

BOOK REVIEW

The Profit of Peace – Corporate Responsibility in Conflict Regions

By Karolien Bais and Mijnd Huijser

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This is a book, long over-due, which addresses one of the most neglected aspects of the complex process of establishing a stable post-conflict environment. All-too-often, the significant contribution made by business and commerce, if considered at all, is viewed as negative and self-interested. This view of business is often extended to commercial activities in areas which, whilst not actually in conflict, are perceived as having oppressive regimes. This naïve viewpoint, whilst no doubt comforting to those who prefer their shibboleths undisturbed, does little for the inhabitants of such regions of the world. Bais and Muijser do not set out to justify all activities of multinational companies (MNCs) but in a reasoned and well-researched book, seek in their own words to establish ‘how can MNCs, operating ethically in conflict regions, contribute to stability and peace?’. In the process they interviewed several chief executive officers (CEOs), other senior business figures and a number of members of non-governmental organisations (NGOs). Whilst they do not probe deeply into any of the aspects they cover they have produced a book which should be essential reading for any student, of whatever level, who wishes to understand the reality and complexity of post-conflict stability and development issues; the style in which it is written should also ensure that a wider audience amongst politicians, NGOs and the business community will enjoy and benefit from reading it. The foreword is contributed by Patrick Cammaert, Military Advisor to the Department of Peacekeeping Operations at the United Nations and formerly Commander of UN Forces in both Eritrea and Cambodia.

In the preface the authors highlight what they see as two significant factors. Firstly, MNCs in conflict regions are confronted with dilemmas in which cultural differences play an important role; and secondly, that ethically justifiable decisions do not necessarily produce ethically justifiable results. These two factors, they believe, cause great tensions between civil organisations and companies and complicate the necessary process of cooperation between them. All the CEOs they interviewed were well-aware that their companies influenced the conflict in one way or another although attitudes to assistance projects and NGOs differed. Similarly, NGO attitudes differed over the desirability of cooperating with MNCs; although the authors observe that those NGOs who see the business world by definition as untrustworthy risk acting to the detriment of their own ideals. Bais and Huijser end the preface by suggesting that they have been able to identify the ingredients for an

approach that leads to a solution of conflicts and to more stability; whilst admitting that only in the long term will it be possible to measure the success of what they call ‘the new profession of business diplomat’. The book is divided into eight chapters each addressing a different aspect of the subject.

Chapter One examines MNCs and conflict generally. The authors point out that the role of the MNC is not to mediate between warring factions but that through pursuing their core business the private sector can foster stability in a country or region. Direct foreign investment can boost jobs, training and prosperity and by having access to leading government personalities can also influence standards and practices outside their core business. Contentiously, the authors distance such activity from charity-based actions such as building schools which, they claim, do not really alleviate complex conflict situations. The point is made that there are examples enough where MNCs have not acted responsibly but with some 60,000 MNCs operating in over 70 conflict regions, they are major actors whose contribution, for good or ill, is significant and cannot be ignored. A trend towards more positive contributions is discerned and exemplified by the reaction of MNCs to Kofi Annan’s *Global Compact*, the British Institute of Business Ethics’ Webley and More report of 2003, and the fact that some 170 MNCs have become members of the World Council for Sustainable Development (WCSD). The chapter goes on to highlight some of the dilemmas which MNCs face and the need to develop what the authors define as ‘cultural intelligence’.

Chapter Two analyses what are termed ethics and culture and is constructed largely around interviews with Jean-Louis Home, the former Director of Heineken in Africa and the Middle-East. This chapter is also useful in that it touches on the differences between Latin and Anglo-Saxon cultures and examines the differences between the concepts of action, process, task and role orientation as they exist in differing cultures.

Chapters Three to Seven examine the dilemmas identified earlier and offer examples of how they have been faced, each chapter concluding with ideas, examples and suggestions as to how the dilemmas can be reconciled in future. During the course of this process the issue of economic sanctions is considered as a prime example of an area where adherence to

principle and ideology can act directly against the desired result. The vexed question of corruption and the often-accompanying allegations of bribery are also examined and the differing approaches of MNCs, Western governments and NGOs compared; these deliberations resurface in the seventh chapter entitled Profits and Ideals.

Chapter Eight, with the title ‘Scenarios and Story-telling’, takes the case of Inle Lake in Burma and the possibilities and likely pitfalls of developing its tourist industry in view of the opinions expressed in earlier chapters. The chapter concludes by summarising the various attitudes of sundry CEOs as to the role which they and their companies can and should play and speculates whether such views are reconcilable with those of NGOs. The authors believe that they are but conclude with a superb rhetorical question which students may well find themselves facing if their professors read this useful little book: what exactly do we strive for in conflict resolution: justice before peace or peace before justice? Finally, the extensive bibliography and list of useful web-sites will prove invaluable to hard-pressed students seeking to explore this important aspect of post-conflict reconstruction further.

A minor criticism of an otherwise excellent work is that little attention has been extended to the role which MNCs can play in encouraging the establishment and growth of local small businesses and directly influencing their own local suppliers; however this does not detract from the significance of the contribution which this much-needed book makes to the field. The authors are also to be congratulated for the clear and jargon-free style in which the book is written.