

The Business of Peace: The Role of Commerce in Peace-Building

 transforming business

by Peter S Heslam



Peter Heslam reflects on the potential of contemporary business to fulfil the ancient ideal of ‘commerce and peace’. Within a volatile global context, he calls on all people of goodwill to support this cause today.

In his first major initiative since becoming Middle East envoy, Tony Blair recently announced an ambitious business investment plan to boost the peace process through the creation of jobs for thousands of Palestinians in the occupied territories. This comes a year after the Nobel Peace Prize was awarded to the micro-credit entrepreneur Muhammad Yunus. Both events put the link between commerce and peace under the spotlight.

The key to understanding this link is relational capital. This is the value that strong and healthy relationships have to the economy. As this kind of capital is always the first casualty of warfare, violence and terrorism, it is perhaps not surprising that most of the armed conflicts around the world today are located in poor countries. Violent conflict thwarts economic growth.

In the 1990s, the *New York Times* columnist Thomas Friedman captured the link between peace and business in his Golden Arches Theory of conflict prevention, according to which, no two countries with at least one

McDonalds restaurant have ever gone to war with each other. While this observation oversimplifies the role of business in peace-building, and may indeed no longer be true, the contribution of commercial enterprise to peace and security has to be part of any consideration of the role of enterprise in alleviating poverty.

Of key importance here is that business is recognised as a valid and honourable part of what can be called civil society – the sphere of voluntary associations apart from the state that forms the basis of a functioning society. Whereas the strengthening of civil society is often regarded as the most effective antidote to civil conflict, business is generally relegated to the ‘private sector’, pitted against civil society because its profit motive is antithetical to civil society’s motive of care. This view has to be challenged, not least because leaving business out of the frame when it comes to peace-building risks losing a powerful incentive for peace – the preservation of the relational capital required for successful enterprise.

Relational capital cannot, therefore, be dismissed as a ‘soft’ issue. One of the greatest deterrents to multinational corporations deciding to begin operations in a particular country is civil unrest, conflict and war. Indeed, financial capital only readily flows to cohesive societies, where it helps create a virtuous circle of relational capital and wealth creation. It is a Marxist fallacy, therefore, that capitalism inevitably leads to war. The market, as a relational entity, relies on peace.

Although today’s market economy differs in many significant ways to trade in biblical times, there are hints of the business-peace relationship in the Hebrew Scriptures. There the hope of peace is often associated with the vision of the coming messianic age in which trade has a role: ‘the abundance of the sea shall be brought to you, the wealth of the nations shall come to you’ (Isa 60.5). Likewise, Jeremiah’s purchase of a field at Anathoth in the context of war is a sign of hope that the peace that will allow the buying and selling of fields will one day be restored (Jere 32).

The theme is also found in Christian history. Pope John Paul II established a link not only between poverty and violence but also between development and peace:

At the root of war there are usually real and serious grievances: injustices suffered, legitimate aspirations frustrated, poverty, and the exploitation of multitudes of desperate people who see no real possibility of improving their lot by peaceful means. For this reason, another name for peace is development. Just as there is a collective responsibility for avoiding

war, so too there is a collective responsibility for promoting development.(...) This is the culture which is hoped for, one which fosters trust in the

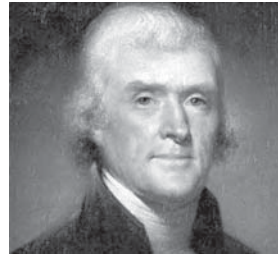
human potential of the poor, and consequently in their ability to improve their condition through work or to make a positive contribution to economic prosperity.(...) Creating such conditions calls for a concerted worldwide effort to promote development (Centesimus Annus, #52, original emphasis).

The Pope is clear - to promote peace is to promote development. A similar vision seems to have inspired Thomas Aquinas, who propounded the notion of *Opus justitiae pax* - the work of justice is peace. Likewise, the ideal of the seventeenth century Dutch seaborne empire, embodied in the proud motto of Amsterdam, was *Commercium et pax* - commerce and peace - reflected in the vast number of foreign

shipping vessels that crowded into its harbour. The same ideal lay at the core of the Enlightenment and the founding of the United States.

At the risk of simplifying a complex issue, when people are at peace, they trade; and when they trade, they promote peace. Trade helps forge the strong relationships it demands, creating from them the relational capital that builds and sustains prosperity. The precise dynamics here are little understood and require detailed investigation, not merely to establish causality but to find business models that are effective in breaking the conflict trap that locks so many countries in poverty.

In the meantime, it does appear that, while the fall of the Berlin wall marked the end of the threat to the market economy from communism, the fall of the twin towers marks the rise of the threat to the market economy from violent religious extremism. And just as it is no coincidence that a *trade* centre was selected as a target, so it is no coincidence that most of the post-invasion extremist attacks on civilians in Iraq take place in market places. Markets, both symbolically and in actual fact, are where people gather and associate. They bring people together who are very dissimilar and express a form of social solidarity. They thereby



Thomas Jefferson
'Peace, commerce and honest
friendship' (1801)

represent one of the most effective means of dealing peacefully with difference. That is partly why, in the era of religious extremism as in the era of communism, they are so under threat from those

who wish to stir up hostility towards those who differ from themselves.

As the market is crucial to prosperity, those to whom this threat is most real are the world's poor. Understanding, promoting and defending the centrality of business to human development cannot therefore be reduced to a mere intellectual exercise, of practical relevance only to CSR officers, rather than CEOs. It is, without exaggeration, a matter of life and death for a large proportion of the world's population.

The hard-won freedoms of the market, and the virtues those freedoms require, are by no means secure. In today's volatile global context, they have to be safeguarded, especially by religious moderates, who make up the vast majority of religious believers. Confidence in the positive potential of business has often been thought of as the particular preserve of western Christian fundamentalists. The need now is for it to be championed by all people of good will. The peace and prosperity of our world depend on it. ■

Dr Peter S Heslam is Director of Transforming Business, Cambridge University (psh20@cam.ac.uk, (www.transformingbusiness.net)



'Peace is development' (1991)



Amsterdam