by business scholars such as Prof. Tim Fort (Kelley School of Business, Indiana University) on the positive correlation between commerce, peace and engagement, and with this association by the highest-level multilateral institutions such as the UN, capitalism suddenly sits side-by-side as a partner with the peace movement.

Business plays a significant role in society; however, does this role include fostering peace? Should business be concerned with the happiness of people (Layard, 2005)? Although the primary responsibility for peace rests with the state, business, too, has a significant influence – and role and responsibility, as I will argue – and a stake in a peaceful society (Bouckaert and Chatterji, 2015; Prandi, 2011). The growing literature on "Peace Through Commerce" – for example, Fort (2007), Williams

<sup>&</sup>lt;sup>1</sup> For a contemporary debate on the macro-economic dimensions and policies of and related to business and peace, which I will not discuss in detail in this study, see, for example, Humphreys (2003) and Brown et al. (2007).

<sup>&</sup>lt;sup>2</sup> See, for example, International Alert (2005); International Alert (2006); Nelson (2000); Banfield, Gündüz, and Killick (2006); and Nusrat (2012).

<sup>&</sup>lt;sup>3</sup> See, for example, Haski-Leventhal (2014); Fort (2014); and Reade (2015).

(2008a),<sup>4</sup> Oetzel et al. (2010), and Fort (2011) – has started to link business practice to reduced violence and a number of positive contributions to peace. However, far too often, business also has a negative impact on peace and conflict (see, for example, Abrash, 2001; cf. Raufflet and Mills, 2009). In the words of Fort and Westermann-Behaylo (2008:56):

Just what kind of economic activity promotes peace? Any kind? Do we want to claim that exploitative colonialism will create sustainable peace? Aren't businesses often perceived as being culturally and religiously insensitive and exploitative? Will an extractive industries model of commerce cause peace? These issues are important because it seems that not just any kind of commerce will foster peace.

Accordingly, existing literature revolves mainly around the following question: Does business/trade foster peace, and if yes, what kind of business? It is an old debate – with contemporary doubts from opponents of neocolonialism and other aggressive business strategies (see, for example, Banerjee, 2003 and Bakan, 2005). This thesis approaches the relationship of business and peace on the micro-level, i.e. from the perspective of individual companies and their multi-dimensional potential to contribute to peace. For this purpose, business is defined as: for-profit companies, primarily multi-national corporations, that have the power (wherewithal) and opportunity to act for peace. By analyzing the nexus of business and peace, my aim is to outline a conceptual framework or a "mental map" of the intricate connections. This leads to the following *research questions*:

- What is peace, i.e. what do we mean when we speak of peace, and how is the concept defined?
- What are the intersections of business and peace, why should business be concerned with peace, and what practices can business implement to contribute to peace?
- What are the main implications for the business paradigm, if we entertain the idea that business can, and should, foster peace in society?

<sup>&</sup>lt;sup>4</sup> In particular Fort and Westermann-Behaylo's (2008) chapter in Williams' (2008a) book.

For the reader who has not previously heard of a connection between business and peace, John Paul Lederach (2008), a leading peace scholar, gives a notable example for a company that deals with these issues:

In Nepal, where civil war has been raging for nearly a decade and is now on the cusp of a major positive transformation, intriguing examples exist of innovation in the commerce sector in the midst of war. As a notable example there is the Three Sisters Trekking Agency – a trekking company for women operated by women - formed in the years just prior to the war. They made a serious organizational commitment to employ women and to do so across caste groups, including the most marginal and excluded groups in rural areas. Thirty staff were hired and trained. The women worked and ate together. Developing their primary excursions from Pokhara, a major tourist area in Nepal that experienced a significant decline in tourism during the war, this company, unlike others, prospered. Interestingly, they undercut the Maoist revolutionary taxes, though they have no ideological or direct connection with them. Their strong sense of social justice and equality, focus on marginalized women, and inclusion of low castes served as a kind of vaccination against the demands of the Maoists, with whom they stood fast on principle, refusing to pay revolutionary taxes. Three Sisters Trekking was the only trekking agency not forced to comply with the revolutionary tax, and it was one of the few companies that has grown in size and extended its area of operations throughout the past eight years.

Even though the aforementioned example is one of a small business (and not without criticism), the potential for business to foster peace grows with the power a company has. However, in order to realize this potential, business needs to adopt a new way of thinking and acting, one that is based on "the quality of human relations, the search for meaning in work and the integration of particular interests into a perspective for the common good" (Bouckaert and Chatterji, 2015:xvi).

### **1.2 Methodology, Contents, and Research Literature**

This research is a theoretical and conceptual study of the potential for business to foster peace. According to research methodology literature (see, for example, Tuomi, 2007), conceptual or theoretical research distinguishes itself from empirical research in the fact that no qualitative or quantitative data is collected or analyzed as part of the research. Consequently, theoretical research entails the "deep study of literature

data, in which argumentation forms the core of method"<sup>5</sup> (ibid:74). It is recognized that theoretical research is, in fact, a combination of philosophical and conceptual research. The philosophical approach is defined as trying to find a solution to a problem of conceptual or general nature and entails problematizing an issue, explicating concepts, and proposing a sound argument. Thus, theoretical research is, in a way, a problem-solving exercise. (ibid:74-85)

In order to ensure the validity and soundness of theoretical research, the logic of reasoning, the conclusiveness and relevance of literature used, as well as the identification of the researcher's own thinking need to be ensured (ibid; cf. Häyry, 2015b). In particular, the aim has been to use only literature which is reliable, appropriate, and credible. The argumentative quality of authors needs to be analyzed and validated in order to ensure their conclusions are correct. However, it needs to be noted that no research can be objective, or fully objective, in the traditional sense. Hence, the author must be aware of this and acknowledge existing subjective and intersubjective perspectives.

I, therefore, recognize and adopt "moral imagination" in and as my perspective as a researcher. It is defined as "[t]he capacity to imagine something rooted in the challenges of the real world yet capable of giving birth to that which does not yet exist" (Lederach, 2005:29). Lederach (ibid:5) identifies four key capacities or disciplines:

Stated simply, the moral imagination requires the capacity to imagine ourselves in a web of relationships that includes our enemies; the ability to sustain a paradoxical curiosity that embraces complexity without reliance on dualistic polarity; the fundamental belief in and pursuit of the creative act; and the acceptance of the inherent risk of stepping into the mystery of the unknown that lies beyond the far too familiar landscape of violence.

Moral imagination requires reflexivity, especially since my research is not based on a positivist paradigm but embraces an interpretive/explorative approach to the

<sup>&</sup>lt;sup>5</sup> Translated by author. Original full quote: "Pelkistetty ero [teoreettis-käsitteellisen ja empiirisen tutkimuksen välillä] perustuu siihen, että empiirisessä tutkimustyypissä käsitellään havaintoaineistoa, kun taas teoreettis-käsitteellisen tutkimus edellyttää syvällistä perehtymistä kirjalliseen aineistoon, jossa argumentaatio muodostaa metodin ydinosan" (Tuomi, 2007:74).

development of new insights (cf. Hennink, Hutter, and Bailey, 2012). As for the purpose of knowledge production, true human prosperity is essential to my motivation. This is in stark contrast to "Mode 1" and "Mode 2," which are concepts created by Gibbons et al. (1994); Mode 1 refers to fundamental research (relevant for academia) and Mode 2 refers to applied research (relevant for the world of practice). Rather, a so-called "Mode 3" is more apt, which in the end "assure[s] survival and promote[s] the common good, at various levels of social aggregation" (Huff and Huff, 2001:53). Saunders, Lewis, and Thornhill (2009:7) explain: "This [Mode 3] emphasizes the importance of broader issues of human relevance of research. Consequently, in addition to research that satisfies your intellectual curiosity for its own sake, the findings of business and management research [in Mode 3] might also contain practical implications, and these findings may have societal consequences far broader and complex than perhaps envisaged by Mode 2."

The basis of the study is the philosophical and theoretical foundation of the meaning of peace as laid out in Chapter 2. Next, the general principles of the business-peace nexus will be studied in Chapter 3. This entails an overview of the history of relevant arguments since the 17<sup>th</sup> century and a fundamental discussion on the reasons why business should foster peace. Moreover, concrete actions are proposed that enable, or lead to, corporate contributions to peace. These insights will be discussed in Chapter 4 from the point of view of a paradigm shift. This refers to identifying the principles of a new way of business thinking that fosters peace to that effect. The analytic, reflexive, and inductive way of theoretical research will, hopefully, enable me to answer the research questions and come to conclusions with relevant findings about the relationship of business and peace.

The literature used can roughly be divided into three main categories: Literature from the discipline of Peace Studies (Chapter 2), literature about the nexus of business and peace (Chapter 3), and literature about a paradigm shift in business thinking (Chapter 4).

First, the three most significant peace scholars for my research are Johan Galtung, John Paul Lederach, and Wolfgang Dietrich; the most influential publications that I have used include Galtung's (1969) 'Violence, Peace, and Peace Research,' Galtung's (1996) *Peace by Peaceful Means*, Lederach's (2005) *Moral Imagination*, and Dietrich's (2008) *Variationen über die Vielen Frieden* (Variations on the Many Peaces). These works represent some of the seminal studies on the question what peace is. Also noteworthy are *Understanding Peace: A Comprehensive Introduction* by Fox (2014) as well as Webel and Galtung's *Handbook of Peace and Conflict Studies* (2007).<sup>6</sup>

Second, the literature about business and peace is largely dominated by Timothy Fort, who is probably the most renowned expert on "Peace Through Commerce" today. His central works include the books *The Role of Business in Fostering Peaceful Societies* co-authored with Cindy Schipani (Fort and Schipani, 2004), *Business, Integrity and Peace* (Fort, 2007), and *The Diplomat in the Corner Office* (Fort, 2015). Other significant works in the growing field of business and peace include Nelson's *The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution* (2000), *Peace Through Commerce: Responsible Corporate Citizenship and the Ideals of the United Nations Global Compact* edited by Williams (2008a), Bais and Huijser's *The Profit of Peace: Corporate Responsibility in Conflict Regions* (2005), Sweetman's *Business, Conflict Resolution, and Peacebuilding: Contributions from the Private Sector to Address Violent Conflict* (2009), and Bouckaert and Chatterji's *Business, Ethics and Peace* (2015).<sup>7</sup>

Finally, and to end this chapter, the discussion about a paradigm shift was fundamentally enabled by the work of Fritjof Capra through his books *The Turning Point: Science, Society, and the Rising Culture* (1982) as well as *The Systems View of Life: A Unifying Vision,* co-authored by Pier Luigi Luisi (Capra and Luisi, 2014). Groundbreaking contributions with regard to a new way of business thinking have been provided by John Elkington (1998), *Cannibals With Forks,* as well as by William McDonough and Michael Braungart (2002a), *Cradle to Cradle: Remaking the Way We Make Things.* Also worth mentioning is Ravi Chaudhry's (2011) *Quest for Exceptional Leadership: Mirage to Reality.* 

<sup>&</sup>lt;sup>6</sup> A central publication that serves as a great introduction to Peace Studies is *Contemporary Conflict Resolution* by Ramsbotham, Woodhouse, and Miall (2011), albeit I did not use it much in this study. <sup>7</sup> Worth repeating from the previous section are the United Nations Global Compact, the *Business, Peace and Sustainable Development* journal, and the non-profit organization International Alert.

## 2 What is Peace? An Overview

What is the meaning of peace? What does peace entail? In this chapter, I review various definitions and interpretations, both broad and narrow, from the absence of war to the presence of virtue, harmony, justice, security, and truth – and ultimately to the holistic wellbeing of humankind.

## **2.1 Etymological Origins and Definitions of Peace**

#### 2.1.1 Dictionary Definitions and Usage

Where does "peace" come from? The Online Etymology Dictionary (n.d.) states:

mid-12c., "freedom from civil disorder," from Anglo-French *pes*, Old French *pais* "peace, reconciliation, silence, permission" (11c., Modern French *paix*), from Latin *pacem* (nominative *pax*) "compact, agreement, treaty of peace, tranquility, absence of war" (source of Provençal *patz*, Spanish *paz*, Italian *pace*), from PIE *\*pag-/\*pak-* "fasten," related to *pacisci* "to covenant or agree" (see *pact*).

Replaced Old English *frið*, also *sibb*, which also meant "happiness." Modern spelling is 1500s, reflecting vowel shift. Sense in *peace of mind* is from c. 1200. Used in various greetings from c. 1300, from Biblical Latin *pax*, Greek *eirene*, which were used by translators to render Hebrew *shalom*, properly "safety, welfare, prosperity."

Sense of "quiet" is attested by 1300; meaning "absence or cessation of war or hostility" is attested from c. 1300. As a type of hybrid tea rose (developed 1939 in France by François Meilland), so called from 1944. Native American *peace pipe* is first recorded 1760. *Peace-officer* attested from 1714. *Peace offering* is from 1530s. Phrase *peace with honor* first recorded 1607 (in "Coriolanus"). The U.S. *Peace Corps* was set up March 1, 1962. *Peace sign*, both the hand gesture and the graphic, attested from 1968.

This etymological overview shows that peace has different meanings in different times and regions of the world. There is the meaning of pact/agreement, happiness, prosperity, silence, etc. The word for "peace" in Finnish (my native language) is *rauha*. Upon reflecting on that word, I notice that "rauha" is not just "peace" but also "tranquility" – and thus probably related to the German (my second native language) concept of *Ruhe* (Häkkinen, 2005:1031). It is conceivable that *Ruhe* and *rauha* share the same etymological background and come from the Indo-Germanic word *ruowa* 

(Duden, 2013). Initially, "tranquility" appears to mean the actual tranquility of the environment, whether inner or outer. However, it is also possible to interpret tranquility as the opposite of tension in a relationship. Being friends with somebody could mean having a tranquil relationship. This fits together with the Japanese term for peace *heiwa*, a term for a comfortable, harmonious, and relaxed relationship (Ishida, 1969). Another concept is, for example, the Hindu *shanti*, which emphasizes experiencing peace, while connecting the inner and outer worlds (Kaneda, 2008). This shows how different people and cultures have different understandings of peace (Galtung, 1981).<sup>8</sup>

How does a government see peace? The constitution of a nation-state is the prime source for finding an answer to this question (cf. Grotius<sup>9</sup>, 1625). Finland addresses mainly internal peace in its constitution (Suomen perustuslaki, 1999), in terms of guaranteeing every citizen's right to peace at home (*"kotirauha"*: tranquility, privacy, honor, sanctity of the home) (§ 10). Furthermore, the "development of society" is a major objective (§ 1 and § 2). External peace is the business of the President of the Republic, as the President decides about war and peace together with the Parliament (§ 93). Every citizen has the obligation to defend the "fatherland" (§ 127) if the President decides so (§ 128). Finally, security (§ 7) and human rights also appear to be important themes (§ 1 and § 22).

An example of absolute pacifism in a constitution is offered by the post-war Japanese Constitution:<sup>10</sup>

Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes.

In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of

<sup>&</sup>lt;sup>8</sup> Based on my reflection paper (Bauer, 2009a) written for the 'Conflict Analysis and Management: Theory and Practice' course taught by Professor Wolfgang Dietrich at the United Nations-mandated University for Peace in San Jose, Costa Rica, in November 2009.

<sup>&</sup>lt;sup>9</sup> 1583-1645.

<sup>&</sup>lt;sup>10</sup> Gilpin notes, however, that "even Japan, with its 'peace' constitution, has become one of the world's foremost military powers" (2001:19).

belligerency of the state will not be recognized. (Constitution of Japan, 1946, § 9)

For the United Nations, peace does not only mean the absence of war, but also stability, security, development, justice, and human rights (Boutros-Ghali, 1992; United Nations, 2010). Peace, therefore, has different meanings in different contexts, in which it is used. So what exactly does it mean in the English language? *Webster's Revised Unabridged Dictionary* (1913) defines peace as:

A state of quiet or tranquillity; freedom from disturbance or agitation; calm; repose; specifically: (a) Exemption from, or cessation of, war with public enemies. (b) Public quiet, order, and contentment in obedience to law. (c) Exemption from, or subjection of, agitating passions; tranquillity of mind or conscience. (d) Reconciliation; agreement after variance; harmony; concord. [...] Peace is sometimes used as an exclamation in commanding silence, quiet, or order. [...]

Further (ibid):

(Law) (a) A term used in wills, indictments, etc., as denoting a state of peace and good conduct. (b) (Theol.) The peace of heart which is the gift of God. --Peace offering. (a) (Jewish Antiq.) A voluntary offering to God in token of devout homage and of a sense of friendly communion with Him. (b) A gift or service offered as satisfaction to an offended person. -- Peace officer, a civil officer whose duty it is to preserve the public peace, to prevent riots, etc., as a sheriff or constable. -- To hold one's peace, to be silent; to refrain from speaking. -- To make one's peace with, to reconcile one with, to plead one's cause with, or to become reconciled with, another. [...]

Anecdotal evidence suggests that peace is often understood in the Western world as the absence of notions that are generally considered "bad" or "negative," such as the absence of violence, war, disturbance, disharmony, etc. Where does this idea originate from?

Thomas Hobbes<sup>11</sup> (1651) discussed the concept of peace in his *Leviathan*. Hobbes, representing the "ultimate extreme" (Korten, 2001:236) of materialistic monism,<sup>12</sup>

<sup>&</sup>lt;sup>11</sup> 1588-1679

<sup>&</sup>lt;sup>12</sup> This means that Hobbes does not allow for higher (spiritual) levels of the mind to exist. Rather, human nature can, according to Hobbes, be reduced to physical, animalist desires.

argues that human nature is essentially bad and that human beings would resort to war if not somehow prevented. In the words of Brian Fogarty, "the civilizing veneer of society is all that saves us from chaos and self-destruction" (Fogarty, cited in Adolf, 2009:5). In other words, peace is the Greek *Eirene*, the absence of war. What this means is that, in order for peace to prevail, some authority needs to "[keep] chaos at bay, which is in the end the very social peace Hobbes argued for" (Adolf, 2009:5). Hobbes (1651:98) states:

And therefore so long as a man is in the condition of mere nature, which is a condition of war, private appetite is the measure of good and evil: and consequently all men agree on this, that peace is good, and therefore also the way or means of peace, which (as I have shown before) are justice, gratitude, modesty, equity, mercy, and the rest of the laws of nature, are good; that is to say, moral virtues; and their contrary vices, evil.

However, the extent to which peace is defined as the presence of something, presumably "good" and "positive" (things such as tranquility and harmony), remains unclear. It appears that peace has an inner and an outer dimension and that it is used in different contexts, ranging from legal to religious meanings, but all definitions seem to suggest a normative virtue clearly distinguishable from the presence of negative onerousnesses, or burdens. As the above-cited definitions of peace rest on explanations based on the absence of something or on more or less descriptive synonyms, I would like to turn next to the literature of the academic field of Peace and Conflict Studies<sup>13</sup> in order to find more comprehensive definitions.

#### 2.1.2 Definitions in Peace Literature

The *Handbook of Peace and Conflict Studies* edited by Webel and Galtung (2007) promotes the idea that peace is a transdisciplinary ideal that needs to be understood and that can be created and supported across disciplines. In the introduction, Webel (2007) recognizes the perennial nature of the desirability of peace, yet he also sees

<sup>&</sup>lt;sup>13</sup> The field of Peace and Conflict Studies is defined as "an academic field which identifies and analyzes violent and nonviolent behaviors as well as structural mechanisms attending social conflict with a view towards understanding how these processes might lead *to a more desirable human condition*" (Dugan and Carey, 2013:79; emphasis added).

that peace is "intangible and elusive" (ibid:5), something that perhaps cannot be fully defined. What we can do, is to identify aspects of this ideal.

First and foremost, peace is "something [that] every person and culture claims to desire and venerate, but which few if any achieve, at least on an enduring basis" (ibid:5). In his book *Peace: A World History*, Adolf (2009) disagrees with the statement that peace would not largely prevail in world history. In fact, he argues that if we do not define peace narrowly as the absence of war but more broadly as individual (inner), social (within a group), and collective (between groups) peaces, then we are able to identify a broad range of peaces throughout history – which helps us also to understand how peace depends on the context and how it changes over time. On the other hand, Boulding (1962:340) states: "Mankind has rarely had peace and is inexperienced in it. The few civilizations that have not had the institution of war, like that of Mohenjo-Daro and of the Mayans, are not wholly inspiring to contemplate [...]."

Based on his research, Adolf (2009) concludes his book with a hierarchical framework of five levels for understanding peace, a "pyramid of peace" (ibid:234), see Figure 1. It divides peace into "corporeal peace," "sanctuarial peace," "socio-economic peace," "inner peace," and "world peace," which are hierarchical the same way as Maslow's (1954) "hierarchy of needs." Adolf (2009:236) explains:

Climbing the Pyramid, so to speak, means actualizing each item of each level from the bottom up on a continual, progressive basis. Reaching any level except the top at any one place and time does not necessarily depend on it being reached everywhere by everyone, but surely would not hurt. Likewise, reaching any level once does not mean it will always be held, as the Pyramid embodies a static dynamism by which its structure can stay intact even if its levels and items are periodically unactualized, though each must be actualized before or in tandem with the next. Adolf's Pyramid of Peace appears to be a coherent way of conceptualizing of the various layers of peace. It is important to note that Adolf's instantiations of peace also protect notions such as education, nature, equality, employment, spirituality, dialog, and legitimacy, as can be seen in Figure 1 below. I recognize that peace is the presence of such positive values (which I shall later define as strong peace).

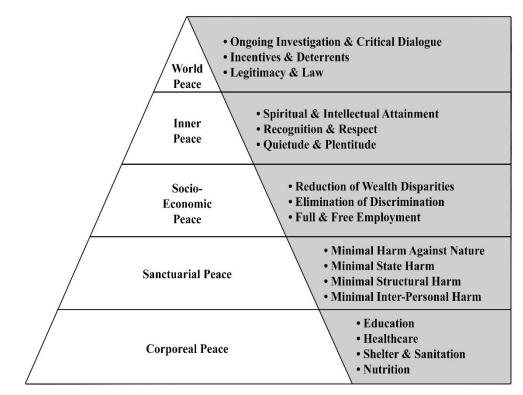


Figure 1: Pyramid of Peace (source: Adolf, 2009:235)

It is interesting to note that "self-actualization" is Maslow's 1954 version's last or highest level of the hierarchy – and to juxtapose this concept to wider definitions of peace. As Maslow's critics agree, human needs exceed those that Maslow identified in 1954 (Burns, 1978). Maslow himself extended his hierarchy of needs to include cognitive, aesthetic, and transcendental needs later on in his career (1964). Bass (1999:12), interestingly, states (in the context of Transformational Leadership): "The importance of transcending self-interests is something lost sight of by those who see that the ultimate in maturity of development is self-actualization." In other words, the importance of having a higher purpose (as an individual or as an organization) is neglected if self-actualization is deemed the highest objective. Could this higher purpose be peace? I will return to this question in Chapter 2.3. Returning to the *Handbook of Peace and Conflict Studies*, peace is clearly related to human ideals similar to the ones Adolf (2009) talks about, but it also differs from mere happiness or health because peace entails "social harmony and political enfranchisement" (Webel, 2007:5), i.e. an outer dimension of peaceful human interaction. On the other hand, peace *does* have the dimension of the individual, called inner peace, where happiness and emotional wellbeing are preeminent. Interestingly, Webel (ibid) orders peace to be a prerequisite for personal and social wellbeing (harmony, equity, justice, etc.), and not vice versa where peace is defined by the presence of these concepts. This might resemble a chicken-or-the-egg situation, but it is clear that a more comprehensive understanding of peace includes not only the absence of war or violence, but also (at least to some extent) the presence of justice, happiness, and other virtuous characteristics of human prosperity.

Webel (2007:6) poses the next logical question:

If peace, like happiness, is both a normative ideal in the Kantian sense – a regulative principle and ethical virtue indicating how we *should* think and act, even if we often fail to do so – as well as a psychological need – something of which we are normally unaware but sporadically conscious – then why are violence and war (the apparent contraries of social, our outer, peace), as well as unhappiness and misery (the expressions of lack of inner peace), so prevalent, not just in our time but for virtually all of recorded human history?

As Adolf (2009) mentioned above, a potential reply could be that the times of peace are simply not recorded, indeed as Webel talks about "recorded human history." It is like following the news: If something bad happens, we hear about it, yet the little or big joys of harmony and peace often go unnoticed. Webel (2007:6) continues: "Given the facts of history and the ever-progressing understanding of our genetic and hormonal nature, is peace even conceivable, much less possible?"

Barash and Webel (2009) point out in their book *Peace and Conflict Studies* that "neither the study nor the pursuit of peace ignores the importance of conflict" (p. 11), as there will be conflicts in the world as long as human beings exist – whether constructive or destructive (Deutsch, 1977) – with differing needs, interests, desires, values, positions, dreams, perspectives, etc. (cf. Abdalla and Attenello, 2002). Again, in the words of Webel (2007:8):

Conflicts appear historically inevitable and may be socially desirable if they result in personal and/or political progress. Conflicts may, perhaps paradoxically, promote and increase peace and diminish violence if the conflicting parties negotiate in good faith to reach solutions to problems that are achievable and tolerable, if not ideal.

Rather, what we try to do is to develop "new avenues for cooperation" (Barash and Webel, 2009:12) in order to transform the, initially negative, energy of a conflict into positive energy (cf. Lederach, 2005); peace literature refers to "Elicitive Conflict Transformation" (first in Lederach, 1995; Dietrich, 2011). Thus, peace has to be defined in a manner that it *is* both conceivable and possible.

In order to establish some conceptual clarity, Johan Galtung – often called the father of Peace Studies (he calls himself "more grandfather these days," in Galtung, 2010:35) – coined the distinction between "negative peace" and "positive peace," concepts which are commonly used today (see, for example, Ramsbotham, Woodhouse, and Miall, 2011; Jeong, 2000; Barash, 2000; and Von Bonsdorff, 1989). Lawler (2013:83) writes:

Galtung's influence on the subsequent development of peace research, initially in Europe but eventually pretty much everywhere it emerged, cannot be overstated. It was Galtung who set its tone and helped distinguish it from conflict studies. He introduced much of its distinctive lexicon, some of which [...] was to flow well beyond its boundaries. Under Galtung's aegis, the purview of peace research expanded dramatically and rapidly.

Galtung's seminal article 'Violence, Peace, and Peace Research' (Galtung, 1969) establishes how negative peace is the absence of physical violence, and positive peace the absence of structural violence. In order to delve deeper into that idea, I would like to investigate next how Galtung arrived at this conceptualization.

### 2.2 The Concept of Peace According to Galtung

#### 2.2.1 Galtung's Early Approaches to Negative and Positive Peace

Galtung's earliest articles on the topic of peace appear to be 'Pacifism from a Sociological Point of View' (1959) and 'Some Notes on the Application of Social Science for the Promotion of Peace' (1963) – following the founding of Galtung's Peace Research Institute Oslo (PRIO) in 1959<sup>14</sup> – but these sources do not discuss the meaning of peace. In 1965, Galtung defined peace research as having two sides, "one negative and one positive, corresponding to the two sides of any good definition of "peace": peace as the absence of war, as nonwar; and peace as a working, interacting relationship based on mutual exchange for mutual benefit – if desirable, by means of a sufficiently pervasive and strong international superstructure" (Galtung, 1965:226). Thus, it turns out that Galtung had already introduced the conceptual notions of negative and positive peace in 1965 and not in 1969, as commonly believed and cited. Interestingly, however, no references are mentioned for "any good definition of peace." The literature in the 1950s and 1960s mainly revolved around post-worldwar International Relations and Conflict Studies (see, for example, Boulding, 1962).

In 1967, two years after the first mention of a positive and a negative side, Galtung (1967) wrote a book called *Theories of Peace: A Synthetic Approach to Peace Thinking.*<sup>15</sup> In this work, Galtung approaches peace in itself in a systematic way for the first time, perhaps as the first modern academic scholar. He starts:

Peace seems to be an "umbrella concept", a general expression of human desires, of that which is good, that which is ultimately to be pursued. Mankind will always be heading for goals, some of them very concrete, some of them more abstract and diffuse, and "peace" seems to be one of the terms that is used for this generalized goal. "Happiness" is perhaps another such term, to be used at the more individual level, "peace" has the advantage of expressing global, collective concerns. To fulfill this function the concept must not be too specific, for if it were very specific, then the term could no longer serve general purposes. There is a need in human intercourse to express ultimate concerns and values and goals - in sermons, in solemn speeches, on solemn occasions; and if "peace" were only given one and relatively precise meaning such as the "absence of organized group violence", then this purpose would not be well served. In earlier days the term "God" might have fulfilled this important function, but that term is meaningful only to a part of mankind, whereas. (sic) peace probably makes sense to many people precisely because it corresponds to their experiences and they can endow it with the meanings that to them are

<sup>&</sup>lt;sup>14</sup> https://www.prio.org/About/

<sup>&</sup>lt;sup>15</sup> It is worth noting that the book was never published – and made available to the public only in 2005, as explained in the "new preface" of the book. Yet, it is dated as "September 1967," hence that year is used as the reference.

most important. In other words: had there not been the word "peace" to glorify means, policies, occasions, then some other term would have to be invented [...]. (Galtung, 1967:6)

Galtung continues by recognizing that the "umbrella" nature of the peace concept – likening it to utopian dimensions – has contributed to the common (yet wrong) belief that peace cannot be researched in mainstream science. To combat this, the peace scholar introduces not just two but three "directions of precisation (sic) of peace" (1967:12). The first meaning of peace refers to "stability or equilibrium" (ibid:12) and includes not only the internal peace experienced by an individual, but also "law and order" (orderly stability) within society. Galtung later notes that he disregards the first meaning of peace it "does not exclude violence, since the soldier can have peace with himself (sic) on the battlefield" (ibid:12).

The second meaning of peace, which Galtung defines as "negative peace," requires the "absence of organized collective violence" (ibid:12). This refers to physical violence – i.e. "efforts to cause bodily harm to other human beings" (ibid:13) – occurring between warring parties such as nations, classes, racial or ethnic groups, etc. but excludes "occasional homicide, i.e. unpatterned individual violence" (ibid:12). Galtung notes that negative peace does not in itself represent a too desirable state of or for society, as the example of insuperable walls along borders of nations – or a negative peace enforced through oppressive domination – demonstrates.

Finally, "positive peace" is "a synonym for all other good things in the world community, particularly cooperation and integration between human groups, with less emphasis on the absence of violence" (ibid:12). In other words, it refers to the presence of equality and to the absence of exploitation. Galtung notes that positive peace empirically correlates with negative peace, as "conditions that facilitate the presence of positive relations" (ibid:14) also foster negative peace. Such positive values include, for example, according to Galtung (ibid:14), the presence of cooperation, freedom from fear, freedom from want, economic growth and development, the absence of exploitation, equality, justice, freedom of action, pluralism (diversity), and dynamism.

It is interesting to note that Galtung's understanding of "freedom from fear" includes also the absence of existential threats such as hunger caused by natural catastrophes. On the other hand, "freedom from want" seems to relate to the ability to satisfy basic human needs (cf. Galtung, 1980; Maslow, 1954). Also, "economic growth and development" refers to increasing and fairly distributed resources per capita, nationally and internationally. Galtung provides an explanation for each of the values but the comments above are the most interesting ones worth paraphrasing here. In conclusion, "positive peace [...] is the sum total of other relatively consensual values in the world community of nations – exemplified with the list of ten values given above" (Galtung, 1967:17).

#### 2.2.2 Galtung's Structural Violence

Having outlined a basic understanding of positive and negative peace, I now turn to the seminal paper (Galtung, 1969) in which these concepts were further elaborated upon. Galtung embarks on the journey by discussing a definition of conflict in detail from the standpoint that: "If peace action is to be regarded highly because it is action against violence, then the concept of violence must be broad enough to include the most significant varieties, yet specific enough to serve as a basis for concrete action" (ibid:168). Accordingly, violence "is present when human beings are being influenced so that their actual somatic and mental realizations are below their potential realizations" (ibid:168). Moreover, violence is defined as "the cause of the difference between the potential and the actual, between what could have been and what is" (ibid:168). Galtung explains how a person's death from tuberculosis in the 18<sup>th</sup> century would not be considered violence, as it was unavoidable at that time, but that it *would* be violence if a person were to die of tuberculosis today, as, through medical advancements, it has become a preventable and curable disease. Through a long discourse on the potential meanings of violence – such as that there does not always have to be a subject, an object, and an act, as violence can also be structural or indirect – Galtung notes:

> The important point here is that if people are starving when this is objectively avoidable, then violence is committed, regardless of whether there is a clear subject-action-object relation, as during a siege yesterday or no such clear relation, as in the way world economic relations are organized today. We have

baptized the distinction in two different ways, using the word-pairs personalstructural and direct-indirect respectively. (ibid:171)

This is how Galtung arrived at his famous conceptualization of structural violence which equates to social injustice and which "amounts to [no] less suffering than personal violence" (ibid:173). It is worth pointing out that the point of comparison to – or "word pair" of (to use Galtung's, ibid:171, vocabulary) – "structural violence" is "personal violence," and not "physical violence." As Derriennic (1972) notes, Galtung quietly refrains from using "personal violence" after the publication and uses "direct violence" henceforth. Physical violence can be carried out by armies, gangs, or other groups of people and not just by individual persons, so "physical violence" is also the term that I will use. I will skip Galtung's rather detailed typology of physical violence (ranging from attempts of crushing the human anatomy to the detailed effects of explosions to the human body) and instead note the more interesting typology of structural violence that Galtung develops a detailed mechanism comprising of "the ideas of actor, system, structure, rank and level" (Galtung, 1969:175) in order to show how structural violence correlates to inequality in society. Galtung concludes with an explanation of the terms negative peace and positive peace:

An extended concept of violence leads to an extended concept of peace. [...] For brevity the formulations 'absence of violence' and 'social justice' may perhaps be preferred, using one negative and one positive formulation. The reason for the use of the terms 'negative' and 'positive' is easily seen: the absence of personal violence does not lead to a positively defined condition, whereas the absence of structural violence is what we have referred to as social justice, which is a positively defined condition (egalitarian distribution of power and resources). (ibid:183).

#### 2.2.3 Galtung's Cultural Violence

More than 20 years later, Galtung (1990) adds "cultural violence" to his theoretical arsenal. He defines it as "any aspect of a culture that can be used to legitimize violence in its direct or structural form" (p. 291). Galtung also develops his understanding of violence in general to the extent that any "avoidable insults to basic human needs" (ibid:292; cf. Galtung, 1980) – survival needs, wellbeing needs, identity needs, and freedom needs – are considered either direct or structural – or cultural violence.

Galtung further manifests – pulls together and establishes – his framework of negative peace and positive peace in the seminal work of his career, the book *Peace by Peaceful Means* (1996). Here (ibid:32), negative peace and positive peace is amended by "direct positive peace" (physical and verbal kindness, epitomizing in love), "structural positive peace" (dialog, integration, solidarity, and participation), and "cultural positive peace" (legitimation of peace, positive peace culture). Finally, Galtung recognizes that peace equals the sum of direct peace, structural peace, and cultural peace and adds a dynamic element of nonviolent conflict transformation.

### 2.3 Wider Definitions of Peace

Galtung's negative and positive peace is, as discussed in the previous section, a basic but fundamental and highly useful conceptualization of peace, which has been generally adopted by the field of peace and conflict studies (albeit not without criticism, see, for example, Lawler, 1995; Dietrich, 2008; and Coady, 2008; Galtung is, however, defended by Vorobej, 2008). In this section, I depart from Galtung in order to see how peace could be defined in a wider and more holistic sense.

First, though, a slight extension of the negative/positive peace duality is Webel's (2007:11) "Spectral Theory of Peace," which offers a continuum from "Strong, or Durable, Peace" (~positive peace) to "Weak, or Fragile, Peace" (~negative peace). Webel claims that "Weak Peace" is much more common in world history than "Strong Peace" – a claim that one can easily follow, considering that positive peace is more difficult to achieve. This idea is, however, in stark contrast to Adolf (2009) as discussed earlier. It is, therefore, important to distinguish between the presence of aspects of positive peace (for example, the presence of justice, perhaps even during war; see "*jus in bello*" / the concept of "just war" discussed in Webel, 2007:9) and true positive peace (the presence of justice *and* the absence of violence). Weak peace is merely the absence of systematic violence.

#### 2.3.1 Inner and Outer Peace

Another equally fundamental conceptualization is the distinction between "inner" and "outer" peace, as I have mentioned above. However, what exactly is inner peace

and how does it relate to outer peace? In the *Handbook of Peace and Conflict Studies*, Webel (2007:10-11) explores the wider implications or requirements of inner peace:

States of inner peace, or psychological harmony and well-being, are characterized by low degrees of 'inner conflict' and malignant aggression [...]. But even the most psychologically healthy persons have difficulty maintaining their equilibrium in pathogenic environments. Their tranquility may be undermined and even uprooted by pathology-inducing familial, organizational, social and political systems, ranging from conflict-laden interactions with kith and kin, bosses and subordinates, to such stress- and potentially violenceinducing structural factors as under- and unemployment, racism, sexism, injustice, need-deprivation, famine, natural catastrophes, poverty, exploitation, inequity and militarism. The intersubjective zone, which mediates and straddles the topographies of inner and outer peace, is accordingly the catalyst for environmental and interpersonal agents, energies and institutions that reinforce or subvert psychological equilibrium, or inner peace. Being-at-peace is possible but improbable in an environment that is impoverished. Being peaceful is an enormous challenge when others with whom one interacts are hostile, aggressive, very competitive, and violent. And living in peace is almost inconceivable in desperately poor and war-ridden cultures. Accordingly, the three zones of inner, outer and intersubjective peace are never static and always in interaction.

The inner/outer conceptualization of peace is also discussed by Michael Allen Fox in his book *Understanding Peace – A Comprehensive Introduction* (Fox, 2014) where he argues that both inner and outer peace are needed, as they mutually support each other. Fox describes inner peace as a subjective and outer peace as an objective "viewpoint on peace" (ibid:184-187). The subjective viewpoint refers to the acknowledgment that peace depends on each individual's way of being, behaving, acting, and thinking. The objective viewpoint, on the other hand, considers external factors that inhibit or foster peace.

#### 2.3.2 Aspects of Extended Conceptions of Peace

What else can we say about peace? Clearly, it can be described from inner and outer perspectives with negative and positive traits, but what kind of institutionalized structures are needed for peace? I would like to quote the *Glossary* published by the United Nations-mandated University for Peace (Miller, 2005:55-56), which addresses this issue by offering a comprehensive definition of peace:

A political condition that ensures justice and social stability through formal and informal institutions, practices, and norms. Several conditions must be met for peace to be reached and maintained:

- balance of political power among the various groups within a society, region, or, most ambitiously, the world
- legitimacy for decision makers and implementers of decisions in the eyes of their respective group, as well as those of external parties, duly supported through transparency and accountability
- recognised and valued interdependent relationships among groups fostering long-term cooperation during periods of agreement, disagreement, normality, and crisis
- reliable and trusted institutions for resolving conflicts
- sense of equality and respect, in sentiment and in practice, within and without groups and in accordance with international standards
- mutual understanding of rights, interests, intents, and flexibility despite incompatibilities

These points exemplify the need for sound structures in society, ranging from individual to political and organizational abilities, to cope peacefully with each other. This understanding of peace goes beyond the absence of physical or structural violence, as it promotes the presence of positive values that enable the sound functioning of society on the basis of a balance of power, legitimate and transparent decision-making, interdependent relationships that foster cooperation, the ability to deal with conflicts, and respectful behavior despite often-arising (perceived) incompatibilities.

I would say that peace becomes the ultimate substance of collective ethical visions. It serves as a fundamental goal of human activity, yet a source of ambiguity – and as an inspiration for the better. It has the potential to guide, to offer a red thread guiding us through the jungle of imperatives towards creating a virtuous impact. The discussion above has painted a picture of peace that ranges from the cold, minimalistic, and narrow to one that embraces what might be the full potential of the human family. What might peace entail if we adopt a more holistic perspective? Is such a perfect

peace possible? Immanuel Kant's<sup>16</sup> *Perpetual Peace* (1795) and Muñoz's *Imperfect Peace* (2005) address this question.

The essence of positive peace can be traced back to Baruch Spinoza<sup>17</sup>. It can be argued that Spinoza formulated his theory in reaction to Hobbes (Steinberg, 2009; Strathern, 1998). "For peace is not mere absence of war, but is a virtue that springs from force of character" (Spinoza, 1670:314).<sup>18</sup> Spinoza not only includes concepts of justice and security in his conceptualization of peace, but also connects peace with inner harmony (cf. Steinberg, 2009), thereby offering the basic ingredients for the later developed concept of positive, or strong, peace, as discussed earlier.

Strong peace is the glue that holds society together on all levels, from the individual to interpersonal to institutional, and it is a prerequisite for a thriving and sustainable civilization. Peace is therefore directly related to social sustainability, which refers to a society in which social tensions are limited and conflicts are not escalated but settled in a peaceful and civilized manner (cf. Dillard, Dujon, and King, 2009). Hence, I argue that working for sustainability correlates with working for peace. This also applies to environmental sustainability, as there is, according to peace scholars, a clear link between climate change and peace. A good example is the War in Darfur (mentioned in Chapter 1) as environmental degradation, caused by climate change, was one of the root causes of the conflict (University for Peace, 2006).

#### 2.3.3 A Prescriptive Vision for Humanity

Fox (2014) explains that various definitions of peace are in fact not (contradictory or incompatible) alternatives to choose from but complementary to each other. He develops the "dimensions of peace" (ibid:193), which include not only the negative/positive and subjective/objective distinctions as discussed earlier, but also

<sup>&</sup>lt;sup>16</sup> 1724-1804.

<sup>&</sup>lt;sup>17</sup> 1632-1677, born Benedito de Espinosa, later Benedict de Spinoza.

<sup>&</sup>lt;sup>18</sup> Chapter V, 'Of the Best State of a Dominion.' Translated by Robert Harvey Monro Elwes. Original quote in Latin: "Pax enim non belli privatio, sed virtus est, quae ex animi fortitudine oritur" (Spinoza, 1844). It is interesting to note that "quae ex animi fortitudine oritur" is translated as "that springs from force of character" and not "that arises from the great strength of soul." "Animi fortitudine" can also mean 'courage' or 'strength of mind.' See Steinberg (2009).

"cosmic" and "prescriptive/visionary" dimensions (see Figure 2). Cosmic peace is quintessentially the extension of inner peace to outer peace, to the extent that one takes a holistic approach to life, and to peace in the universe. It suggests the interconnectedness of all beings; oneness celebrated through life.<sup>19</sup>

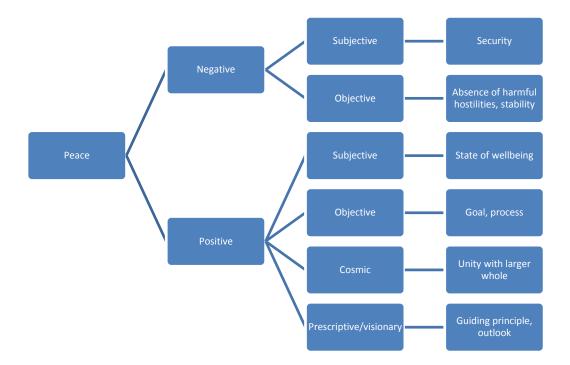


Figure 2: Dimensions of peace (source: Fox, 2014:193)

According to the 14<sup>th</sup> Dalai Lama, inner peace and outer peace are not only related, but inner peace is also a prerequisite for world peace (see, for example, Dalai Lama, 2009a; Dalai Lama, 2009b; Dalai Lama, 2002). To quote the Dalai Lama: "Through inner peace, genuine world peace can be achieved. In this the importance of individual responsibility is quite clear; an atmosphere of peace must first be created within ourselves, then gradually expanded to include our families, our communities, and ultimately the whole planet" (the Dalai Lama, cited in Fox, 2014:189).<sup>20</sup> This shows the connection between peace and religious/spiritual thinking that advocates

<sup>&</sup>lt;sup>19</sup> Capra and Luisi develop a "unifying vision" of life based on systems thinking in order to offer systemic solutions to interconnected problems of society. See *The Systems View of Life: A Unifying Vision* (Capra and Luisi, 2014).

<sup>&</sup>lt;sup>20</sup> Despite the centrality of the statement, I was not able to find and confirm the quote from its original source, which is the *Buddhist Peace Fellowship Newsletter* Fall 1989 edition / the Dalai Lama's Address in San Jose, Costa Rica in June 1989. However, Kraft (1992:2) cites the same source and reproduces the quote identically.

embracing love, compassion, and respect in our thinking and doing (cf. Kraft, 1992). Moreover, it suggests the "need to find an inner peace which makes it possible for us to become one with those who suffer, and to do something to help our brothers and sisters, which is to say, ourselves [...]" (Thich Nhat Hanh, 1988:127). What we can learn from Buddhist teachings is that "all suffering is (or should be) of concern to every being that is capable of experiencing and thinking about it" (Fox, 2014:189). Thus essentially, peace is relational.

Cosmic peace also resonates with African conceptions of peace where the sense of "community" and "togetherness" is an important aspect that emphasizes sharing, belonging, and participation in efforts to improve society (Nobel Peace Prize recipient Archbishop Desmond Tutu, cited in ibid:190). Thus, "peace [...] builds outward to become, among other things, a state of harmony with the universe as a whole. [...] Inner and outer are inseparable correlates" (ibid:191). The African phrase, or ideology, *Ubuntu* literally means "I am because we are" (Cortright, 2008:13) and embodies "the belief in a universal bond of sharing that connects all humanity" (Dartey-Baah and Amponsah-Tawiah, 2011:132). Jeong (2000) points out that harmony with the universe also includes the concept of living in harmony with nature. Hence, peace requires us to understand that currently "the earth, too, is the object of violence" (ibid:8) and that an unsustainable way of life threatens our own survival.

Finally, "peace can be identified, within this kind of worldview, as not only good in itself, but also as good by virtue of its healing power and contribution to the common weal" (Fox, 2014:192). Therefore, peace has a "prescriptive/visionary" aspect that prescribes it as a normative goal for humanity through "ethical or moral directives [that] should be understood and acted upon accordingly. [...] Peace is [...] a serious duty" (ibid:192). This imperative is summarized by Danesh (2011:65) who concludes that "peace is a psychosocial and political as well as moral and spiritual condition requiring a conscious approach, a universal outlook, and an integrated, unifying strategy." In the words of Jeong (2000:30): "A holistic conception of peace links the ideal of the human spirit to the harmony between different components of the earth system and even universe."

What we can learn from these wider definitions of peace is that it is in the interest of human interaction and human activity in general to establish, protect, and promote structures that foster the satisfaction of perennial human needs, i.e. holistic human needs that transcend not merely Maslow's (1954) self-actualization but all the materialistic and superficial wants of sub-potential living. Such structures are the fundamental building blocks of the systemic spheres that foster the various aspects of peace. This includes the celebration of full human potential in terms of holistic health, education, spirituality, relationships, and the universe at large. I shall call the successful establishment of the amalgamation of these aspects "holistic peace." I identify holistic peace as the ultimate higher purpose of human endeavor.

### 2.4 Dietrich's "Five Families of Peaces"

None of the above discussed frameworks fully covers the geographic and cultural richness of understandings of peace in the world (cf. Dietrich et al., 2014). Therefore, I now turn to Wolfgang Dietrich, Professor and UNESCO Chair Holder of Peace Studies at the University of Innsbruck, by paraphrasing the "Five Families of Peaces," as envisioned and researched by Dietrich (2008) in the first part of his trilogy *Variationen über die Vielen Frieden* (Variations on the Many Peaces). The five families are "Energetic Peace," "Moral Peace," "Modern Peace," "Postmodern Peace," and "Transrational Peace" (ibid).<sup>21</sup> This is Dietrich's framework explored in the groundbreaking book (ibid) – on which I base my following paraphrases – that categorizes the possible interpretations of peace; it is also the basis for the Innsbruck Peace Program's approach to "Elicitive Conflict Transformation" (Lederach, 1995; Dietrich, 2011;<sup>22</sup> cf. Bauer, 2009b) and the transrational peace philosophy in particular.

<sup>&</sup>lt;sup>21</sup> I adopt the terminology of the English translation (Dietrich, 2012, translated by Norbert Koppensteiner) of the originally German book (Dietrich, 2008), but the original (ibid) is my main source for my investigation. Dietrich (2013b) offers a good summary of the five families in an interview conducted by Cerys Tramontini.

<sup>&</sup>lt;sup>22</sup> Dietrich (2011) has been translated into English in Dietrich (2013a) by Wolfgang Sützl and Victoria Hindley.

#### 2.4.1 Energetic Peace

The *Energetic* interpretations of peace ultimately originate from the understanding that matriarchal monotheism is a source of harmonious primordial energy (urenergy) and that everything is connected with everything through a manifestation of energy. The "Great Goddess" is a symbol of fertility. "Peace out of harmony" is a central statement and refers to the unification of dualities/opposites, such as yin and yang. "[E]nergetic peace [is] an achievement of humanity, which derives from man's archaic experience of being nourished by Mother Nature, often enough worshiped as the Great Mother" (Dietrich, 2006:1). It begins in the inner self and extends by way of harmonious vibrations through society, nature, and the universe. In other words, when polarities are in balance, peace is experienced. However, as energies are always dynamic, peace is thus not stable but a continuous expression of relations.

#### 2.4.2 Moral Peace

The *Moral* interpretations of peace refer to the patriarchal "peace out of the one truth" idea. It rests on the introduction of dualism as an element for norms. This brings forth notions such as justice ("peace through justice") because peace entailed the satisfaction of basic needs through reconciliation with God. However, "my justice" may not be the same as "your justice" – which ultimately results in a problematic understanding of peace, as exemplified by the concept of a "just war." Moral peace was promoted by strong institutions (religion) that translated norms into universal truths. This coincides with the emergence of city states (polis) and hence the understanding of *pax* as an agreement of civil order. "Peace thus does not float anymore within the harmonious relation of things but is rooted in the *One Order*, the *One Truth*, which is guaranteed by power" (Dietrich, 2006:4).

#### 2.4.3 Modern Peace

The *Modern* interpretations of peace rest on ideals such as reason, humanitarianism, equality, technological progress, free trade, and federalism. Rational thinking and reason replace what God was in Moral interpretations. It refers to a materialistic/mechanistic understanding of the world where the whole can be understood by understanding its parts in a Newtonian/Cartesian way. The notion of

"development" became the twin of "peace" (Dietrich, 2006; Dietrich and Sützl, 2006), and security resurfaces as the substance of a universal imperative for nation-states with the central statement "peace out of security."<sup>23</sup>

#### 2.4.4 Postmodern Peace

The *Postmodern* interpretations of peace begin to doubt the teachings of modernity. Whether Hobbes, Descartes, Newton, or Kant, the founding fathers of modern thinking are now challenged. This results also in the founding of the Peace Studies discipline (Johan Galtung and Kenneth Boulding are often cited as its "fathers"), as the field of International Relations had not succeeded in ensuring the peaceful coexistence of nation-states in the 20<sup>th</sup> century, whether under the umbrella of realist strategies or idealist approaches. Postmodern peace is not a function of governmental action or reductionist clockwork thinking. Rather, the postmodern interpretations acknowledge networks, perceiver-constructed structures, fields, systems, chaos, and complexity. It is the celebration of the incomplete, small, mundane, and unspectacular "many peaces" (Dietrich and Sützl, 2006) through the plurality of truths, which oppose the structural and cultural violence of modernity.

### 2.4.5 Transrational Peace

Finally, the *Transrational* interpretations of peace combine the previous four families. The aim is to transcend the limits of reason by combining the energetic understanding of life (as suppressed by the modern view) with reason – without forgetting the lessons from modernity and postmodernity. In other words, the insight is that spirituality is a part of the human experience, as postulated by humanistic and transpersonal psychology, without denying rationality. "Peace through harmony" is seen as complementary to reasonable thinking, i.e. to the peaces through justice, security, and truth. Moreover, transrational interpretations start with, and go beyond, the individual and expand the consciousness to include collective systems. Transrational peaces require a perceiving subject, and the analysis of the perceiving self. Thus, there is no one absolute truth, as it depends on the relational aspects of

<sup>&</sup>lt;sup>23</sup> Cf. Williams (2013).

subjects and objects. Rather, according to Dietrich, transrational peace is the lifelong quest for a dynamic balance: harmony is a function of security, security is a function of justice, justice is a function of truth, and truth can only exist in harmony. It entails harmonizing ethical conduct with the aesthetic of life. The notions of spirituality, love, and harmony are again part of the academic vocabulary.

Dietrich (2008) offers a very revealing and insightful adventure into the history of each of the families, how they emerged and who their primary thinkers were. Especially the transrational aspect of peace will be useful later, in the section on business vs. holistic peace in particular (Chapter 3.3.4). I have restricted myself here to brief paraphrases of understandings of peace, thereby ignoring the wider context. The business context will be the topic of Chapter 3.

### 2.5 Conclusion: Weak, Strong, and Holistic Peace

Chapter 2 has covered a broad range of definitions and conceptualizations of peace. The "Pyramid of Peace" (Adolf, 2009) and the "Dimensions of Peace" (Fox, 2014) are the best attempts I have found that create a comprehensive framework for different interpretations of peace. Moreover, Dietrich's (2008) "Five Families of Peaces" offers a systematic way of looking at the various interpretations of peace discussed.

So what is peace? Peace is much more than the absence of war. Peace is also more than the absence of extended violence, such as structural or cultural violence, although these notions are useful. Peace can be conceptualized through the distinction between inner and outer peace. However, any comprehensive definition of peace needs to go beyond these levels. Although there are as many interpretations of peace as there are human beings (cf. the plurality of peaces), it is clear that peace serves as an ultimate visionary yet reachable goal for humanity. Accordingly, peace is an amalgamation of those ideals that the thinkers of the world have identified as necessary, right, and beneficial for the advancement of human potential. To conclude, I would like to identify three stages of peace:

- *Weak peace*: the absence of war or systematic violence;
- *Strong peace*: the presence of positive ideals (for example, justice, health, happiness, education, prosperity, sustainability, and wellbeing);
- *Holistic peace*: the transrational vision for humanity, the ultimate higher purpose of human endeavor.

I choose to follow Webel's (2007:11) "Weak" and "Strong" labels for the first two stages – which are in line with the "Spectral Theory of Peace" (ibid), although I develop the stages further. However, I add a third stage, holistic peace, in order to complete the framework with a stage that includes both Fox's (2014) cosmic and prescriptive/visionary dimensions and Dietrich's (2008) transrational approach. It is my hope that this framework, the three stages of peace, will serve as a tool for analyzing the potential for business to foster peace in various contexts. Table 1 summarizes the three stages of peace as I have defined them and compares them to the common framework of negative peace and positive peace.

	Absence of physical or direct violence or war	Absence of physical, structural, and cultural violence	Presence of virtuous ideals (such as justice, health, education, and sustainability)	Holistic wellbeing and higher purpose, a prescriptive vision for humanity
Negative peace	$\checkmark$			
Positive peace		$\checkmark$	$\checkmark$	
Weak peace		$\checkmark$		
Strong peace			$\checkmark$	
Holistic peace				$\checkmark$

Table 1: Weak peace, strong peace, and holistic peace compared to negative peace and positive peace.

# **3** Business and Peace – A Mental Map

Having gained an understanding of what the concept of peace entails, I now turn to the relationship between business and peace. These two words initially appear as two separate worlds far apart. Why, and how, could or should "business" and "peace" be mentioned in the same sentence? The first thing to recognize is the historic idea that business, or trade in general, can foster peace, as I will discuss in the historical overview in Chapter 3.1.

The recent development of a normative stance says that powerful businesses have the opportunity, and therefore the duty, to contribute positively to society. Thus, in the second section, in Chapter 3.2, I will ask why, and in the third section, in Chapter 3.3, through what activities, should business foster peace. The underlying idea is that peace could be the substance of the positive corporate contribution that society expects (cf. Browne, 2015). This chapter does not claim completeness of ideas. Rather, as the title suggests, it offers a mental map of the nexus. To set the scene, I would like to quote Timothy Fort (2008:27):

Sustainable peace may be the most powerful existential goal one can imagine. Not only is it beneficial for most companies, but it is powerful enough, if the relationship between business and peace can be understood, to change the way companies behave.

## **3.1 Historical Background**

The connection between business and peace is an old debate, albeit one which continues to the present day.<sup>24</sup> In early 17<sup>th</sup>-century Europe, in a time characterized by the Thirty Years' War, world peace was a utopia that few believed in. Rather, war was perceived as something that had to be limited rather than eradicated (Mansfield, 2013). Thus, Hugo Grotius<sup>25</sup> (1625), and others, developed what is today the field of "International Law" on the basis of natural law (cf. Hobbes, 1651). However, two

<sup>&</sup>lt;sup>24</sup> For a more detailed history, see Chapter 8, 'Modern Economics of Peace and Peacemaking –

Capitalism: The Profitability of Peace and the Cost of War – Who Owns Peace? Socialist Perspectives,' in Adolf (2009:162-177).

<sup>&</sup>lt;sup>25</sup> 1583-1645, as mentioned in Chapter 2.

years earlier, Éméric Crucé<sup>26</sup> wrote his *Nouveau Cynée* (Crucé, 1623), which is, according to my literature search, the first work in which business and peace are connected.<sup>27</sup> Crucé argued that free trade fosters peace and prosperity through a peaceful worldwide union in which it is in the mutual interest to allow free movement of, and for, business. "Rather than focusing on theological issues or state-building ambitions, Crucé was governed by materialist considerations to implement co-operation and harmony without war to create commercial prosperity" (Mansfield, 2013:2:22). Unfortunately, over the years, the view of Grotius and others (limiting war through international law rather than eradicating war through business) gained more traction.

The idea that we are better off without war and that good business needs and fosters peace originates from the same era in which God was replaced by reason, as the Modern interpretation of Peace promulgates. However, technological advancements such as seafaring brought about not only the birth of capitalism, but also its hitherto inextricable link to warfare, just as "security" and "development" became the universal imperative. (Dietrich, 2008; see Chapter 2.4)

Hobbes' (1651) heritage ultimately led to the Realist school of International Relations.<sup>28</sup> John Locke,<sup>29</sup> father of classical liberalism, offered a juxtaposition of this rather pessimistic view of human nature and thereby paved the way for the Idealist (or Liberalist) school. Locke's optimism was based on his belief that human nature is described by reason. He argued that everybody has the natural right to property gained through labor. Accordingly, accumulating property – which led to the economic growth imperative – was at the core of his ideology. (Dietrich, 2008)

<sup>&</sup>lt;sup>26</sup> 1590-1648, also called Emericus Cruceus.

<sup>&</sup>lt;sup>27</sup> Adolf (2009:163) and Malbranque (2014) cite French political theorist Jean Bodin (1530-1596) as the very first to connect commerce and peace as early as 1568, but I was not able to confirm this.
<sup>28</sup> According to the Realist school theory of International Relations, states interact with each other on the basis of a rational view of human nature, acting solely in self-interest, and thus struggle for realpolitikal power and security. Liberalism, or Idealism, in the context of International Relations, on the other hand, emphasizes collaboration and shared interest. See, for example, Mansbach and Taylor (2008).

<sup>&</sup>lt;sup>29</sup> 1632-1704.

Locke is the co-founder of an ideology that does not ask what is good for the human beings and their peaces, but for the growth of the economy. The unfounded hypothesis that everything that is good for the economy would also foster the wellbeing of people conceals the unwholesome character of the dynamic that is thereby set in motion. (Dietrich, 2012:137)<sup>30</sup>

Another thinker in the Age of Enlightenment who proposed that free trade fosters peace was Nicholas Barbon,<sup>31</sup> who stated in his *Discourse of Trade* (1690:22): "Another Benefit of Trade, is, That, it doth not only bring Plenty, but hath occasioned Peace [...]." Moreover, Montesquieu<sup>32</sup> writes in *The Spirit of the Laws* that "commerce is a cure for the most destructive prejudices" (1748:316)<sup>33</sup> and that "peace is the natural effect of trade" (ibid).<sup>34</sup> The most famous Enlightenment thinker who elaborated on the connection between business and peace, however, is Immanuel Kant who writes in his *Perpetual Peace* (1795) that the "spirit of trade" ("Handelsgeist," p. 26)<sup>35</sup> enforces peace if (or as long as) all nations develop according to his vision of a global system based on international law ("Völkerrecht," p. 14).

Whereas Kant believes in human nature as a drive for progress, Adam Smith,<sup>36</sup> coins the idea of the "invisible hand" of free markets. Smith established in his seminal *Wealth of Nations* (1776) not only that both parties benefit from trade, but also that it is not worthwhile for trading nations to engage in a war. Smith (ibid:385)<sup>37</sup> states:

[C]ommerce and manufactures gradually introduced order and good government, and with them, the liberty and security of individuals, among the

<sup>&</sup>lt;sup>30</sup> As noted earlier in footnote 21 of Chapter 2.4 on page 27, Dietrich (2012) is the translation of Dietrich (2008). Original quote: "Locke ist Mitbegründer einer Ideologie, die nicht fragt, was gut für den Menschen und seinen Frieden ist, sondern für das Wachstum der Wirtschaft. Die unbewiesene These, dass alles, was gut für die Wirtschaft ist, auch das Wohl des Menschen fördere, verschleiert den unheilvollen Charakter der Dynamik, die dadurch ausgelöst wird" (Dietrich, 2008:218).

<sup>&</sup>lt;sup>31</sup> 1640-1698.

<sup>&</sup>lt;sup>32</sup> 1689-1755, full name and title: Charles-Louis de Secondat, Baron de La Brède et de Montesquieu. Commonly referred to simply as Montesquieu.

<sup>&</sup>lt;sup>33</sup> Book XX, '2. – Of the Spirit of Commerce.'

<sup>&</sup>lt;sup>34</sup> Book XX, '1. – Of Commerce.'

<sup>&</sup>lt;sup>35</sup> Full quote: "Es ist der Handelsgeist, der mit dem Kriege nicht zusammen bestehen kann, und der früher, oder später sich jedes Volks bemächtigt" (Kant, 1795:26). Translation: "It is the spirit of trade which cannot coexist with war and which, sooner or later, will permeate every nation" (translated by author).

<sup>&</sup>lt;sup>36</sup> 1723-1790.

<sup>&</sup>lt;sup>37</sup> Book III, Chapter IV: 'How the Commerce of the Towns contributed to the Improvement of the Country'.

inhabitants of the country, who had before lived almost in a continual state of war with their neighbours, and of servile dependency upon their superiors. This, though it has been the least observed, is by far the most important of all their effects.

In 1791, a year after Smith's death, Thomas Paine<sup>38</sup> calls commerce a "pacific system, operating to cordialize mankind, by rendering nations, as well as individuals, useful to each other" (1791:116). He elaborates:

If commerce were permitted to act to the universal extent it is capable of, it would extirpate the system of war, and produce a revolution in the uncivilized state of governments. The invention of commerce has arisen since those governments began, and is the greatest approach toward universal civilization, that has yet been made by any means not immediately flowing from moral principles.

Just like Smith and Paine, David Ricardo<sup>39</sup> (1817) saw that international free-market capitalism fosters peace. In the words of John Stuart Mill,<sup>40</sup> "the great extent and rapid increase of international trade [...] [is] the principal guarantee of the peace of the world" (1848).<sup>41</sup> Of course, this is not exactly true, as the 19<sup>th</sup> century, as well as much of the 20<sup>th</sup> century, has been marked by war; yet, the idea "survived [...] as an aspiration if not always a fact" (VanGrasstek, 2013:39). Louden (2007:66) points out that:

the Enlightenment hope that commerce would lead to peace rested on more than the critique of colonization and empire. Commerce, by civilizing people and creating bonds of union and friendship, would literally change people's characters. Over time, people would become less violent and destructive, less hateful and distrustful.

In today's world, it is indeed apparent that war occurs only if it is "financially rewarding. If a country reaches a higher level of prosperity, people have so much to lose that they will think twice before joining a movement that by definition leads to destruction" (Bais and Huijser, 2005:12). Louden (2007:67) continues:

<sup>&</sup>lt;sup>38</sup> 1737-1809.

<sup>&</sup>lt;sup>39</sup> 1772-1823.

<sup>&</sup>lt;sup>40</sup> 1806-1873.

<sup>&</sup>lt;sup>41</sup> Book III, Chapter XVII, 'On International Trade,' III.17.14.

The activity of commerce – though driven by individuals' self-interested desires to better their own financial positions – nevertheless gradually forces enlightenment and, eventually, peace upon the peoples of the world. In asserting that the spirit of commerce itself gradually helps force enlightenment, Kant too endorses a version of Hume's proclamation that 'industry, knowledge, and humanity, are linked together by an indissoluble chain.' However, Kant extends the chain still further: world peace itself is an outcome of the growth of commerce and enlightenment. And in predicting that the spirit of commerce 'sooner or later takes hold of every nation,' he joins Smith, Franklin, Paine, and others in envisioning an expanding force that acts 'to a universal extent' in drawing people closer together. All of this is part of a 'hidden plan of nature' (Universal History 8:27), albeit one that we also have 'a duty to work toward' (Peace 8:368). [citations by Louden]

The prospect that business fosters peace culminates in the following, often-heard, quote: "Countries that trade with each other are less likely to go to war than are countries that erect trade barriers to prevent foreign goods from crossing their borders" (McGee, 1993).<sup>42</sup> In the words of Axworthy (2007:xiv):

In theory at least, if trade and aid policies are carefully designed and implemented, they should encourage peace and security. Trade can establish incentives for peace by building a sense of interdependence and community. Trade can also be a powerful driver of economic growth and stability, reducing poverty and providing non-military means to resolve disputes. There's some truth in the old saying that countries (and regions) that trade tend not to fight.

The prevalence of this point of view directly correlates with the triumph of globalization and the eradication of trade barriers (cf. Van Tulder and Van der Zwart, 2006). According to Chapter 6 in the book *Just Peacemaking: The New Paradigm for the Ethics of Peace and War* (Stassen, 2008), "Just and Sustainable Economic Development" (Bronkema, Lumsdaine, and Payne, 2008:132) is one of the ten practices for abolishing war, thereby connecting the mantra of economic growth and development with the idea that the needs of future generations should not be

<sup>&</sup>lt;sup>42</sup> This is related to Democratic Peace Theory, which suggests that democracies rarely go to war against each other (see, for example, Kinsella, 2005). Interesting is also the Golden Arches Theory which claims that "no two countries that both have McDonald's have ever fought a war against each other since they each got their McDonald's" (Friedman, 2000:ix).

compromised, as the famous "Brundtland Report" stipulates in *Our Common Future* (World Commission on Environment and Development, 1987).

It is important to note, however, that there is no consensus regarding the accuracy of the idea that trade fosters peace. Karl Marx,<sup>43</sup> a historical opponent of capitalism, holds a different view. Marx argues that capitalism is quintessentially violent due to systemic inequalities. Marx talks about a class society where many are exploited and have to suffer for the benefit of few. A contemporary critique of the peace-through-trade idea is offered by Barbieri (2002). A good example for a discourse that is primarily driven by Western non-peaceful capitalism is that of development. In line with Escobar (1995), Banerjee (2003) sees "development" of the Global South as problematic because the notion of "development" is structurally violent, as it enforces and strengthens a dependency of the global periphery (cf. Wallerstein, 1974).

Summarizing what I have discussed above, it appears that there is, on the one side, the school of thought advocated by Adam Smith, Immanuel Kant and others, who believe in the notion of peace through wealth. On the other side, Karl Marx and other leftist philosophers – such as Immanuel Wallerstein (for an introduction to Wallerstein, see Halsall, 1997) a century after Marx – represent the antithesis which holds that capitalism is, and leads to, violence. Has either one of the two schools won the debate? Thus far, no. Both sides can be argued for, as both sides are able to find arguments that support their conclusions and falsify the other.<sup>44</sup>

Then, are there any alternatives? Yes, there are a multitude of attempts to create new conceptions of business that foster peace. None of them appear to be a clear winner though. In the words of Joas and Knöbl (2013):

The question of whether citizens' democratic participation, the rule of law within a country, or the interlinking of states through trade relations increase the probability of a peaceful foreign policy is in fact open to empirical verification, which is one of the reasons why it is still of contemporary interest. The results of the many studies on this topic are contentious in the detail. All in

<sup>&</sup>lt;sup>43</sup> 1818-1883.

<sup>&</sup>lt;sup>44</sup> Based on a discussion with Professor Wolfgang Dietrich in Innsbruck, Austria, in summer 2010 as part of the Master of Arts Program in Peace Studies at the University of Innsbruck.

all, though, they by no means leave liberal conceptions of peace looking groundless, and point quite unanimously to the existence of a kind of special peace between the liberal states. In the 1990s a furious debate flared up among social scientists over Kant's idea of a 'democratic peace' [...]. (Chapter 2, endnote 44)

To conclude this section, business – "and the international cooperation that it entails" (Gilpin, 2001:198) – has been seen by some as a force for peace from the 17<sup>th</sup> century onwards, an idea that continues to prevail today. The best example in the 20<sup>th</sup> century for an initiative that advocates peace through business is the post-war initiation of the European Community for Steel and Coal,<sup>45</sup> which ultimately led to the establishment of the European Union<sup>46</sup> – which is by definition a peace project, according to the President of the European Council Herman Van Rompuy (2015).<sup>47</sup> Unfortunately, much of the "peace through business" traction has been lost due to the emergence of an ethically questionable business culture. In the next section, I will argue why such traction needs to be regained.

## **3.2 Why Should Business Foster Peace? A Normative Rationale**

Having established in the previous section that business and trade in general can foster peace under certain circumstances, I now turn to the question why business

<sup>&</sup>lt;sup>45</sup> Groff and Bouckaert (2015:10-11) elaborate: "In order to prevent further war between France and Germany and other states in Europe, French Foreign Minister Robert Schuman conceived a plan in 1950 to unite the national industries of steel and coal of France, Germany, Italy and the Benelux countries. By creating a supranational, common market for the key industries of the production of munitions – coal and steel – he believed that he could 'make war not only unthinkable but materially impossible' (*Shuman Declaration – 9 May 1950*). [...] The *Treaty of Paris* (formally the *Treaty Establishing the European Coal and Steel Community*) was signed on 18 April 1951 and was the first step towards the creation of an integrated European market and the transformation of the bloody European battlefields into free and flourishing markets."

<sup>&</sup>lt;sup>46</sup> For a recent study on the legal/regulatory policies and laws related to business and peace, see Ford (2015).

<sup>&</sup>lt;sup>47</sup> It is interesting to put this development into the context of socio-politico-economic integration. Humans identified pre-historically first with their own kin. The unit of identification has grown from there via the village, perhaps the city-state and the region, to the nation-state. Finally, some are today readily identifying themselves with whole continents, for example as 'Europeans.' In other words, the unit of identification has been enlarged to "imagined communities" (Anderson, 2006). A nation-state, or a supranational union, is so large that it is impossible to know every citizen. Therefore, the boundaries of these communities are "imagined" (ibid:6). Trade and business has played a crucial role in this development, and it is fathomable to see the continuation of this development to include the whole of humanity.

*should* foster peace. A relevant question is the purpose of the corporation, which I discuss shortly first.

#### 3.2.1 Purpose of the Corporation

As the purpose, or the ultimate objective, of business cannot be defined negatively, could it be to foster peace? If one posits that the *sole* purpose of the corporation is to maximize profits, then there is no space for developing arguments at the nexus. With Milton Friedman (1970) at the forefront, this school of thought claims that "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud" (Friedman, 1962:133).

In the 1950s and 1960s, at the advent of the "modern era" (Carroll, 1999:269) of corporate social responsibility philosophy, opponents of the new concept argued that the only responsibility of business is to maximize profits. However, this view has been quasi rejected, as few companies can afford to not consider corporate social responsibility issues on some level today – decades after Friedman's controversial statements. It is now the de facto standard for every major corporation to engage with issues related to or relevant for the interface of business and society (John Friedman [not related to Milton Friedman], 2013). Therefore, a simplistic statement that the purpose of the corporation is solely to maximize (or increase) profits is wrong – despite the fact that no all-conclusive evidence has been provided to prove that corporate social responsibility pays financially. A counter-argument is the Ford Pinto case which demonstrates that public consciousness forgets (or perhaps also forgives?) quickly (Hoffman, 1984; Häyry, 2015a).

The purpose of "making money" does not refer to profit maximization – although wrongly believed by many, despite profit maximization *not* being mentioned in any law – but to offering investors an "adequate return" to investments. "Adequate" does not necessarily mean maximized. Yet, this adequate return must happen in a context that somehow benefits society. In the words of Williams (2008b:38):

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For the most part, scholars and business leaders have found Friedman's position wanting, especially as the globalizing of the economy has brought multinational business to developing countries. Those arguing for a moral obligation for companies to improve the social environment beyond what is legally mandated or required by a duty to shareholders are certainly not in favor of putting a company's financial future in jeopardy.

The American Bar Association adds, "[w]hile allowing directors to give consideration to the interests of others, the law compels them to find some reasonable relationship to the long-term interests of shareholders when so doing" (American Bar Association, 1990, cited in Banerjee, 2008:59). A recent seminar discussed the role of business in peacebuilding and concluded that "businesses need to regain public trust as socially responsible agents for peace – corporate philanthropy is not enough, as it may be seen as simply a marketing strategy to increase profit" (Nusrat, 2012; cf. Halme and Laurila, 2008<sup>48</sup>). This emphasis on *regaining* trust stems from the common lack of understanding regarding the true meaning of business. "We should stop seeing companies as mere providers of products or services" (Prandi, 2011:25). Tideman (2014) elaborates:

Business in essence is an act of creativity. The purpose of business should be (and always has been) to create value. Value is a broad concept that includes wealth, profit etc. Value is created when a certain need has been met. True well being (sic) and prosperity is what humanity needs. Nonetheless, this need has not been met – at least for many people this is the case. That is why we don't have peace. In other words, there is a gap to be filled by the creation of value/wealth and there is no reason to believe that business cannot contribute to the creation of this value. Unfortunately, too many people believe that business is only there to create profits for themselves. This is a dangerous misunderstanding. If you think like this, you will be out of business at some

<sup>&</sup>lt;sup>48</sup> Halme and Laurila (2008) argue that corporate social responsibility can be categorized into three types: First, philanthropy, which is usually limited to reputational and employee satisfaction issues. Second, integration, which refers to activities that are related to the company's core business. The focus is on improving social or environmental aspects of existing business operations. Third, Innovation, which emphasizes a win-win situation for both the benefitting community and the company, as the company tries to solve a social problem by deploying the resources, expertise, and knowledge it has because of its core business operations. Halme and Laurila (ibid:333) state: "Integration and Innovation types of [corporate social responsibility] action are more profitable to a company than philanthropy. Somewhat more surprisingly, it seems that such strategically oriented approaches to [corporate social responsibility] also yield more substantial societal outcomes than charity and philanthropy."

point. If business stops creating value for society (which includes of course clients) they will be out of business.

In the words of Michael Braungart, "the real responsibility of corporations is purely to do good work" (Braungart, 2005). As Marilise Smurthwaite (2008) argues, there are broadly five categories of the purpose of the corporation:

- 1. Make a profit for shareholders/owners;
- 2. Make a profit as well as develop individuals and serve the common good;
- 3. Make a profit and be a good citizen;
- 4. Make a profit while helping to form good human beings and contributing to community as a whole; and
- 5. Make a profit while being socially responsible (for example, projects relieving poverty).

Upon closer inspection, it becomes visible that all but the first category, in fact, include aspects of peace. The common good, good citizenship, contributing to the community, and (holistic) prosperity of the human family are related to one of the three stages of peace. For example, relieving poverty is an effort to combat structural violence, and thus part of weak peace. Contributing to the community and being a good citizen is part of strong peace, as it aims at propagating positive values in society. Finally, serving the common good, taken literally, offers a direct link to the holistic stage of peace, as it is a prescriptive higher purpose for endeavors. Smurthwaite above might not have the same interpretation of "serving the common good" as I have (as she puts it second after having only a profit motive), but the exact order of the four peace-fostering categories is not of relevance. Rather, what matters is that a comprehensive and critical review of literature about the purpose of the corporation (ibid) concludes with a clear mandate for advocating corporate efforts to foster peace.

#### 3.2.2 The Reciprocal Relationship of Business and Peace

After having identified the extended purpose of the corporation in society, the second step is to recognize that business benefits from peace *and* peace benefits from business. A peaceful society enables a certain societal stability that enables and

fosters commerce. "[B]usiness is more likely to flourish when societies practice integrity virtues that foster harmonious relationships" (Fort and Schipani, 2004:21).<sup>49</sup> Fort and Schipani (ibid:21) continue: "if virtues are a component to justice, then flourishing commerce benefits from virtuous behavior and is threatened by non-virtuous behavior." However, peace may also benefit from business. This is the conclusion that Fort and Schipani (ibid) arrive at and that the Historical Overview (Chapter 3.1) also presumes.<sup>50</sup>

"Reciprocal relationship" is also a good way to characterize the argument that revolves around the connection between business and impact, which I will next discuss in the remainder of this section. In other words, good business creates positive impact, and creating positive impact is good for business.

Good and responsible business is such that produces products and/or services which fill a human need in a socially, environmentally, and economically sustainable way. A flourishing business world requires a competition-based market economy, as competition is hitherto the best means we have to regulate supply and demand. Yet, the underlying aim of all human activity should be to contribute to the evolution of society. As a result, business experiences a set of imposed limitations, such as legal/regulatory, ethical, and societal expectations. Failing to fulfill these expectations can result in losing the license to operate.

Today we can ask the question, does a company such as Ford (see previous section) – or any other company for that matter – want to exploit loopholes in an ethically grey zone, or does it want to represent responsible leadership for an ethically sound future? In light of attracting and retaining talent, the proven benefits of a stable and ethical society for business, and risk management, it appears that most companies today want to do business in an ethical and responsible way while contributing somehow to society. Fort and Noone (2000:546) state: "Ethical business behavior is

<sup>&</sup>lt;sup>49</sup> Fort and Schipani (2004), the first two chapters in particular, form an extension of Fort and Schipani (2002).

<sup>&</sup>lt;sup>50</sup> For reasons why it is not in humanity's interest to engage in war, see, for example, Cranna (1994). The book also exemplifies how and why war is not in the interest of business, as conflicts mitigate potential profits (war-profiting industries are of course an exception).

best fostered when human beings can meaningfully connect their self-interest with the welfare of others."

Let us assume that business acts in self-interest while at the same time trying to fulfill societal expectations in terms of ethical responsible and conduct. Moreover, it can be assumed that the prevailing culture (actions, ways of thinking, structures, institutions, etc.) is fundamentally influenced by the prevailing paradigm. A number of authors -

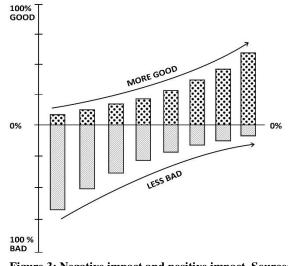


Figure 3: Negative impact and positive impact. Source: McDonough and Braungart (2013:34).

for instance Fritjof Capra (1982), Peter Senge et al. (2010), and Andrés Edwards (2005) – advocate a paradigm shift because the current paradigm is too narrow and focuses on minimizing negative impact rather than maximizing positive impact. The common discourse revolves around minimizing emissions, not using child labor, not being unethical, etc. A number of concepts have been developed – Michael Braungart's Cradle to Cradle / Triple Top Line concept and philosophy being at the forefront (McDonough and Braungart, 2002a and 2002b; cf. Elkington, 1998) – that suggest creating positive impact rather than merely minimizing negative impact in order to assign business the role of being a force for good, as being "less bad is no good" (McDonough and Braungart, 2002a). Braungart's ideology succeeds in humanizing business by recognizing that profits are ok, but not the ultimate bottom line, and conceptualizing it as good business sense.

The problem with promoting a new paradigm of positive impact creation is that there is no general answer to the question what the "positive impact" in substance should or could be. One notable exception is in the field of eco-design where products are expected to deliver positive nutrients to the biosphere and/or to the technosphere (McDonough and Braungart, 2013).<sup>51</sup> However, positive impact in the social sphere has hitherto not been defined.<sup>52</sup> Just as "corporate social responsibility" does not, *per se*, dictate any concrete activities (which leads to the plethora of definitions available, see Dahlsrud, 2006), nor does "positive impact" mean or entail anything actually by itself. We are talking about an abstract effect that depends on the context. Promoting the idea of creating or maximizing positive impact (as many do in the context of sustainability), without offering any substantial content for it, is logically insufficient. Merely promoting the idea of minimizing negative impact, on the other hand, is logically viable because negative impact is identifiable upon existence. Thus, it is understandable that minimizing negative impact is today much more readily being undertaken throughout corporate sustainability efforts.

Shiva (1986:27) writes about development, which can here be seen as an analogy for impact:

Just as economic growth in itself says nothing about economic progress until some light has been shed on the questions of 'growth of what, for whom?', so the word 'development' is ambiguous until some clarification has been given as to what has been developed, to whose benefit and at what costs.

In order to find an overarching notion that could serve as the substance of "responsibility" and "impact" in the business context, which would fill the logical gap presented above, it needs to be sufficiently broad and all-encompassing, yet sufficiently ambitious to point in the direction of the ultimate objective of human

<sup>&</sup>lt;sup>51</sup> 'Cradle to Cradle' is a certificate – a set of design principles (McDonough and Braungart, 2000) – issued by an independent non-profit organization for products (or whole companies) that comply with a number of strict requirements. It is about a new way of thinking (or, as old as nature itself through biomimicry), one that makes sense because it considers every aspect of a product lifecycle and designs the product in a way that the "biosphere" and/or the "technosphere" benefit. In other words, a Cradleto-Cradle certified product is non-toxic and has some positive impact on living organisms or the environment (for example, an ice-cream package containing seeds which grow when the melting package is thrown into nature), or on the technological cycle of the product's life (for example, a chair being easily disassembled for the purpose of maintenance and building new products of at least equal quality with all raw materials being upcycled). Whether enriching ecosystems or circulating highquality raw materials, Cradle to Cradle is a holistic recognition that "waste equals food" (McDonough and Braungart, 2000:59) as all biological and technical nutrients can be reused.

<sup>&</sup>lt;sup>52</sup> A trivial fact: Michael Braungart recognizes the importance of the social sphere but has not developed it simply because, according to his own words, his education as a chemist does not prepare him for that. For the negative impact of the human sphere on sustainability, see, for example, Chapter 4 in Robertson (2014).

activity and societal development. I suggest that peace can be this grand ideal, as I discussed in Chapter 2. It turns out that all viable alternatives for a grand ideal (wellbeing, justice, prosperity, education, health, etc.) are in fact included in the notion of peace.

The above discussion has exemplified why peace should be seen as the ultimate substance of positive impact – and hence why peace, as an objective, is relevant for business, just as creating positive impact is relevant for business. If A is relevant for B, and B is relevant for C, then A is also relevant for C. Given that peace can be defined as the substance of positive impact, and given that business is expected (by society) to create positive impact, business can be expected, on some level, to foster peace or one aspect of it. The reciprocity suggests that business will also benefit from such an approach.

#### 3.2.3 Ethical Arguments

In the previous section, I argued that it is in the self-interest of business to foster peace, and in the self-interest of society to recognize business as a force for peace. In this section, I now turn to ethical arguments for a normative rationale. First, what does Galtung, the "father" of Peace Studies, say about business? Through his postmodern approach, Galtung essentially doubts the peacefulness of capitalism (Dietrich, 2008). His "60% Marxist" (Galtung, 2002) analysis shows that a capitalist society is, in its roots, characterized by structural violence. Therefore, Galtung, 2009) in order to argue in the book *Peace Business: Humans and Nature Above Markets and Capital* that responsible business is such that it does not only act in an ecologically and socially sustainable way, but also positively contributes to the benefit of society and nature through its day-to-day business activities. The authors state (ibid:17):

Why should business also be concerned with peace? Because the present alignment of economic forces in favor of economic growth is too narrow, too misleading, too dangerous and destructive to all parties.

Santa Barbara et al. (ibid) point out in a footnote that their understanding of peace goes beyond that of the absence of war, as "peace business [is] an important part of

*positive* peace, of linking partners equitably together" (ibid:211). The authors also expand on "The Need" (ibid:13) for "peace business" which is identified through a normative declaration that "consideration of basic human needs" (ibid:13) is the starting point for a paradigm change, in which not profit maximization but human wellbeing and ecological sustainability is paramount. Arguments range from a lack of sustainability in the current "business as usual" attitude, inequality, and other systemic problems. "Behind all these gruesome numbers are unnecessary death, misery, and repression for billions of people, and destruction of our planet's ecosystems" (ibid:15). Therefore, "peace business" is proposed as a solution, as it is a

> wake up call about the dangers and injustices inherent in the current business/economic paradigms; [a] vision of what could be equitable and sustainable systems of exchange able to meet basic human needs of both the current and future generations; [and a] real movement with global examples already in place and continuously being expanded and improved. (ibid:15)

If we look at the extended understanding of violence (cf. Galtung, 1969; Galtung, 1990; and Santa Barbara et al., 2009:16), we notice that "business as usual" has often, and in many contexts, been violent. Fostering inequality, unsustainable practices, and exploitation of different resources is such violence. If we believe in the virtue of nonviolence and agree that violence is bad and should therefore be avoided, we can conclude that business should not foster violence.

A reason why business should foster peace becomes apparent if we reconsider the insight from Chapter 2 that peace entails the prescriptive presence of such ideals (or concepts generally) that enable and nurture human wellbeing. An example for such an ideal is health (cf. "corporeal peace" in Adolf, 2009:235). As Santa Barbara et al. (2009:17) point out, health is a concern for both businesses and advocates of peace, as the health of managers, workers, consumers, communities, and the environment are good for both sides of the same coin. The "coin" refers here to society at large. If business fosters health (in any out of the many holistic ways), then business fosters peace. Thus, as responsible business is expected to contribute to the health of society, responsible business thereby also is indirectly expected to foster peace.

Korten (2001) argues that the mantra of free trade and capitalism has created a power imbalance in the world, which has resulted in social and ecological dwindling. I

argue that it is not only in the very self-interest but also the ethical duty of responsible business to set peace as the *telos*, the goal or the aim, of corporate impact (cf. Fort, 2001). In other words, business should identify peace as the overarching substance of its impact – both as the corporate social impact and as the impact of products/services. As business will need to show significant efforts towards creating positive impact for society in a responsible and sustainable manner, setting peace as the goal of corporate activity will ensure retaining the corporate license to operate. The only alternative is unprecedented regulation of commercial activity. In the words of Karen Ballentine (2007:134):

For progressive firms operating internationally and concerned with their reputational capital, obtaining a 'social licence (sic) to operate' among local and national stakeholders in host countries is now seen as an essential component of sound business planning. Fiscal transparency, positive community relations, environmental protection, and sponsorship of health and education initiatives have already become standard elements of today's corporate social responsibility (CSR) agenda. More recently, some companies have begun exploring ways to extend traditional CSR to embrace conflict sensitivity, and thereby to address broader issues of peace, security, human rights and sustainable development, particularly in war-affected settings in which they operate.

If Korten (2001) talks about ecological destruction, the loss of civil freedoms, the erosion of democracy, and community disintegration, it is exciting to notice that the very opposites – respecting nature, civil wellbeing, legitimate decision-making, and community integration – are aspects of peace (see Chapter 2). Ryland (1997:301) concludes:

The implication of this book [Korten, 2001]<sup>53</sup> is that all business education should be business ethics education in the widest sense of the word. Business must be taught as if people mattered, and business schools must serve their proper academic role as social critics and agents for change, rather than serving moneyed interests as they currently do [...].

This change should be a paradigm shift that makes business a force for peace. Fort (2001:303) states: "Ethical concerns are precisely the evidence that some goals other

<sup>&</sup>lt;sup>53</sup> Ryland (1997) comments on the first edition of Korten (2001).

than profit maximization no longer lurk in the corporate background, but require conscious attention." In other words, business is not (merely) about profit maximization (cf. Chapter 3.2.1) but about the satisfaction of (collective) human needs and desires. From a Business Ethics point of view, business, thus, has a moral duty to create value for society (cf. Porter and Kramer, 2011) by adhering to "principles and virtues that create space for the multiplicity of human goods" (Fort, 2001:304; see also Fort, 2007). Further, "[c]reating this kind of space frequently takes the form of identifying legal rules or philosophical principles that ought to be followed in addition to, and sometimes instead of, maximization of profits" (Fort, 2001:305).

Laws are for politicians, so what are the philosophical principles that we can identify for business? Through a long and detailed discussion, Fort (ibid:306) arrives at the conclusion that peace should be the *telos* of ethical business for the following reasons:

I propose the *telos* of sustainable peace as an aim to which businesses should orient their actions both for reasons of the good of avoiding the activities that contribute to or make more likely the spilling of blood as well as for the good of sustainable economic enterprises, which are fostered by stable, peaceful relationships. Sustainable peace, of course, sounds like Mom and apple pie. Yet, I will suggest that a commitment, indeed a militant commitment, to peace is one that clarifies ethical obligations in the business environment and makes legitimate economic endeavors subject to a countervailing moral goal.

Fort recognizes that peace is so "powerful" (ibid:307) that, "standing in conjunction with the usual priorities of economic profitability, it can provide a teleological orientation to business affairs that must inevitably provide the season for business ethics to reign in corporate life" (ibid:307). Therefore, "advocating peace is like advocating ethics" (ibid:307). In order to argue that fostering peace is in one's self-interest, one has to understand that long-term self-interest is always more satisfactory than short-term self-interest (Hosmer, 1994a). Moreover, if we assume that "acting in ways that can be considered to be "right" and "just" and "fair" is absolutely essential to the long-term competitive success of the firm" (Hosmer, 1994b:192), then such moral behavior must be in line with behavior that benefits society as a whole. If it "pays" to be moral in the long term (Fort, cited in Shaw and Corvino, 1996:382), it must also pay to foster peace in society. Needless to say,

fostering peace is by no means "a set of restrictions but rather [...] a positive force for excellence," as Shaw and Corvino (1996:381) discuss in the context of virtue ethics and moral behavior. In the words of Solomon (1992:330):

Business ethics is too often conceived as a set of impositions and constraints, obstacles to business behavior rather than the motivating force of that behavior. So conceived, it is no surprise that many people in business look upon ethics and ethicists with suspicion, as antagonistic if not antithetical to their enterprise. But properly understood, ethics does not and should not consist of a set of prohibitive principles or rules, and it is the virtue of an ethics of virtue to be rather an intrinsic part and the driving force of a successful life well-lived. Its motivation need not depend on elaborate soul-searching and deliberation but in the best companies moves along with the easy flow of interpersonal relations and a mutual sense of mission and accomplishment.

In other words, business should foster peace not in a sense that it constrains business activity but in a positive, enabling sense. Just as the idea of Social Entrepreneurship (cf. Elkington and Hartigan, 2008) has brought up a multitude of new business opportunities, so does corporate peacebuilding. However, it requires a different way of thinking, a different mindset, in order to "achiev[e] moral excellence" (Laasch and Conaway, 2015:139; see also Hoffman, 1986). I will get back to this question in Chapter 4 but first, in the next section, I will discuss what business can do in practice to foster peace.

### **3.3 What Can Business Do to Foster Peace? A Framework**

#### 3.3.1 An Axiomatic Overview

What exactly does "fostering peace" mean? It is my understanding that "fostering peace" refers to recognizing one's role and engaging in creative activities that make various stages of peace more likely in society (cf. Lederach, 2005). Suder (2008:4) defines peace as the outcome of the following efforts: "Peace is the balance of interests of communities, and their proper communication, dialogue and actions regarding challenges and issues they may have, acting responsibly so as to prevent

violence." This is a very broad definition, yet it is relatively similar to the term "peacebuilding"<sup>54</sup> which tends to be more prevalent in literature.

The term "peacebuilding" has distinct definitions and is separated from other terms such as "peacekeeping," "peacemaking," "peace enforcement," "conflict prevention," "conflict settlement," "conflict containment," "conflict management," "conflict resolution," "conflict transformation," etc. (see, for example, Ramsbotham et al., 2011; some of the terms are also defined in United Nations, n.d.). From the point of view of business companies, however, these terms can be seen as synonymous for our purposes. For a general understanding, Lederach (2006, cited in Lederach, 2008:98) elaborates and offers the following definition: "Peace building represents the intentional confluence – the flowing together – of improbable processes and people to sustain constructive change that reduces violence and increases the potential and practice of justice in human relationships". The renowned peace scholar continues to deconstruct this definition piece by piece. First, Lederach points out, by referring to "the confluence of improbable processes and people," that "people who are not like minded and not like situated within the conflict context find themselves in relationship – flowing together – with a purpose of finding greater understanding and constructive engagement" (2008:99). Second, "constructive change" gives, according to Lederach, the content for peacebuilding: "violence must be stopped and human dignity, equality, fairness, and human flourishing must be pursued and increased" (ibid).

Lederach (ibid) further introduces three "gaps" that he has, as a renowned scholar and practitioner in the field of peacebuilding, identified where business *can* play a constructive role and make a positive difference. Lederach calls the three gaps "lenses [with which] we can address more directly the opportunities for commerce and the business sector to contribute to peace building" (ibid:102). Lederach's gaps offer a good starting point for addressing what business can do for peace, so I will summarize the three gaps as follows.

<sup>&</sup>lt;sup>54</sup> Various synonymous spellings exist in addition, such 'peace building' and 'peace-building.'

First, the "vertical gap" represents the common lack of interaction among the bottom, middle, and top layers of the peacebuilding pyramid, due to the typical finding that people like to connect with people within the same layer in society but often have troubles connecting to other groups vertically within social structures (Lederach, 1997, cited in Lederach, 2008:100). The peacebuilding pyramid (Figure 4) recognizes that in every conflict there are three layers of society involved in parallel in the peace process, rather than only the "official" peace process. The top layer represents high-level negotiations conducted by top-level political leaders, mediators and the like. The middle layer represents middle-range religious, ethnic, academic, intellectual, and humanitarian leaders who hold problem-solving workshops, conflict resolution trainings, peace commissions, and insider-partial team meetings. And, at the base of the pyramid, the grassroots leaders are the local leaders who represent, for example, indigenous NGO's, community developers, health officials, refugee camp leaders and the like who organize a wide variety of events.<sup>55</sup>

#### **TYPES OF ACTORS**

Level 1: Top leadership Military/political/religious leaders with high visibility

Level 2: Middle range leadership Leaders respected in sectors Ethnic/religious leaders Academics/intellectuals Humanitarian leaders (NGOs)

Level 3: Grassroots leadership Local leaders Leaders of indigenous NGOs Community developers Local health officials Refugee camp leaders

#### **BUSINESS COUNTERPARTS**

Individual business leaders National chambers of commerce Sectoral apex organisations Leading company CEOs

Small to medium-size enterprises Regional chambers of commerce Regional business leaders Affected population

Shop owners Traders, including informal sector Market stall owners Small scale associations

Figure 4: The Vertical Gap. Source: Lederach (1997), cited in Banfield, Gündüz, and Killick (2006).

Business maintains a unique position in society to bridge the vertical gap though understanding and building "relational spaces" (Lederach, 2008:103). Large companies cover many, if not all, layers of society, from the unskilled blue-collar

<sup>&</sup>lt;sup>55</sup> On a side-note, Lederach's (2005) web concept refers to the interconnectedness of these three layers.

workers to the CEO who often has good connections to the national government and international/global stakeholders. Lederach notes that "good business practice requires an ability to develop relationships across lines of conflict and from local to national and global levels" (ibid:103).

Second, Lederach (2008) talks about the "justice gap," which refers to the differentiation between negative peace and positive peace, or weak peace and strong peace. Even if a ceasefire agreement is signed after a violent conflict, the population often does not feel that the root causes of the conflict are sufficiently addressed. Lederach points out that addressing injustices, such as poverty and economic disparity, is often difficult in peacebuilding. Hence, the justice gap exists when only weak peace has been achieved without duly attending to the intricacies of strong peace. "While peace may first translate into an image of safety and security, it also has very powerful connotations about the quality of life, livelihood and social well-being. These latter qualities are specific, including decent employment or a piece of land, a house, access to education, and food on the table" (ibid:101).

Finally, the "interdependence gap" implies the inability to imagine oneself, the ingroup, as interdependent and interconnected with others, the outgroup. "People and processes, no matter at what level of society, must envision their interests and goals as not only related but ultimately dependent on a wide range of factors that includes others, even those they may most dislike, fear, or wish to ignore" (ibid:103). While the justice gap relates to strong peace, the interdependence gap is most connected to holistic peace.

The following three sections deal with the important question of what business can do in practice to foster peace in different contexts. I will address various programs, policies, and initiatives that companies can undertake. In order to have a clear structure for this section, I adopt the three stages of peace from Chapter 2: weak peace, strong peace, and holistic peace. In practice, however, the three stages certainly do overlap, as do the activities for each that business leaders can deploy.

#### 3.3.2 Business vs. Weak Peace

Weak peace was defined in Chapter 2 as the absence of systematic violence. I use the word "systematic" in my understanding of violence in order to include organized activities that foster physical, structural, or cultural violence. Thus, this section is about the role of – or the challenges and opportunities for – business in geographic areas where systematic violence is, or recently was, experienced (Annan, 2004). Such contexts can be wars, intra- or inter-state conflicts, post-conflict recovery, political or environmental catastrophes, etc. It is important to keep in mind that civil wars or intra-state wars have become common, to the extent that today they outnumber international war; some 20 million people have died and 67 million people have been displaced due to civil wars since 1945 (Collier and Sambanis, 2005:xiii). "Most new outbreaks of large-scale armed conflict occur within the boundaries of sovereign states and pit the government against one or more groups challenging the government's sovereignty" (ibid:2). Fort and Schipani (2004:42-43) note that

these statistics are meaningful [for corporations] because they suggest that violence is more likely to occur within the domestic settings in which the corporation operates. This setting makes the impact corporations may have on a domestic economy, wherever located, more relevant. Corporations are dependent upon the relative stability of the local business environment [...].

The first realization is that business can act as a "Substitute for War and Violence" (Groff and Bouckaert, 2015:10). This idea refers to the peace-through-trade idea, as I discussed in Chapter 3.1 (Historical Background). In current times, the idea suggests that including war-torn or failing states in the global economy may help not only with much-needed economic development from poverty to adequate livelihood creation (Lederach, 2008), but also with contributing to the prevention of further escalation of violence. This is not to say that free markets are always beneficial, or that free trade can always hinder war; as Groff and Bouckaert (2015:11) state:

The belief in the economy as a substitute for war has to be qualified in many ways. But still, the potential of the free market as a substitute for war remains valid. Therefore in order to create an environment of business for peace, the claim for a free market economy must always be accompanied by a critical reflection on the *limits and failures* of markets.

How can business foster weak peace? The positive role of business in such contexts can be categorized either as minimizing the extent to which business is a cause of violence – the Kimberley Process ("blood diamonds") is an example<sup>56</sup> for industry self-regulation (cf. Haufler, 2001) – or as contributing to the ending of violence caused by other reasons – for example, through hiring former combatants or members of warring factions, as I will discuss below. In other words, we can categorize weak-peace efforts of companies on a scale from refraining from causing war/violence to helping to stop war/violence (see Sweetman, 2009, for a book-length overview). However, fostering weak peace in the business context includes also contributing to post-conflict recovery (Bray, 2009), to natural disaster recovery (Campher, 2005; Twigg, 2001), and to any other support in areas where basic human needs are not being satisfied. Upreti, Ghimire, and Iff (2012) note that there are many examples where business successfully contributed to peace.

As I discussed in Chapter 3.2.2, it is in the self-interest of business to foster peace and stability by "tak[ing] steps to mitigate the likelihood of violence in the countries in which they operate" (Fort and Schipani, 2004:43). Ballentine (2007:135) notes that "incorporate[ing] some elements of conflict-sensitive business practices, such as revenue transparency or responsible security, corporate codes of conduct have the potential to set rudimentary benchmarks, sensitize the internal corporate culture to the value of conflict prevention and to help build skills and capacity for improved policies on the ground." A concrete example is the opportunity for business to combat bribery and corruption and promote transparency, as corruption and conflict have been plausibly linked (Fort and Schipani, 2004; see Le Billon, 2003, for a more detailed analysis). As Fort and Noone (2000:517) discuss, "the connection between

<sup>&</sup>lt;sup>56</sup> The Kimberley Process Certification Scheme certifies that diamonds are from safe sources and not sold by rebel groups to finance their war operations. See, for example, the United Nations (2001). The homepage of the initiative can be found at www.kimberleyprocess.com. Uncertified diamonds are highly problematic because some large multinational companies deliberately do business with illicit diamonds in order to maximize profits. This does not only benefit the shareholders of these companies (at least financially) but also fighting parties in whose interest it is to continue the deadly war in Central African countries like Sierra Leone or Liberia. The effects on the local population are devastating. See Kanagaretnam and Brown (2005:2-3). In the end, it is in the "enlightened selfinterest" (ibid:4) of the involved companies to react to the international pressure and to establish ethical rules of conduct for the industry (Fleshman, 2001).

the elimination of corruption and international peace is important and, precisely because of this importance, one needs to understand the structures that might allow for a more acceptable and effective transnational prohibition of bribery." Bribery can be seen as a form of structural violence; if this is taken as true, then any efforts that combat corruption thereby foster peace. Fort and Schipani (2004:43) refer to business policies to prevent corruption as "steps to improve the atmosphere in the countries in which they operate." This can entail discouraging corruption among politicians, emphasizing the rule of law or lobbying for changing laws, and serving as an example through being open to external evaluation (ibid). Of course, one needs to understand that contributing to corruption may appear to facilitate a company's operations in a market or improve its competitiveness or profitability; yet, it is not only unethical but also contrary to the company's self-interest, as doing so the company "engages in the social milieu that is correlated with violent resolution of conflicts" (Fort and Schipani, 2004:45).

The seminal work, The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution by Jane Nelson (2000) – published by International Alert, The Prince of Wales International Business Leaders Forum, and the Council on Economic Priorities – develops five principles for corporate engagement in peacebuilding. First, Nelson argues that "strategic commitment" is needed from top management of a company to address issues such as human rights, corruption and conflict. This requires not only management systems, but also awareness and skills. Second, "risk and impact analysis" refers to understanding the conflict at hand, in order to react in the right way. Third, "dialogue and consultation" posits active engagement with important stakeholders in an open and honest manner. Fourth, "partnership and collective action" asks for collaboration with other companies, organizations, and government institutions, to address such issues as good governance, anti-corruption, peace negotiations, corporate citizenship, an open and free media, health, education, civic institution building, infrastructure development, etc. Finally, "evaluation and accountability" stresses the importance of monitoring and reporting key performance indicators (KPIs) of corporate impact.

In 2005, 60,000 businesses operated in war zones in over 70 regions (Bais and Huijser, 2005). A *Harvard International Review* article (Berman, 2000:32) describes the importance of recognizing the active role of business in peacebuilding:

Understanding how corporations think about war is the *sine qua non* for engaging corporations in nurturing peace. Diplomats seeking to negotiate solutions to conflict have potential allies in the corporate sector, but they will realize that potential only if they understand the motivations that underlie it. NGOs desiring to influence corporate behavior in areas of conflict must understand the concerns that motivate that behavior. Governments seeking foreign investment to rebuild war-torn countries need to understand how corporations will assess the risk from tensions that persist both during conflict and even after a truce is signed. By understanding how corporate managers think about war, constituencies to peace-building will go further toward engaging the corporate sector in achieving their goals.

A case study of the role of business in Sri Lankan society, where a war has been going on for two decades, shows that in Sri Lanka, "[t]he public is unclear whether businesses should only focus on profits or also engage in social issues. While a small majority feels that business should do more for the social good, they are mistrustful of companies' ability to handle this task and express fears that the private sector exploits consumers and destroys cultural values" (International Alert, 2005:6). The study concludes that companies in a conflict zone need to have a clear corporate social responsibility policy and ensure that their activities are not merely perceived as a public relations exercise by the public. Nevertheless, through effective dialog among all stakeholders and with adequate training, corporate social responsibility can serve as an "entry point for business involvement in peacebuilding" (ibid:89).

However, Bais and Huijser note in their book, *The Profit of Peace* (2005:13), that "through their *core* business" – i.e. through "their operations, their human resources policies and their access to high-level political leaders" (ibid) – companies can "set meaningful standards for people whose lives have thus far been dominated by weapons and arbitrariness" (ibid). "To be clear, this has nothing to do with charity" (ibid).

There are various incentives for businesses to become "peace entrepreneurs" (Banfield, Gündüz, and Killick, 2006:6). However, there are also incentives to remain

driven by self-interest, regardless of the negative impact this has on society. Felgenhauer (2007:17-26) discusses the topic in detail and lists the following incentives for both directions: on the one hand, in addition to the moral argument, advocating for peace means avoiding costs of conflict, generating profits, benefiting from an improved reputation (this is related to marketing and the justification of corporate social responsibility), and ensuring sustainability (which is a premise for creating enduring profits). All of these are strong incentives for the business sector to participate in peacebuilding. On the other hand, competition for scarce natural resources – the so-called "resource wars" in Angola, Sierra Leone, and the Democratic Republic of Congo are examples for cases where the business community at large has negatively affected the conflict (Kanagaretnam and Brown, 2005:1; Ballentine and Nitzschke, 2003:3) – operating in the arms industry, lack of profits, and what Felgenhauer calls illusionary ethics, i.e. that "corporations are formed to maximize profit only, not to put morale on their agenda" (Felgenhauer, 2007:29), all lead to companies potentially to promote conflict.

As we have now established that business is strongly incentivized to do good but also carries with it the potential to do harm, the next question addresses private companies' capacity to influence society for the better by fostering peace. Lederach (2008) identifies livelihood and relational interdependence as opportunities of business. He calls this, aptly, the satisfaction of basic human needs (ibid:103). Clearly, business helps people to earn a living and to build relationships with others, a necessary component of any stage of peace. Moreover, "businesses provide the necessary technical and financial input to jump-start the economy by replacing missing infrastructure, providing job opportunities, and investing first in the collapsed economy" (Felgenhauer, 2007:19). Felgenhauer adds in the next paragraph that business has also the capacity and capability for long-term peacebuilding through economic, social, and political influence. Hence, it is fathomable that this influence may be geared towards promoting peace in a conflict-prone environment.

Moving on to the challenges that business faces in peacebuilding, Lederach makes an interesting statement (2008:104):

First and foremost, the fact that opportunity may exist and that a general ability to work with people of different persuasions and interests does not automatically translate into a capacity to understand and creatively deal with the level of intensity that accompanies settings of deep-rooted and violent conflict. The commerce sector would be well advised to develop both a greater capacity to analyze the dynamics and process of conflict and its constructive transformation and to know when specialized expertise in outside facilitation process design is needed.

The statement seems to make sense. It is indeed not the primary objective of business to "understand and creatively deal with [...] conflict." In the words of Bais and Huijser (2005:12), "their [multinational corporations] role is not mediating between warring factions, with one eye on the Nobel Peace Prize, because that requires an expertise truly beyond the core business of an MNC [Multinational Corporation]." In order to realize the potential for business to foster peace, business must look beyond CSR and see how core business strategies can contribute to peacebuilding (McKenna, 2013). "It is precisely through performing its core business that the private sector can foster stability in a country or region" (Bais and Huijser, 2005:12). Ganson (2011:1) states: "The capacity of business for conflict prevention lies in its individual skills, organsational (sic) capabilities and inter-organisational mechanisms." For corporate peacebuilding to work, the company first has to show "conflict sensitivity" (Woodrow and Chigas, 2009), i.e. be sensitive to the conflict, "its causes [...], its development, the actors involved (armed actors, governments, victims and human rights violators) and its consequences (not only economic but also social)" (Prandi, 2011:36).

This means that, based on an analysis of the conflict, the company must understand and anticipate its interaction with the context in an effort to avoid negative impacts and maximise positive ones in the process of peace-building. Through the "Do No Harm" theory, companies must also be capable of fostering "connectors", that is, elements that lower tension, and minimise "dividers", that is, those that potentially increase the violence within their area of influence. (Prandi and Lozano, 2011:10).

International Alert (2006) emphasizes that conflict sensitivity should also include a strong concern for the local community. In order to move from conflict sensitivity to corporate peacebuilding, companies can play a proactive role, for example, by consciously providing jobs to locals and ensuring that hiring policies emphasize diversity. This way, a company can consider their hiring of employees from different

ethnic groups to be part of their strategic effort to build peace. If these groups had been fighting, having them now, explicitly or implicitly, working towards a common goal can contribute to reconciliatory effects in the workplace and prevent new conflicts with no specific ethnicity unjustly benefiting from favoritism. Examples can range from companies purposely hiring both Protestants and Catholics in Ireland or both Israelis and Palestinians in order to help people recognize that the enemy too is human. (Prandi, 2011; Fort and Schipani, 2004)

Body and Brown (2005) suggest entrepreneurial programs to help ex-combatants who cannot find wage-employment to form independent micro-enterprises through which they can sustain their livelihoods. Running one's own legitimate business is an effective method of reintegration into society – an important aspect of post-conflict recovery.

Prandi (2011:39) offers a list of groups that companies should analyze carefully in order to understand the deep relationships among the people for the purpose of identifying potential employees, customers, business partners, and other stakeholders while having the end goal of value creation for society at large in mind:

- Victims, both individual and collective, of human rights violations (including women who are heads of households, minors and orphans, the disabled)
- Internally displaced persons (IDP), refugees and returnees (including women who are heads of households, minors and orphans, the disabled, indigenous people)
- Demobilized and former combatants (including women and minors)
- Minorities and historically discriminated peoples (or people whose claims are at the root of the conflict)
- Members of the armed forces and private security companies

The second point includes the, currently very hot, topic of refugees. According to a recent article published by the World Economic Forum (Koser, 2015), business can help refugees – especially now during the refugee crisis in Europe. Opportunities include complementing governmental efforts (or filling the gap) through training and employing refugees and thereby using the crisis as an opportunity to fuel economic

growth, in addition to financial and pro bono support (for example, to humanitarian agencies). (See also Forrest, 2015.)

Business can make use of the "power of the convener [if it decides to act as a] quasimediator" (Lederach, 2008:103). Even if this is not a formally adopted role, business leaders can inspire followers to make the right choices. Fort and Schipani (2004) talk about the company as a "mediating institution," the creation of a sense of connectedness, and the building of communities both in a sense of a corporate community and consideration of the sensitive issues in communities in which the company operates. Prandi (2011) adds that companies should not only gather data but also engage in innovative, participatory, and cross-sector learning activities and dialog in accordance with the role and responsibility the company has assumed:

> In this sense, it is important for the dialogue to be sincere and transparent and if possible for it to take place in a climate of mutual trust and respect and in a venue that allows all parties to express themselves freely. Likewise, the company must also ensure that the collectives with which it forges relationships actually represent the groups they claim to represent in order to avoid misunderstandings that might compromise the entire process. To achieve this, it may be necessary for the company to enlist the aid of trusted local individuals, organisations or associations to act as facilitators in the process. Companies can also use the figure of facilitator in particularly complex cases which may help them to better grasp the local contexts and make headway towards security when faced with a wide variety of conflictive issues in a society in reconstruction. (ibid:39)

> In short, it is an interactive process that should enable parties to get to know the 'other' and learn from it in order to jointly construct a network of values and interests that create value and innovation in the company, and in society as well. In this context, the process is as important for the company as its content. Through this process, companies ultimately perceive themselves as more interconnected with society, plus, thanks to this dialogue, companies learn to understand what they are and what is expected of them in a complex setting. (ibid:40)

In addition to the themes I have addressed so far in this section, one needs to recognize that business can also foster weak peace in contexts where there is no absence of weak peace *per se*. For example, fostering meaningful involvement of women and gender equality in the economy fosters peace, according to Fort and

Schipani (2004) – a topic all too current in the Western world. Business can contribute to the establishment of nondiscriminatory standards and inclusion policies (ibid). Furthermore, business provides jobs and security (Ganson, 2011), the absence of which would cause substantial problems. Huge unemployment, for example, is a symptom of structural violence. Fort and Schipani (2004:43-44) conclude: "In becoming profitable, corporations cross borders and establish relationships that might not otherwise exist and, in doing so, provide opportunities and frequently raise standards of living for the societies in which they are located."

McKenna (2013:1) summarizes the potential for business to foster peace in the following way:

The logic at the heart of the business and peace scholarship is that economic development, the alleviation of poverty, the rebuilding of infrastructure destroyed as a result of violence, as well as livelihood opportunities, are crucial elements in building sustainable peace. Importantly, all of these activities depend on business. This connection has generated interest in the potential positive contributions of business to peace-building processes. Examples of how business might further peace include: fostering economic development, adopting principles of external evaluation, contributing to a sense of community, engaging in track-two diplomacy, as well as engaging in conflict sensitive practices such as undertaking conflict impact assessments.

This section has identified a number of actions that businesses can take in a conflict region, ranging from investing in infrastructure and self-regulation to prevent causing violence to hiring former combatants and engaging in honest and respectful dialog with relevant stakeholders to act as a convener for the sake of peace and stability. It is important to realize, however, that the mere practicing of ethical business operations can contribute to the ending of violence. The next section takes this as a starting point and addresses how business can foster strong peace.

#### 3.3.3 Business vs. Strong Peace

Strong peace was defined in Chapter 2 as the presence of positive values, such as justice, health, and wellbeing. This aspect of peace is more difficult to define than weak peace. Yet, it becomes apparent that business has significant opportunities to foster strong peace, even if weaker aspects of peace have already been achieved (Fort,

2014). Steve Killelea, an Australian business man and founder of the *Global Peace Index* (Institute for Economics and Peace, n.d.), recognizes the need for a new paradigm in corporate peacebuilding, as we need to move away from minimizing violence and instead toward increasing peace (Killelea, cited in McKenna, 2013:1). "Increasing peace" refers to fostering strong peace.

Most initiatives in the field of "responsible business" fall into this category, the United Nations Global Compact being the primary example. Its importance warrants a more detailed discussion, as it is the world's largest voluntary corporate citizenship initiative with more than 8,340 companies having signed the initiative as of today (United Nations Global Compact, n.d.).<sup>57</sup> Although business and the United Nations have different purposes, there are overlapping objectives. For example – while business is mainly concerned with profits and growth and while the United Nations is interested in poverty reduction – building markets, good governance and security, a healthy environment, and global health are some of the overlapping objectives. Business plays a significant role in achieving these objectives and is thus an important partner of the United Nations. (Rasche and Kell, 2010)

The United Nations Global Compact comprises of a set of ten principles that are based on the United Nations Millennium Development Goals, subsequently the post-2015 Sustainable Development Goals, and, in particular, universally negotiated international documents (UDHR, ILO Declaration, Rio Declaration, UN Convention Against Corruption). It is voluntarily signed by any company or organization that wants to endorse what the United Nations Global Compact stands for. This effectively creates a forum of companies and stakeholders for learning and exchanging ideas. It needs to be noted, however, that the Global Compact is not a legally binding framework, a means of monitoring company behavior and enforcing compliance, a regulatory body, or a public relations channel.

The ten principles of the United Nations Global Compact are organized into four main areas:

<sup>&</sup>lt;sup>57</sup> Website visited on November 20, 2015.

- Human Rights principles
  - 1. Businesses should support and respect the protection of internationally proclaimed Human Rights; and
  - 2. make sure that they are not complicit in Human Rights abuses.
- Labor principles
  - 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
  - 4. the elimination of all forms of forced and compulsory labor;
  - 5. the effective abolition of child labor; and
  - 6. the elimination of discrimination in respect of employment and occupation.
- Environment principles
  - 7. Businesses should support a precautionary approach to environmental challenges;
  - 8. undertake initiatives to promote greater environmental responsibility; and
  - 9. encourage the development and diffusion of environmentally friendly technologies.
- The anti-corruption principle, added in 2003
  - 10. Businesses should work against corruption in all its forms, including extortion and bribery.

The premise is that corporations have the *voluntarily* assumed social responsibility to work in these four areas to foster the values that the United Nations Global Compact promotes (i.e. strong peace). Is this responsibility grounded in the ethical consciousness of the individual managers – i.e. is it a moral argument – or is it a business case? Luckily, companies often recognize that these are two sides of the same coin. As a partner in a leading international law firm points out, it does not matter why you do it as long as you do it because it increases satisfaction for everybody who works in the firm, because it can be used it in marketing, and because both commercial and moral arguments lead to the same activity (Bunsen, 2012). Even if intrinsically motivated actions do contribute more to happiness than monetarily

motivated actions, business has understood, or is on its way to understand, that problem prevention is much cheaper than the cure.

Be that as it may, there are obvious benefits for business, if the principles of the Global Compact are embraced. The following is a quick overview of the benefits of participating in the Global Compact according to Georg Kell (2009).<sup>58</sup> Promoting and respecting Human Rights improves stakeholder relations, employee recruitment possibilities, employee retention, and employee motivation. Furthermore, when businesses invest in countries governed by the Rule of Law and Human Rights, the security of these investments increases. The risk of consumer action, of Human Rights related legal action, or reputational risk are also all reduced. Promoting labor principles also has its many advantages. Obviously, employees are happier to work, are more productive, customers and consumers value the company more, the company receives fewer fines, the workplace is safer, and all relations in general with other stakeholders are better. Improving the company's environmental performance can affect the business's bottom line positively through reduced manufacturing expenses, reduced recruiting costs, increased productivity, reduced water and energy expenses, lower waste disposal costs, higher resource and energy efficiency, reduced risk and easier financing, and also lower environmental fines. Lastly, key reasons for avoiding involvement in corrupt practices include less legal risks, reputational risks, financial costs, and being "known as clean" dissuades opportunist corruption. Finally, companies have a vested interest in sustainable social, economic and environmental development.

One of the central tenets of responsible business is "stakeholder value optimization" (Laasch and Conaway, 2015:97). This principle suggests that the needs and expectations of each stakeholder are considered individually with the help of key performance indicators (KPIs), such as employee welfare or customer satisfaction (ibid). As Myllykangas, Kujala, and Lehtimäki conclude, "the question of *who* and *what* 

<sup>&</sup>lt;sup>58</sup> Georg Kell is the now former executive director of the United Nations Global Compact, as he was replaced by Lise Kingo on September 1, 2015. I had the honor to attend his lecture at the UPEACE Centre for Executive Education of the University for Peace in San Jose, Costa Rica, on November 26, 2009, as part of the course 'Corporate Social Responsibility – Walking the Talk' facilitated by Mohit Mukherjee.

really counts should be replaced by the question of *how* value is created in stakeholder relationships" (2010:65). In terms of peace, of course, all stakeholders are important, but society – in particular, the communities in which a company operates – and nature stand out. So, how can business create value for society and particular communities? Societal value creation is in fact the purpose of the corporation, a question I discussed in Chapter 3.2.1. How can business foster peace in communities in which it operates?

The impact of economic development, as a means for companies to foster strong peace, should not be underestimated. Bringing jobs into impoverished areas can have spillover effects that increase the standard of living of locals, for example, through higher retention rates of children in school as their parents can afford to not require them to work. Moreover, if companies intend to stay in an area for the long term, this typically improves working conditions for locals (as the company is interested in attracting the best possible employees rather than merely benefiting from the cheapest labor) and increases concern for local stakeholders in general. Finally, economic development brings forth benefits to the local community through tax income<sup>59</sup> and through resource transfer, which refers to the development of managerial and/or technological skills of locals. (Fort and Schipani, 2004)

A related concept is the idea that businesses can make a profit and significantly contribute to the social development of the poor at the Base or Bottom of the Pyramid, BOP in short, which refers to the billions of people living on less than a few dollars per day. Here, the people in impoverished areas are considered as potential employees as well as potential customers. The lower purchasing power simply requires a different approach to these vast markets of billions of people worldwide. (Kandachar and Halme, 2008)

For instance, selling shampoo in the bottles that the West is used to is not especially successful in poor economies, but reducing the size of the bottle to sachets, so that the

<sup>&</sup>lt;sup>59</sup> The assumption is that the government is willing and able to use it for the benefit of the community, as is the case, for example, with infrastructure development. If the assumption does not hold, businesses do have the possibility to promote transparency and anti-corruption standards, as discussed above.

price of one purchase becomes more affordable and making the shampoo work best with cold water opens up tremendous opportunities to shampoo producers (Prahalad, 2004, cited in Kandachar and Halme, 2008:436; for a critique, see Karnani, 2006). Another example is the mass-production of a type of drinking straw that filters water when drinking directly from a dirty water source so that it becomes safe (Vestergaard, n.d.). These examples, and BOP business in general, have the potential to alleviate poverty and significantly contribute to the health, wellbeing, and social fabric of the Global South.

In what other ways can business foster strong peace? According to Fabbro (1978), democratic participation and communal decision-making is an important aspect of peaceful societies. Fort and Schipani (2004) suggest that business can contribute to participatory governance models and thereby contribute to the peacefulness of a society. This entails encouraging employees to speak up when facing problems within the company, but also in a larger context in society:

Although subtle, it is plausible that when a company committed to quality processes insists that its employees speak up when they recognize a product defect, they have learned something about participatory governance and this knowledge may spill over into the country itself. This could be significant, as several studies show that democratic countries rarely, if ever, go to war with each other. (Fort and Schipani, 2004:225)

Other possible areas for fostering strong peace include equality (Wilkinson and Pickett, 2009) and gender equality in particular, for example, through proactive corporate efforts to increase gender representation, both within a company and in society (Fort and Schipani, 2004; see Freshfields, n.d., for a good corporate example for gender-inclusive policies), and conflict-sensitive human resource management, which refers to "practices in the areas of employee support, participation, and integration. These practices include providing material and emotional support to employees, encouraging employee engagement in collaborative problem solving and innovation, and managing team composition to optimise diversity" (Reade, 2015).

Unlike in the weak peace section, it is more difficult to list a concrete set of principles that companies can follow to foster strong peace (cf. McIntosh, Waddock, and Kell, 2007). Essentially, the potential for business to foster strong peace rests on the willingness of companies to assume responsibility for positively contributing, in one way or another, to the wellbeing of society. Here, advanced initiatives in the field of corporate social responsibility, or corporate citizenship, play an important role. However, as the concept of Responsible Business suggests, I do not refer merely to philanthropy (cf. Haski-Leventhal, 2014) but to a strategic win-win mindset of seeing society, the communities in which a company operates, as a true partner (cf. Halme and Laurila, 2008). Constructive corporate citizenship includes, for example, according to Fort and Schipani (2004), fostering relationships between different levels within society (cf. "vertical gap" in Lederach, 2008), environmental responsibility, respect for human rights, and concern for social development (for example, through educational programs for employees). Fort (2008) adds the potential for business to contribute to religious tolerance.

A leading example for corporate excellence with regard to fostering strong peace through corporate citizenship is the case of IBM, a company that has a multitude of innovative programs which contribute to the betterment of various aspects of society through the unique strengths that the organization possesses, as Stanley Litow<sup>60</sup> (2008) describes and Rosabeth Moss Kanter<sup>61</sup> (2009) studies. Indicative also is the answer of the CEO of IBM Finland, Tuomo Haukkovaara, to my audience question at a recent event:<sup>62</sup> The ultimate motivation to get out of bed every morning and go to work stems from the tremendous potential for IBM to do good for society.

Another example is the pre-Microsoft-acquisition Nokia which was not only considered a leader in the field of sustainability, but also produced a number of initiatives that foster peace. The Nokia Data Gathering Program is a prime example – the mobile birth registration program in Liberia in cooperation with CMI<sup>63</sup> (Toivanen

<sup>&</sup>lt;sup>60</sup> Vice President, Corporate Citizenship & Corporate Affairs at IBM and President at IBM International Foundation.

<sup>&</sup>lt;sup>61</sup> An acclaimed Professor at Harvard Business School.

<sup>&</sup>lt;sup>62</sup> IBM Future Career 2015, October 7, Helsinki, Finland.

<sup>&</sup>lt;sup>63</sup> Crisis Management Initiative (CMI) is Nobel Peace Prize Laureate and former President Martti Ahtisaari's non-profit organization specializing on conflict resolution and peacebuilding.

et al., 2011) and the drought early-warning system in Uganda (Költzow, 2013) in particular. In the words of Sanna Eskelinen:<sup>64</sup>

Information communication technology can play an important role in better enabling and driving social change. However, this can be achieved only through collaborative social innovation and requires businesses that exist to create value from proprietary assets to shift towards highly collaborative business that generates value collaboratively and relies on open innovation. Nokia Data Gathering is one of Nokia's corporate social investment projects that is based on open model and joint value creation on top of and around the initial investment. It was created to reveal the positive impact that mobile technology can bring to society. Further it was a case study with an objective to identify a model that can take such a technology to scale in financially viable way, serve customers beyond capability of any single company, and find a model of operation that enables the ongoing growth and innovation of the system. (Eskelinen, 2013:56)

This section has identified ethical and responsible business as possible means to foster strong peace. Not only through core business practices and economic development but also through adding value to the communities in which a company operates, business can promote and instill positive values in society. In the next section, I will move to the third and last stage of peace, which is most difficult to achieve. Holistic peace is the ultimate objective of humanity and the effective amalgamation of all aspects of peace.

### 3.3.4 Business vs. Holistic Peace

Holistic peace was defined in Chapter 2 as the transrational vision for humanity and as the ultimate higher purpose of human endeavor. This third stage of peace entails cosmic and prescriptive/visionary dimensions, as well as the transrational approach that transcends purely rational thinking by combining it with the energetic understanding of human spirituality (Dietrich, 2008). Schumacher (1973:33) comments:

I suggest that the foundations of peace cannot be laid by universal prosperity, in the modern sense, because such prosperity, if attainable at all, is attainable

<sup>&</sup>lt;sup>64</sup> Former Global Lead for Social Solutions at Nokia.

only by cultivating such drives of human nature as greed and envy, which destroy intelligence, happiness, serenity, and thereby the peacefulness of man.

Accordingly, elaborating on holistic peace is an attempt to outline new principles for the future by imagining a society where prosperity is not defined as maximized GDP (Gross Domestic Product) growth but as true wellbeing of all human beings sustained in peace and in harmony with nature (cf. Costanca et al., 2009; see also Johanisova, Crabtree, and Frankova, 2013; Jackson, 2011; and Ura and Galay, 2004). This does not mean that economic development would not be important, especially in poor regions of the world, as discussed earlier. Rather, it is an attempt to visualize how things could be rather than how things are. The ultimate frame is the peaceful coexistence of all human beings in a society where the true potential for the human race is realized.

Korten (2001) believes that an "Ecological Revolution" is on its way "to reclaim our political power and rediscover our spirituality to create societies that nurture our ability and desire to embrace the joyful experience of living to its fullest" (p. 24). Rather than focusing on economics, holistic peace as an aim not only leads to alleviating poverty, but also improves people's standard of living and puts us back in a sustainable balance with nature. This balance with nature refers to environmental sustainability as well as to an inner balance, to inner peace. In other words, holistic peace proclaims the extension of inner peace to outer peace, as Chapter 2.3.3 concluded.

A good guideline for business that fosters holistic peace is proposed by Ekins (1986) – albeit in the context of assessing whether economic growth deserves to be endorsed as concept – who states that "goods and services [should be] inherently valuable and beneficial" and "distributed widely throughout society" (p. 6). Proposing economic development as a useful means for fostering lower stages of peace differs from this proposal because here the emphasis is on *inherent* value and benefit for society as a whole. A company can ask itself: Do our products or services contribute to a higher purpose for the benefit of humanity? It is not about neglecting one's own interests. Rather, transcending self-interest refers to the perceived obligation to show leadership for a better future.

What is the difference between an acceptable "higher purpose" and mere selfactualization (Maslow, 1954)? Handy (1994, cited in Bass, 1999:12) talks about "an ideal or a cause that is more than oneself," and Wheatley (2006) includes the community, meaning, dignity, purpose, and love as *intrinsic* motivators, as stated before. Burns (1978:142) simply identifies normative *intellectual leadership* as a "conscious purpose drawn from values" in order to change society. For Williams (1994, cited in Bass, 1999:12), leadership entails altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. The Dalai Lama (2008) comments in a video interview on a higher idealized purpose like this:

I wish to utilize the market-oriented capitalist sort of method but in the meantime to keep some socialist idea that is not only thinking about how to make profit but rather how to justly use the wealth or the profit to the benefit of larger community.

Dalai Lama and Muyzenberg (2008:14) add:

Thinking the right way means thinking before every action to make sure that the action is based on the right intention and has the right motivation. The right intention is that the action will be beneficial to you and everyone affected by it; that is, it takes into account the wellbeing of self and others. This is true for individuals and for organizations.

Thus, fostering holistic peace means contributing to the overall and true happiness of humankind by creating products and services that foster the greater good. "At the highest level of morality are selfless ideal causes to which leaders and followers may dedicate themselves" (Bass, 1999:12). In "Transformational Leadership" vocabulary, this trait is called *idealized influence* (ibid). It has been shown to have spiritual influences – which is a good example for Dietrich's (2008) transrational understanding of the human being (c.f. Rauhala, 2009). Fairholm (1998:xxiii) writes:

Evidence is amassing that suggests that there is a significant connection between a leader's (or worker's) ability to have a transformational effect on the organization and his or her disposition towards spirituality. [...] Spirituality is the source of our most powerful and personal values. When leader and led can share core spiritual values, such as trust, faith, honesty, justice, freedom and caring, in the workplace, a true metamorphosis occurs and the corporation can reach new creative heights. Returning to the interdependence gap described earlier, Lederach (2008) identifies the opportunity for business to engage in peacebuilding by linking livelihood with relational interdependence. In other words, business can contribute to closing the interdependence gap as mentioned above with idealized influence and inspirational motivation, for example, through serving as a role model, actively demonstrating how collaboration is better than a "we-they" separation, emphasizing togetherness, and showing willingness to take risks by not subordinating oneself to the easy, mainstream point of view which is often structurally violent. This view may sound unrealistic for the corporate mainstream. Yet, it is directly related to state-of-the-art theory of business leadership: "Idealized influence and inspirational leadership are displayed when the leader envisions a desirable future, articulates how it can be reached, sets an example to be followed, sets high standards of performance, and shows determination and confidence" (Bass, 1999:11).

Lederach (2008:103) gives another example where business can foster the feeling of togetherness and interconnectedness:

In recent years we have seen a sharp increase in the cooperation between the fields of sustainable development and conflict transformation. The conflict transformation field focuses on how to get polarized, conflicting groups to cooperate on common initiatives, while the development field is concerned with increasing capacity of local communities and groups to sustain and improve their lives. The nexus of the two creates energy, particularly around processes that link livelihood needs and cooperation across lines of conflict. With imagination and innovation, business and commerce can serve as an extraordinary center of that nexus.

Another important aspect of fostering holistic peace is moral maturity. An effective leader must have high morals, as Burns (1978) stipulated, or at least be "morally uplifting" (Bass and Steidlmeier, 1999:186). "Transforming leaders 'raise' their followers up through levels of morality" (Burns, 1978:426). According to Kuhnert and Lewis (1987, cited in Bass, 1999:14), mature moral development is a clear requirement for good leaders. Nonaka and Takeuchi (2011) refer to wisdom, which enables business leaders to "make decisions knowing that the outcomes must be good for society as well as the company" (p. 5).

The issue of morality in leadership is further addressed in Fort and Westermann-Behaylo's (2008) chapter on moral maturity. "[A] corporation seeking to actualize a contribution toward peace through its activities has to have a fairly sophisticated level of moral maturity. Corporations that operate on a profit-only basis will not take into consideration a sufficient number of financially ambivalent factors necessary to contribute to peace" (p. 57). On the other hand, Van Tulder et al. (2014) identify a number of "tipping points" that enable a company to transition to a higher level of sustainability. According to the authors, once a tipping point is reached, an organization is unlikely to fall back to a lower level of sustainability. Could it be that a similar mechanism works with levels of moral maturity? Does fostering peace, let alone holistic peace, require a certain level of moral maturity?

Burns (1978:46) comments on this rhetorical question: "But the ultimate test of moral leadership is its capacity to transcend the claims of the multiplicity of everyday wants and needs and expectations, to respond to the higher levels of moral development, and to relate leadership behavior – its roles, choices, style, commitments – to a set of reasoned, relatively explicit, conscious values." Burns (ibid:426) continues:

How can we define that morality? Summoned before the bar of history, Adolf Hitler would argue that he spoke the true values of the German people, summoned them to a higher destiny, evoked the noblest sacrifice from them. The most crass, favor-swapping politician can point to the followers he helps or satisfies. Three criteria must be used to evaluate these claims. Both Hitler and the politician would have to be tested by modal values of honor and integrity – by the extent to which they advanced or thwarted fundamental standards of good conduct in humankind. They would have to be judged by the end-values of equality and justice. Finally, in a context of free communication and open criticism and evaluation, they would be judged in the balance sheet of history by their impact on the well-being of the persons whose lives they touched.

Having identified moral maturity and excellence in leadership as prerequisites for fostering holistic peace, the question remains as to which structures of society must be changed in order to achieve such a vision. Korten (2001:234) writes:

Healthy societies depend on healthy, empowered local communities that build caring relationships among people and help us connect to a particular piece of the living earth with which our lives are intertwined. Such societies must be built through local-level action, household by household and community by community. [...] To correct the dysfunction, we must shed the illusions of our collective cultural trance, reclaim the power we have yielded to failing institutions, take back responsibility for our lives, and reweave the basic fabric of caring families and communities to create places for people and other living things. These actions are within our means but will require transforming the dominant belief systems, values, and institutions of our societies – an Ecological Revolution comparable to the Copernican Revolution that ushered in the scientific-industrial era. The parallels are instructive.

A diligent reader may recognize many themes from Chapter 2, as this is a beautiful description of what a world would look like if business were to foster holistic peace. It may indeed require a "revolution," but it is a way to design a system that emphasizes human wellbeing and prosperity. Yet, the central question still remains unanswered: What can business do to foster holistic peace? It is a difficult question to answer, as it in essence depends on a mindset – a mindset that does not show many examples thus far in our corporate reality. However, there are welcoming signs that such a consciousness is developing. Korten (2015:279) explains:

In the ecological era, people will be unified globally not by the mutual insecurity of global competition, but by a global consciousness that we share on Earth and a common destiny. This consciousness is already emerging and has three elements unique in human history: First, the formative ideas are the intellectual creations of popular movements involving millions of ordinary people who live and work outside the corridors of elite power. Second, the participation is truly global, bringing together people from virtually every nation, culture, and linguistic group. Third, the new consciousness is rapidly revolving, adapting, and taking on increasing definition as local groups meld into global alliances, ideas are shared, and consensus positions are forged in in meetings and via the Internet.

This global consciousness is at the core of the holistic stage of peace. What can business learn from Korten's three elements? First, today corporations operate in a knowledge economy where the primary cost of production is the time and creativity of people, which cannot be controlled. Second, as embracing diversity is a manifesto for tolerance and mutual understanding, diversity is also the key to sustained corporate success in the future. Third, ideas must be allowed to evolve through the transcendence of reason, as spirituality is acknowledged as a source of inspiration and power also in the business context. As peace is relational, purely an outdated focus of competition must be complemented with an emphasis on collaboration with all stakeholders. This will develop a global consciousness that fosters mutual compassion, a feeling of global community (ibid).

This section has developed ideas of what it might entail to foster holistic peace. It may appear difficult, or even impossible or too idealistic, to follow these principles in the business context. Yet, these principles are being endorsed by a number of thought leaders, Professor Otto Scharmer from MIT being one of them. In his newest book, coauthored by Katrin Kaufer (Scharmer and Kaufer, 2013), Scharmer argues that, in order to move from an ego- to an eco-system, we need to lead from the emerging future. This practice has been named "Theory U" (Scharmer, 2009) and finds its place well on the mental map I have drawn. In the next section, I will conclude by summarizing the topography of the map.

## 3.4 Conclusion: Business Can and Should Foster Peace

Business and peace form a nexus that has been coined in and developed since the 17<sup>th</sup> century. The idea that commerce and trade fosters peace was undoubtedly true in early centuries of international cooperation, where "cooperation" was not always peaceful. Hence, Kant, Montesquieu, Smith, Ricardo, and others were certainly right when they argued that establishing a global system where civilized conduct is the norm would propel humanity to unprecedented progress and prosperity. However, as the dark side of business surfaced through unregulated and free markets for companies to exploit and as the negative effects of business continued to grow, a set of imposed limitations appeared, such as legal/regulatory, ethical, and societal expectations. These do not render Kant and others wrong. Rather, it shows that freemarket capitalism lost its original raison d'être. We were already warned by Rousseau: "The ancient politicians forever spoke of morals and virtue; ours speak only of commerce and of money" (Rousseau, cited in Cavallar, 2015:66). This chapter has shown why the old *telos* should, and how it could, be revived. This does not mean that we should go back to 17<sup>th</sup>-19<sup>th</sup>-century ideals. As Dietrich (2008) argues, the cultural heritage of different stages of human history helps us to learn and develop. Today, we are at a crossroads where we should not look back but welcome a new paradigm for business and society as a whole – a new paradigm that fosters wealth and welfare.

To summarize, this chapter developed a mental map of the relationship between business and peace. The historical overview showed how the idea that business fosters peace originates in the thinking of the Enlightenment philosophers, but also that it remains a hot debate in present times. The "Why should business foster peace?" question can essentially be answered with four points:

- because the purpose of the corporation is to contribute to society, and "peace" serves the substance of this contribution;
- because it is in the interest of both business and society;
- because "business as usual" is not sustainable; and
- because it is simply the morally "right" thing to do.

The "What can business do to foster peace?" question needs to be divided into three parts as weak peace, strong peace, and holistic peace tend to be dealt with in different, though overlapping, ways. In practice, the three stages are not strictly separable but it is my hope that the mental map helps to clarify the different activities that business can do. In particular, companies can contribute to weak peace by:

- recognizing, analyzing, and assessing the impact business has on a specific conflict and thus developing proper reactive measures while being conflict-sensitive;
- refraining from causing violence, for example, through self-regulation and certification means;
- hiring former combatants or members of warring parties and by valuing diversity in hiring policies;
- instilling clear standards and policies for example against bribery and corruption;
- engaging in an honest and respectful dialog with all relevant stakeholders;
- investing in the reconstruction and stability of society; and
- using networks and relationships throughout all levels of society to inspire and lead for change.

Strong peace efforts, on the other hand, include activities that fall under the umbrella terms of "responsible business" or "corporate citizenship." The main requirement here is that these activities positively contribute to the evolution of society through instilling positive values and ideals. It is not possible to define a complete list of such values or ideals, as different cultures and different societies may value different things. In the context of this study, I have identified examples such as sustainability, education, health, justice, happiness, prosperity, and wellbeing for ideals that business can foster. There are a number of different frameworks that address such positive corporate contributions, the United Nations Global Compact, being a primary example. Concrete activities that companies can do to foster strong peace include:

- respecting and supporting human rights;
- promoting gender equality, both internally and in society;
- taking responsibility for the environment;
- creating value for all stakeholders;
- contributing to the economic development of an impoverished area;
- engaging in Bottom or Base of Pyramid innovation and other activities that alleviate poverty;
- educating employees as well as members of the communities in which a company operates;
- fostering participatory governance models; and
- being concerned for the development of society.

Finally, holistic peace entails the recognition that the human experience is quintessentially transrational. Business has the opportunity to contribute to a paradigm shift that assigns the holistic wellbeing of all as the top priority of human activity. It emphasizes being in balance within oneself, with others, with nature, and with the whole universe. In this new paradigm, a company should ask itself whether its products and services truly contribute to the inherent wellbeing of society. In essence, fostering holistic peace postulates:

- asking what is my personal, and my organization's, higher purpose;
- transcending self-interest for a better future towards a greater good;
- showing moral excellence in leadership, which is both visionary and truly transformational;
- recognizing the interdependence of all human beings;
- leading from the future as it emerges; and
- nurturing a global consciousness which fosters compassion and collaboration.

On what does it depend whether a company decides to foster weak peace, strong peace, or holistic peace? As Fort and Westermann-Behaylo (2008) point out, often companies today may not possess the required moral maturity to foster peace through corporate activities. Nevertheless, if a company has the will to have a positive impact, partnering with non-governmental organizations "can not only promote contributions to sustainable peace but, indirectly, can inspire improvements in the moral development of the firm" (ibid:57). Fort's (2007) concept of "Total Integrity Management" lends itself to this development, as it elaborates on three levels of trust. First, "Hard Trust" refers to the expectation and accountability that laws and agreements are just and complied with. Second, "Real Trust" entails virtues such as honesty, doing good, positive impact, fairness, etc. Finally, "Good Trust" is about moral excellence and spiritual identity. In a sense, these three stages of trust correspond to weak peace, strong peace, and holistic peace. The more moral and responsible a company wants to be, the higher it goes up the ladder of fostering peace.

With the understanding that "Peace Business is [...] another name for good business" (Santa Barbara et al., 2009:33), I have arrived at a conceptualization of the nexus of business and peace, as good business contributes to society responsibly, sustainably, and ethically. This contribution, as I have argued, should be related to one of the aspects of peace. Fostering peace in the business context requires not only exceptional leadership (cf. Chaudhry, 2011) and moral maturity, but also the perceived responsibility to act. Thus, the activities discussed in this chapter can be divided into two rough categories: Corporate peace efforts either stem from the vision of strong leadership, or fall into the category of corporate social responsibility. However, as has been mentioned several times above, this requires a new mindset, a shift to a new paradigm.

# 4 Discussion: Action for a New Paradigm

## 4.1 A Paradigm Shift in Business Thinking

#### 4.1.1 Towards a Holistic Peace Paradigm

The discourse of business being a force for peace requires the distinction between two paradigms: the as-hitherto-mainstream way of doing business we know from the past (and still largely also the present), and a new paradigm as proposed in this thesis with peace as the *telos*, the ultimate objective, of business. These two paradigms portray vital differences to justify the usage of the word "paradigm" (cf. Kuhn, 1970), as it requires indeed a fundamentally different worldview (from Friedman's, 1970, heritage) to argue today that business *should* foster peace. In the old paradigm, business being a force for peace refers to the idea developed first by Crucé, Kant, Smith, and others, as elaborated in the Historical Background section (Chapter 3.1). However, in times of neoliberalist corporate power play, it may be difficult to argue that aggressive business strategies foster anything good for anyone else except shareholders' bank accounts. Therefore, as Fort and Schipani (2004) recognize, it is only *ethical* business that fosters peace in the communities and markets where it operates.

Yet, ethical business *per se* (at least conceptually) is nothing new. Most activities identified as contributors to weak peace have already been done by companies (at least by some) in the 20<sup>th</sup> century. Today, none of these activities identified in Chapter 3.3.2 (for example, impact assessments, self-regulation and certification, diversified hiring, clear standards and policies, stakeholder dialog, etc.) are in any way revolutionary or innovative. It was indeed stressed that ethical business fosters weak peace specifically through usual, core business activities. Strong peace efforts (for example, supporting human rights, promoting gender equality, and respecting the environment) on the other hand, tend to be on the mainstream responsible business agenda roughly since the beginning of the 21<sup>st</sup> century, especially with the advent of the United Nations Global Compact. This coincides (and perhaps correlates) with the apparent fact that the concept of corporate social responsibility has considerably

grown in prevalence in recent years and decades. Finally, activities that foster holistic peace (for example, nurturing a higher purpose, transcending self-interest, and embodying moral excellence) are hitherto largely unprecedented in business, although some isolated examples do exist. Currently, they tend to revolve around alternative models of generative ownership, mission-centered governance, and an organizational purpose around generating conditions for peace (Kelly, 2012).<sup>65</sup>

With reference to the quote by Bouckaert and Chatterji (2015:xvi) cited in the introduction of this work, business being a force for peace is not a "purely subjective and normative viewpoint expressing what *ought* to be done independent of what *is*" but rather "an option for an emerging future" (ibid). Nonetheless, we are talking largely about the future when we identify business as a force for holistic peace – and peace as the *telos* of business. It is interesting to recognize the trajectory of business thinking from the past, via the present, to the emerging future. As has become clear, this future requires a new, different kind of thinking, a new paradigm. In order to understand better what this shift of mindset could entail, I will briefly discuss the old and new paradigms below, after which I will identify principles of the new paradigm for business.

Fritjof Capra belongs to the most important contemporary scholars who have elaborated on a shift from an old to a new paradigm for science and society as a whole. The old, and still prevalent paradigm, according to Capra (1982, see also Capra and Luisi, 2014), refers to a Newtonian and Cartesian reductionist way of thinking: that the world functions like a machine. Indeed, this view prevails throughout all major disciplines and sciences. We believe that if we understand all parts of a system, we also understand the whole system. We imagine that a system can be repaired by fixing its parts. Whether in medicine, organizational theory, or even nature itself, we believe that we can fix it if we just study the composition well enough. This old paradigm is based on controlling everything like clockwork. There is no or little space for appreciating the fact that the whole is greater than the sum of its parts. (ibid)

<sup>&</sup>lt;sup>65</sup> Some concrete examples that warrant further research include, for example, Novo Nordisk in Denmark and the Mondragon cooperative in Spain.

Capra comes from a physics background (Capra, n.d.) and explains his understanding of the undergoing paradigm shift by referring to the development of quantum physics. Scientists underwent a paradigm shift when they were forced to recognize the shortcomings of the Newtonian and Cartesian model in the first decades of the 20<sup>th</sup> century (see Capra's chapter on "The New Physics," Capra, 1982:75-97). It was not possible anymore to trust "the notion of absolute space and time, the elementary solid particles, the fundamental material substance, the strictly causal nature of physical phenomena, and the objective description of nature – none of these concepts could be extended to the new domains into which physics was now penetrating" (ibid:74). Thomas Kuhn (1970:84-85) discusses further, in his book *The Structure of Scientific Revolutions,* the paradigm shift that physics had to overcome and thereby induces some general characteristics of paradigm shifts:

The transition from a paradigm in crisis to a new one from which a new tradition of normal science can emerge is far from a cumulative process, one achieved by an articulation or extension of the old paradigm. Rather it is a reconstruction of the field from new fundamentals, a reconstruction that changes some of the field's most elementary theoretical generalizations as well as many of its paradigm methods and applications. During the transition period there will be a large but never complete overlap between the problems that can be solved by the old and by the new paradigm. But there will also be a decisive difference in the modes of solution. When the transition is complete, the profession will have changed its view of the field, its methods, and its goals.

While Kuhn refers to paradigm shifts within one field or discipline, Capra (1982:15) recognizes that "today our society as a whole finds itself in a [...] crisis." So what is the *new* all-inclusive paradigm then? It is a "new vision of reality, a fundamental change in our thoughts, perceptions and values" (ibid:16), that coincides with the fall of patriarchy and the approaching end of the fossil-fuel age (ibid:29-30). Capra (ibid:265) continues:

The new vision of reality we have been talking about is based on awareness of the essential interrelatedness and interdependence of all phenomena – physical, biological, psychological, social, and cultural. It transcends current disciplinary and conceptual boundaries and will be pursued within new institutions. At present there is no well-established framework, either conceptual or institutional, that would accommodate the formulation of the new paradigm, but the outlines of such a framework are already being shaped by many individuals, communities, and networks that are developing new ways of thinking and organizing themselves according to new principles.

Capra wrote this in 1982, yet it still appears current today. To my knowledge, there is still no well-established conceptual framework for the new paradigm in society. However, we have developed a better understanding of what it could look like. Dietrich's (2008) transrationality is a conclusive discussion of the new paradigm from the perspective of Peace Studies (Chapter 2.4), which shows that differing interpretations of peace mirror the prevailing paradigm generally, in science and in society. This thesis is a first attempt to outline a conceptual framework for why and how business should foster peace. To what extent could my findings of business being a force for weak peace and strong peace, and holistic peace in particular, be relevant for this new paradigm? Considering the state-of-the-art understanding of what the three stages of peace entail, and considering the emergence of a new set of values for business, it becomes clear that holistic peace is very close to the holistic approach that Capra and Luisi (2014) develop as the quintessence of the new paradigm.

#### 4.1.2 Principles of the New Paradigm for Business

In the new paradigm, we understand that everything is interconnected and affects everything. What matters are the relationships between units in a network. "Systems are integrated wholes whose properties cannot be reduced to those of smaller units" (Capra, 1982:266). This systems theory approach (ibid) is directly related to chaos theory to which "an underlying interconnectedness that exists in apparently random events" (Briggs and Peat, 1999:2) is quintessential. Chaos theory, on the other hand, is the basis for the concept of self-organization. Dee Hock puts these two concepts together by coining the concept of "chaordic" organizations. Hock defines "chaordic" as "the behavior of any self-organizing and self-governing organism, organization, or system that harmoniously blends characteristics of chaos and order [or as the] characteristic of the fundamental, organizing principle of nature" (Hock, 2005:13).

One might say that the new paradigm is about chaordic self-organization. Coupling this with Dietrich's transrationality, a new awareness of unity emerges between cosmos, nature, human beings, and all systems within and between. We are moving away from duality. We cannot now always say whether something is right or wrong. We realize more and more that the truth might seem contradictory at first. However, if we learn to appreciate diversity and the interconnectedness of everything in a system, then we can advance into new realms of fostering holistic peace.

Central to the new paradigm is setting holistic peace as the ultimate objective of business activity. I argue that asking a mere question like "how can our company's products and services make a positive contribution to peace in society?" is a tipping point which will lead to more responsible business practices, as it encourages the development of moral maturity (cf. Rob van Tulder et al., 2014).

How does business have to change in order to claim its position as a peace-fostering sector? As we have seen, a total change of the value system is necessary. I mentioned in Chapter 3.2.2 that a flourishing business world requires a competition-based market economy, as competition is the hitherto best means we have to regulate supply and demand. This appears to contradict the principles of the new paradigm. Currently, business is clearly based on competition. However, there is no doubt that the new paradigm prefers cooperation through interconnectedness, as exemplified by ecosystems in nature: "Detailed study of ecosystems over the past decades has shown quite clearly that most relationships between living organisms are essentially cooperative ones, characterized by coexistence and interdependence" (Capra, 1982:279). Furthermore, sources of wisdom have proclaimed that cooperation is better than competition. For example, Morihei Ueshiba, the founder of Aikido and the author of *The Art of Peace*, writes:

There are no contests in the Art of Peace. A true warrior is invincible because he or she contests nothing. Defeat means to defeat the mind of contention that we harbor within. (Ueshiba and Stevens, 2005:94)

The mantra of competition essentially requires companies to try to grow faster than competing companies, as "insufficient" (or no) growth can lead to the company being swallowed by competitors or going bankrupt. However, such a system does not truly benefit society as a whole. Instead, we need to develop a system that is independent of the growth maxim by allowing companies to grow as much *or* as little as they like.<sup>66</sup>

Perhaps the most fundamental change for business, however, is the way how organizations are perceived. In the old paradigm, managers aim at controlling an organization like a machine, designing every part of it to maximize profits. Change, control, innovation, creativity – these are thus top-down concepts. In the new paradigm, however, organizations are considered as "living" (Capra, 2002:102) systems where creativity emerges through chaos and self-organization from the bottom up. This entails networking, communities of practice – a wholly different approach that managers need to recognize and appreciate. The implication of this is that managers need a new concept, a new understanding of leadership. Capra differentiates between two leadership paradigms (Capra, 2002:121-122):

Finding the right balance between design and emergence seems to require the blending of two different kinds of leadership. The traditional idea of a leader is that of a person who is able to hold a vision, to articulate it clearly and to communicate it with passion and charisma. [...] The other kind of leadership consists in facilitating the emergence of novelty. This means creating conditions rather than giving directions, and using the power of authority to empower others. Both kinds of leadership have to do with creativity. Being a leader means creating a vision; it means going where nobody has gone before. It also means enabling the community as a whole to create something new. Facilitating emergence means facilitating creativity.

In the words of Margaret Wheatley (2006:14):

In motivation theory, attention is shifting from the use of external rewards to an appreciation for the intrinsic motivators that give us great energy. We are refocusing on the deep longings we have for community, meaning, dignity, purpose, and love in our organizational lives.

The key to success for businesses in the future is to focus on the transformation of old, outdated concepts of competition and cede control to new and fresh ideas of trust, mutual support, and peace. Then and only then can business show "exceptional

<sup>&</sup>lt;sup>66</sup> Cf. Parkkinen (2015) who analyzes the economy's dependency on growth but who also points out that competition for customers and employees can be in the interest of these stakeholders.

leadership" (Chaudhry, 2011) for a better world. Groff and Bouckaert (2015:9) conclude:

Since the postwar period, the nature of business has undergone a permanent evolution because the conditions in its environment are in continuous change. Although many business leaders do not realize fully the new conditions and keep thinking in terms of "business as usual", they are yet confronted with the ecological, psychological and social effects of the change. More enlightened entrepreneurs are aware of the paradigm shift from a capitalistic towards a holistic and post-capitalistic idea of doing business. It is striking how this paradigm shift in business follows a parallel track as the evolving concept of peace. Moreover, the evolution is not only one of parallelism but of reciprocal influence and interaction. If business can be considered as a lever for peace, peace is a necessary condition for a flourishing economy.

## 4.2 Corporate Leadership for Peace

After having gained an understanding of what a paradigm shift might entail, I now turn to the question what business people – individuals in leadership positions, corporate social responsibility professionals, entrepreneurs, etc. – can do in order to work towards the stated objectives; i.e. towards a new way of thinking and, in particular, peace. I argue that a new attitude of *Corporate Leadership for Peace* needs to be adopted in the business world (cf. Chaudhry, 2011). Such leadership in the new paradigm should aim to climb up the ladder from fostering weak peace, via strong peace, to holistic peace.

#### 4.2.1 Going Beyond the Triple Bottom Line

How can responsible leaders motivate change agents to accomplish the shift from the current value set to a new paradigm in order to foster holistic peace? As I see it, the difference between responsible management and outdated greed (which entails, for example, merely reducing negative impact rather than creating positive impact) is a fine line. Serendipity, the sagacious skill to harness tacit destiny, as I express it – coupled with the humanization of business, a sense of ethics, and an appreciation of wellbeing – is a skill that enables managers to transform short-term threats (of reduced income) into long-term opportunities and prosperity, as was recognized earlier (cf. Lederach, 2005). In order to address the interdependent challenges

related to the new vision and to the viability of social cohesion, food security, poverty, equality, health, etc. (Polman, 2011), strong leadership is needed from businesses that aim to be moral forerunners.

Corporate social responsibility is good for profits – and for people and the planet.<sup>67</sup> As Dyllick and Hockerts (2002) argue, embracing the business case for corporate social responsibility is good and necessary. After all, we live in a world where one of the three bottom lines is still the financial one.<sup>68</sup> The three bottom lines refer to Elkington (1998) who has written *the* seminal book on corporate sustainability with his *Cannibals With Forks*. Here, Elkington defines the Triple Bottom Line as "economic prosperity, environmental quality and – the element which business has tended to overlook – social justice" (ibid:2).<sup>69</sup>

However, I do not see Elkington going far enough. As Dyllick and Hockerts (2002) also argue, we need to go beyond the business case by moving from an efficiency paradigm to an effectiveness paradigm. This is a valid point. A common belief in the current paradigm that Elkington (1998) represents, too, is that the quest for the business case in each of the three dimensions of the Triple Bottom Line is sufficient. However, truly internalizing the three dimensions means identifying not only the business case, but also the natural case and the societal case (Dyllick and Hockerts, 2002; see also "ecopreneurship" in Hockerts, 2006). This entails moving beyond efficiency and focusing instead on effectiveness (cf. "Triple Top Line" by McDonough and Braungart, 2002b, discussed in Chapter 3.2.2; see also Chaudhry, 2011) in order to achieve the paradigm shift from minimizing negative impact to creating or maximizing positive impact, that is, peace. I realize that the three cases (the business case, the social case, and the environmental case) are in fact *one* "organizational" case,

<sup>&</sup>lt;sup>67</sup> I owe the thoughts of the following pages to the reflection paper I have written for the course 'Corporate Responsibility in Global Economy' taught Galina Kallio and Timo Järvensivu at Aalto University School of Business in spring 2015.

<sup>&</sup>lt;sup>68</sup> In this sense, it is important that business people have a thorough understanding of the history of sustainable development (Dyllick and Hockerts, 2002), from the 1987 Brundtland Report via the founding of the World Business Council for Sustainable Development, the Rio Earth Summit in 1992, to John Elkington's (1998) Triple Bottom Line paradigm and its properties.

<sup>&</sup>lt;sup>69</sup> Moreover, Elkington's "seven revolutions" offer a solid starting point for the transition of the business world towards sustainability. Elkington also offers concrete tips and policy change suggestions in order to achieve the paradigm shift.

or I might say, one peace case. In other words, every organization should exist because of, and be driven by, a worthwhile mission – one that incorporates the economic, social, and environmental sustainability dimensions, and some aspects of peace.

The awareness of a need for more "social" (cf. Cho, 2006) – or for more "peace" – shows through the increasing prevalence of a number of great ideologies, such as Triple Top Line<sup>70</sup> (McDonough and Braungart, 2002b), Creating Shared Value (Porter and Kramer, 2011), Circular Economy (Ellen MacArthur Foundation, n.d.), B Corp<sup>71</sup> (Reiser, 2012), Blue Economy (Pauli, 2010), and others (cf. Lodder, Huffenreuter, Braungart, and Den Held, 2014). As argued in Chapter 3.2.2, such attempts fail, for the most part, in providing an overarching notion of the substance. Indeed, it is quite surprising that, with the exception of cited sources in this study, no state-of-the-art schools of thought have identified peace as relevant for positive impact in the business context. It appears that peace is often perceived as the mere absence of war and hence not given the attention it deserves. A second shortcoming of existing approaches is the neglect of aspiring moral excellence.

### 4.2.2 Climbing Up the Ladder of Morality

Due to a value shift in business thinking, truly successful companies are expected to innovate for growing profits and also for creating social good (Kanter, 2009). As I concluded in Chapter 3.4, in order to develop moral maturity, Fort's (2007) concept of "Total Integrity Management" can be helpful in the process. Thus, we can ask the question whether an organization has the moral obligation (Moore, 1999) to foster peace. One could argue that business has the power and the potential to do good locally, regionally, internationally, and globally. With power comes the societal expectation to assume responsibility. And with responsibility, one might argue, regardless of how it is defined (see Velasquez, 1985, cited in Moore, 1999:330), comes moral obligation. Moore (1999) discusses this question of corporate moral agency in detail and concludes that: "acceptance of the concept of corporate moral

<sup>&</sup>lt;sup>70</sup> See Chapter 3.2.2.

<sup>&</sup>lt;sup>71</sup> B Corp stands for Benefit Corporations.

agency is becoming the norm [...] [and] it does seem to this author that the arguments in favour are more convincing than those against" (ibid:339).

Despite Moore's reasoning that corporate moral agency exists, it does not yet imply that every company takes its moral responsibility seriously. Therefore, I see the need to distinguish between active and passive moral agency (cf. Chaudhry's, 2011, "Five Circles of Leadership Attitudes"). An active stance would entail being responsible while also doing something about it, such as instilling a sense of fostering peace throughout all levels of the organization. Passive corporate moral agency, on the other hand, does not deny the responsibility in the sense of legal/ethical duty and does not fear negative consequences, but fails to base all decisions on a moral consciousness. A passive stance cannot *per se* be criticized, as it does comply with expectations as of today. However, if a company wants to develop an above-average reputation in the field of creating positive social impact, that is, of fostering peace, then an active stance appears to be the only way to show leadership. Essentially, business has the moral obligation to contribute positively to society *if* it takes an active stance on corporate moral agency. The question that every company should ask itself is: Do we want to linger at a level of merely complying with legal and ethical responsibilities, or do we feel a sincere, intrinsic obligation to work and lead towards a new paradigm for peace?

The difference between the active and passive stance might boil down to a degree of responsible serendipity. Yet, it takes tremendous courage to take the step from (outdated) greed to truly responsible leadership.<sup>72</sup> Banerjee's (2008) analysis of corporate social responsibility discourse shows how "narrow business interests" (ibid:51) – what I would call greedy behavior – can still agree with or even embrace the concept of doing good (as long as it is in line with business interests) without taking the leap to the active stance. However, Banerjee (ibid:74) states:

Social investment and social justice can never become a corporation's core activity – the few companies that have tried to do this, Body Shop and Ben &

<sup>&</sup>lt;sup>72</sup> Chaudhry (2011) talks about a "Triple Top Line of joy, peace and contentment" for a personal mission.

Jerry's come to mind, have failed and even worse been accused of fraudulent behavior (Entine, 1995). In the political economy we live in today, corporate strategies will always be made in the interests of enhancing shareholder value and return on capital, not social justice or morality. [citation by Banerjee]

Banerjee's pessimistic conclusion is strongly rooted in the reality of the old paradigm. The model of the new paradigm does not disagree with enhancing shareholder value, but rather integrates social and environmental benefit – peace – to the core of business in a way that the more a company sells/produces, the more positive an impact is created (cf. McDonough and Braungart, 2002b). Moreover, assuming a systems-theory perspective, as discussed above, inevitably leads to the recognition that a company's success inherently depends on the success of all stakeholders and of society as a whole. Expressing the desire to contribute to society calls for the moral maturity and vision to act – whether through core business practices (products, services) or corporate social responsibility.

What is the epistemological mindset that business should have when fostering peace? A positivist approach to corporate social responsibility may not be in order as long as the discourse revolves around normative issues, such as whether business should foster peace (cf. Scherer and Palazzo, 2007). However, being too idealistic may not be the best approach either. Thus, I advocate a pragmatic approach to leadership for peace. This entails recognizing the multidimensional elements of peace, assuming a role in fostering peace, and benefiting from the results. Overall, I prefer to remain optimistic regarding the future of the planet and the wellbeing of all people despite the grim outlook painted by Banerjee (2008).

I think that the most important factor affecting the extent to which business contributes positively to society is the collective consciousness prevalent in business schools, companies, and government agendas, as well as among consumers and society at large. A case in point is that corporate social responsibility and business ethics were largely absent from, or at least under-valued in, business education only a short while ago. A significant increase of interest in social/ethical issues can be observed. As Banerjee (ibid) points out, the hegemony of capitalism's market ideology has produced a type of discourse – I would talk about a systemic structure or paradigm – that does not foster responsible behavior. Thus, "changing the discourse"

is on our collective to-do list. Fourcade and Healy (2007) point out that the solution must be market-based. After all, if markets are culture, "explicitly moral projects, saturated with normativity" (ibid:299-300), then we must take care not to prescribe or impose "our" solution on others. Rather, the solution to the world's problems has to come from "within." Hence, I propose to work towards a new paradigm where *corporate leadership for peace* is of paramount significance.

## **5** Concluding Remarks

This research is a theoretical and conceptual study of the potential for business to foster peace. Corporate social responsibility (and related concepts) has been the initial outcry that business should *somehow* contribute positively to society; yet, the exact content of that positive impact has not been defined. My aim has been to contribute to our understanding of a new, emerging paradigm for business, one that takes human needs and nature into account. The relationship of business and peace has been approached in this work on the micro-level, i.e. from the perspective of individual companies and their multidimensional potential to contribute to peace. By analyzing the intersections of business and peace, a conceptual framework or a "mental map" of the intricate connections has been outlined.

By gaining a conceptual understanding of peace, where peace is much more than just the absence of war or violence, one can build the foundations of the nexus of business and peace. Beginning with a systematic discussion of Galtung's concepts of negative peace and positive peace, I recognized that this commonly used taxonomy is in fact insufficient. Negative peace is certainly a useful concept, as it is the very first objective in any crisis situation. However, grouping the absence of physical, structural, and cultural violence *and* the presence of virtuous ideals (such as justice) into the one category of positive peace does not sufficiently detail the wider aspects of peace. Instead, I have proposed, and used, the tripartite taxonomy of weak peace, strong peace, and holistic peace. This framework covers the negative end of the absence of any kind of violence (weak peace) and also the presence of a variety of ideals and virtues that we want to have in society (strong peace), as well as the ultimate higher purpose of, and transrational vision for, human activity (holistic peace).

An analysis of the intersections of business and peace show a dynamic picture of these concepts and their relationship evolving with time. The connection first appeared in the 17<sup>th</sup> century through Éméric Crucé, who foresaw a peaceful worldwide union characterized by free trade and commerce. Enlightenment thinkers, such as Immanuel Kant and Adam Smith, argued that trade fosters peace through

international cooperation. With the advance of international law and imperatives such as "security" and "development," capitalism forgot its peace mandate, as war was not to be eliminated but rather merely restricted. An ethically questionable business culture emerged in the 20<sup>th</sup> century, which has been criticized not only by Karl Marx but also by Johan Galtung who identifies capitalism as being structurally violent.

Regaining the traction of business as a force for peace is in the interest of both business and society and should be a symbiotic relationship. According to the argument presented in this thesis, business should be concerned with, and also foster, peace because it has an ethical responsibility to contribute to the satisfaction of human needs. The concept of peace is thus elevated to the forefront of the substance of corporate social responsibility and touches upon the deep question of what the true purpose of the corporation is. In particular, drawing a conceptual framework of business vis-à-vis weak peace, strong peace, and holistic peace enables us to distinguish between concrete activities that business can engage with. This brings forth the trajectory of business thinking as it develops from the past, via the present, to the emerging future. Business can contribute to weak peace, for example, through impact assessments, self-regulation and certification, diversified hiring, clear standards and policies, stakeholder dialog, and other ethical core business practices. Examples of strong peace efforts include supporting human rights, promoting gender equality, and respecting the environment. Finally, activities that foster holistic peace include nurturing a higher purpose, transcending self-interest, and embodying moral excellence.

It is important to understand that, even though holistic peace efforts may sound radical, or even insurmountable, today, they may be the norm in the future, just as today's innovative strong peace efforts were radical only a few decades ago to such thought leaders as Milton Friedman, who represent a generation believing that the only social responsibility of business is to maximize profits. The quintessential finding that business should foster peace – and can do so through activities that contribute to weak peace, strong peace, and holistic peace in accordance with the respective moral maturity – is true if we make the following assumptions:

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- Society's expectations towards business being sustainable and ethical will remain and grow in importance in the future.
- Peace can be seen as the cornerstone and substance of positive societal impact.
- The purpose of the corporation is and should not be restricted to mere profit maximization.
- The realization of the ultimate human potential of living in peace is a sovereign maxim in order to enable the evolution of society.

This thesis has attempted to draw a mental map of the relationship between business and peace. With the aim of narrowing the gap inherent in the hitherto largely neglected field, it addresses a common wish to bridge the world of business with caring for the wellbeing and development of society. In particular, this leads to the conclusion that peace is a relevant topic for business, not only in war and conflict zones, but also in hitherto peaceful societies. This enables us, collectively, to address the intrinsic value crisis that we face and welcome a new, emerging more responsible and peaceful future.

As for suggestions for further research, there are many challenges ahead. On a conceptual level, a deeper study within each of the areas where business can foster peace (weak, strong, and holistic), would permit developing new business models that will require new knowledge and leadership skills. Furthermore, empirical studies are needed, especially in the field of business fostering holistic peace. What can we learn from existing organizations that operate in the new paradigm? To what extent can, and must, traditional corporations change in order to foster holistic peace? What do today's visionary leaders in business and society think of corporate leadership for peace?

If the outlined intricacies of business and peace help to form a better understanding of how and why the nexus is relevant today more than ever, the aim of this study has been reached. Business certainly has the potential, and recognizes the societal expectation, to be a major force for good in society – and corporate leadership for peace answers the call.

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