

This PDF is governed by copyright law, which prohibits unauthorised copying, distribution, public display, public performance, and preparation of derivative works.

TITLE The Corporate Contribution to One Planet Living in Global Peace and Security: Introduction

AUTHOR(S) Timothy L. Fort

AVAILABLE IN *The Journal of Corporate Citizenship Issue 26*

FORMAT Journal article

DATE June 2007

ISSN 1470-5001

PAGES 20-24

MORE DETAILS <http://www.greenleaf-publishing.com/jcc26>

SUSTAINABILITY • RESPONSIBILITY • ACCOUNTABILITY

Aizlewood's Mill, Nursery Street, Sheffield S3 8GG, UK
Tel: +44 (0)114 282 3475 Fax: +44 (0)114 282 3476
info@greenleaf-publishing.com <http://www.greenleaf-publishing.com>



The Corporate Contribution to One Planet Living in Global Peace and Security

Introduction

Timothy L. Fort

The Institute for Corporate Responsibility, USA

IN 1999, WHEN I FIRST STARTED TO research and write about the topic of business and peace, finding a relevant literature was difficult. There was a rich literature in corporate responsibility ranging from ethics to social responsibility to citizenship to sustainability. There was a rich literature on peace research. There was even a significant amount of material on the general connection between macro levels of economic development and peace. But there was very little on what *businesses* can do to promote peace and security. Aside from theories about monetary flows and general corporate citizenship, what connection, if any, might exist between the actions corporations can take and resulting peace and security? That was an open question.

Shortly thereafter, Jane Nelson (*The Business of Peace*) and Virginia Haufler (*A Public Role for the Private Sector*) started to open up this door. Of course, the creation of the United Nations Global Compact gave a major boost to the consideration of corporate social responsibility generally

and inevitably, given the aims of the UN, the Compact took a turn to looking at what businesses could do in zones of conflict. In 2001, I jumped in with my first article 'Corporate Makahiki: The Governing Telos of Business' and then went on to co-host (with Cindy Schipani) three conferences at the William Davidson Institute under the umbrella 'Corporate Governance, Stakeholder Accountability, and Sustainable Peace'. Those conferences generated two book-length special issues with *The Vanderbilt Journal of Transnational Law* and led to Professor Schipani's and my 2004 Cambridge University Press book, *The Role of Business in Fostering Peace Societies*.

From that point, what Notre Dame Dean, Carolyn Woo, has termed 'Peace Through Commerce' has taken off with conferences hosted by the University of Notre Dame, Case Western University, George Washington University and University of Maryland, with more on the way. Edited, single-author books and special issues on the topic are appearing on both sides of

the Atlantic so that now it is hard to keep track of all that is going on. The AACSB (Association to Advance Collegiate Schools of Business), under Dean Woo's leadership, organised a task force on how business schools could address this topic. To someone who was in on this at the beginning, all of this activity is tremendously gratifying.

That gratification continues in the publication of this issue of *The Journal of Corporate Citizenship*. I am thankful to Malcolm McIntosh and Sandra Waddock for asking me to comment on these papers. I also want to congratulate the authors for contributing to this dialogue and hope that they continue to explore the important dimensions they have offered in their papers.

As a starting point, I think it is important to address the question of whether corporations can do anything about creating peace and security or if this is just too big a topic—and too political a topic—to be realistically pursued. Indeed, at the first conference I hosted on the topic, the common theme expressed by all the participants, whether from business, government or civil society, was that there was not much 'they' (defined as where they were situated) could do because the implementation of peace was something for which 'someone else' really had the most responsibility. And so, governments said that their hands were often tied by businesses and markets. NGOs said they only had the power of persuasion, which has significant limitations. Businesses said that peace was really the responsibility of governments and, to a lesser extent, actors in civil society.

Perhaps not surprisingly, my answer to the question of whether this is a goal businesses can realistically pursue is ambivalent. Can businesses create peace in a country or the world? That's unlikely and often businesses can make things worse by fooling around with dynamics and conflicts about which they know little. Can businesses make contributions to peace? That seems quite likely and, in fact, the arguments I have made in my 2004 Cam-

bridge book as well as in my books to be released in 2007 (*Business, Integrity, and Peace*; Cambridge University Press) and 2008 (*Prophets, Profits, and Peace*; Yale University Press) are that, if businesses follow commonly accepted ethical practices, they will have an unexpected payoff of contributing to peace. That is because those practices seemed to be correlated with relatively non-violent societies as established by anthropological, political and economic studies. And so, creating the jobs that support economic development and combat poverty; attending to good governance practices such as transparency, support of rule of law, property rights and contract rights; and being both a good citizen in a host community as well as being a good corporate community for employees all seem to resonate with peaceful practices.

I won't detail all those practices here (after all, I'd like to encourage you to buy the books!) but I trust the reader will see that these practices are commonly promoted not only by responsibility advocates, but by businesses themselves. What is interesting is that, if one takes this connection seriously, one has an additional reason—to build peace—to implement these responsibility practices. That itself might make businesses more ethical and, in a recursive fashion, that will make for a more robust contribution to peace. In this model, corporations do not have to make wholesale changes in the way they do business; they just need to more mindfully pursue the ethical practices they and everyone else already think are important.

But let's not be sanguine about this. Just being a little more ethical won't create peace. As Aristotle would note, being ethical requires understanding which practice is most important at a particular time and place. Gender equity, for example, is strongly correlated with peace. Does that mean that a company should march into Saudi Arabia and demand that women be treated equally? Much as I would admire that, engaging in Saudi Arabia may mean taking a more gradual approach. In other words, one cannot be a fundamentalist in

implementing these practices. One has to take into account specific contexts in order to be effective.

With this as background, the papers of this issue strike me as moving us in important, positive directions with the kinds of corporate responsibility practices that have potential for significant impact on peace and security. The opening papers frame the issue nicely. Almost immediately, there is a recognition of various sectors of society—political, economic and civil—that are implicated in building peace and security.

Similarly, I have used a tripartite model, rooted in the natural sciences and in primatology, that William Frederick has applied in the field of business and society. That model looks at power-aggrandising, economising and ecologising values as three naturalistically recurring values in all life, human and otherwise. Those values need to be blended in order to prevent any one from being destructively dominating and, indeed, primatologists and anthropologists have a multitude of examples of just how hunter-gatherers as well as bonobo chimpanzees have done this blending. Charles Derber, however, points out three suicidal principles fostered by globalisation that arise from the sources I have used. Hegemony, economic polarisation and environmental unsustainability do indeed threaten the very existence of our planet and call for new models of blending the tripartite values in a constructive way.

Whether the Global Compact and the Global Reporting Initiative are the optimal ways of building the infrastructure for this necessary blending is an interesting question, but it is hard to imagine progress without these initiatives. Carrie Hall's explanation of the evolution of the Global Compact not only contains examples of corporate behaviour that can point to new directions, but the *fact* that corporations do sign up for the Compact and are interested in engaging in dialogues about what businesses can do is a hopeful sign. The Global Compact's structural benefits provide an important resource for this effort

and indicate a consciousness about the importance of the topic. So too does Sandra Waddock's interview with Allen White. To those who like to characterise human behaviour as opportunistic and selfish, there is a counterbalancing dimension of human nature that seeks peace, openness and security. The conceptualisation of GRI is evidence of this, as is the interest companies have in responding to it. The same is true of Peter Senge's commentary as he notes the varying kinds of leadership, both necessary and that are being practised, to bring new ideas of citizenship to the fore.

One of my favourite articles is a 2006 *Foreign Affairs* article by Robert Sapolsky entitled 'A Natural History of Peace'. Sapolsky relates the story of 'The Forest Troop'. The Forest Troop was a group of baboons who lived on the edge of a recreational park. They ate the leftovers from campers and other users of the park. The baboons' social structure was very hierarchical with alpha male baboons violently competing for the food and not sharing much of it with others in the troop. Then, according to Sapolsky, tuberculosis swept through the Forest Troop affecting most those violent males. The results were intriguing.

The remaining population, comprised of less aggressive males and the remaining females, practise a much more egalitarian, sharing approach to resources. That itself may not be particularly surprising. What is surprising is that these practices continued. In what may be a hard-wired understanding of the need to avoid incest, baboon males move from troop to troop and so males from typically aggressive baboon troops joined, as would be expected, the Forest Troop. What did not change, though, was the now more pacific culture of the Forest Troop. Even the newly arriving, aggressive males adopted the cultural practices of the Troop rather than reinstituting the competitive, violent and hierarchical style they were used to. As Sapolsky argues, the cultures and the traditions of the Forest Troop changed and continued to remain pacific even when aggressive individuals joined the group.

And so, we might ask, if baboons can change, why can't corporations?

Indeed, the point of Sapolsky's piece is that countries change too. Germany and Japan look much different than they did 75 years ago. So too do countries like Sweden and Switzerland, bastions of peace now, but hardly descriptions of those countries a couple of hundred years ago. Baboons change. Countries change. Corporations can change, too. Hopefully, human beings have an advantage over baboons in that we can foresee the need to change prior to a disaster sweeping through our population. That's the hope anyway. What Carrie Hall, Allen White and Peter Senge have demonstrated is that there are companies that have consciously understood the need to change prior to the kinds of disasters quite appropriately warned of by Charles Derber.

How do we do this? The six full-length articles help to sketch the answer to that question. The first two papers, by David Teller and by Oliver Ziegler, address the possible improvements in institutions that can coordinate behaviour in a way that constructive enlists the capabilities of business. Thus, Teller's 'Melbourne Model' looks at the phenomenon I mentioned above that was prevalent at the first conference I hosted: what happens when no one sector has a complete answer. The Melbourne Model, a moniker for the United Nations Global Compact Cities Programme, is a multi-stakeholder structure designed to get collective input and wisdom from all affected stakeholders and to process it in a way that solves a collective problem. This approach is one that is recommended in the UN's work on how businesses can work in zones of conflict. Without a multi-stakeholder format, the relevant issues are unlikely to be addressed and, if they are not addressed, then solutions will almost inevitably be flawed. Steve Waddell takes these ideas beyond the Global Compact with a far-reaching proposal for creating the institutional framework for facilitating necessary social and business changes.

In my view, the most important dimension of the Melbourne Model is its promise of neutral space for dialogue. We must be realistic that there is a market—and money to be made—for bashing corporations. Corporations have reason to be worried about engaging with those who can sue them or can turn out their cellphone camera to catch their most unflattering moments. This is an aspect of Oliver Ziegler's recognition of the fear US companies have in signing up for the Global Compact in terms of the fear of litigation as well. As Ziegler documents, the motivations for adopting a CSR programme can vary widely; the Global Compact as a constructive institution can be strengthened by encouraging companies, governments and civil society to form something of a critical mass that provides a degree of assurance in participating. Finding that space is central to Waddell's proposal as well. These three articles strike me as on the right track. While it is kind of fun to bash corporations for all the lousy things they can do and while it is inspiring to show the examples of good behaviour, a critically important contribution academics can make is to assist in the creation of the institutions that can allow for safe discussions of partnering.

At the same time, voluntary discussions will only go so far. This is an important point of Mandy Turner's paper. Relying on Karl Polanyi's work, Turner argues that businesses don't necessarily have peace and security at heart and when there are calls for businesses to hem in their acquisitiveness, there is a self-interest in promoting watered-down self-regulation. While Turner's paper is a sobering assessment of being too sanguine about the possibilities of voluntary efforts, the business interest in building social capital suggests that businesses do have some important incentives to go beyond narrow, short-term self-interest. This is a unifying point of the articles that directly engage the topic of social capital—that of Mary Ellen Boyle and Janet Boguslaw as well as of Robert Boutilier—and it is also important in Juliet

Roper's and Ed Weymes's paper. Boyle and Boguslaw tackle the issue of poverty, which along with sustainability, may have the most direct implications for the continued viability of the planet. It is one thing to know that others are richer than you. It is another thing for 21st-century technology both to provide the visual confrontation with that through the Internet and television and for there to be easily accessible weapons to sharpen one's protest over the matter. Addressing issues of poverty is, as the authors indicate, a tough one that requires partnership and leadership and is likely to best be monetised through reputational rewards. Boutilier explicates the available permutations of the social capital businesses can connect with in community development efforts.

The Roper and Weymes article requires special attention. As mentioned, it too relies heavily on notions of the business interest in building social capital, but it also directly engages a 'way of life'. It is true that Confucianism is not a religion in the sense that it is not concerned with a deity or afterlife. Most religious scholars, however, would consider it as a religious-like way of life. And, so, a question is whether bringing such resources into debate about violence complicates things far too much. Aren't 'ways of life' such as overarching philosophies and religions the cause of much unrest and isn't mixing them up with business a combination that is bound to be incendiary? Well, it has that potential but, as I argue in my forthcoming book *Prophets, Profits, and Peace*, the ethical business practices I have suggested that will build peace can also open the door for respectful dialogue among peoples of varying religious beliefs. Roper and Weymes, in my view, provide an excellent example of how a respectful, constructive contribution can be made from an overarching way of life that can connect corporate responsibility, peace and security, and the differing ways in which human beings around the world make sense of their existence.

Building from the three value clusters I mentioned earlier, I have argued that to create a corporate responsibility approach that would lead to peace through commerce requires three kinds of trust-building efforts. People trust business when business follows the law. The law is a necessary coercive tool to rein in corporate excesses. I call this Hard Trust. People trust business when they see (and when business sees) that it is in business's self-interest to build social capital and reputation. I call this Real Trust. Finally, people trust business when they know that the people in business are particularly inspired to seek a positive good for religious, spiritual or aesthetic reasons. I call this Good Trust. No one of these approaches will do the job of creating peace through commerce. It is when they are fully integrated that our best chance occurs. The papers of this issue of *The Journal of Corporate Citizenship* strike me as providing very helpful depth in elaborating various aspects of each kind of trust. I very much welcome these contributions to this new and important emerging field of study.



Timothy Fort is executive director at the Institute for Corporate Responsibility at the George Washington University Business School; Lindner-Gambal Professor of Business Ethics; coordinator of the Peace Through Commerce Program; and professorial lecturer at George Washington Law School.

✉ GW Business School, George Washington University, Washington DC, USA

📧 timfort@gwu.edu

🌐 www.totalintegritymanagement.com