Local Business, Local Peace: the Peacebuilding Potential of the Domestic Private Sector

Chapter three
Local business as connectors: rebuilding relationships across conflict divides*

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For violence to end and co-existence to become re-established, it is necessary – but not sufficient – for armed actors to come to a formal peace agreement. Sustainable peace has to grow slowly and regain its roots in communities that have been divided and traumatised as a result of violence. Achieving peace is a process that needs to take account of deep-seated fears, prejudices and the rejection of the other side as the ‘enemy’. This process, which looks at the relational dimension of peacebuilding, seeks to foster peaceful relationships and mutual confidence. The focus is not on a single outcome or point in time, such as a peace agreement, but on a process – the way peace is conceptualised, negotiated and implemented at all levels – that involves inter-linking efforts, evolution and adaptation over the long term.

Elsewhere in this book, peacebuilding is presented as a multi-faceted, multi-layered effort that needs to address cause-and-effect factors in the security, economic, political and reconciliation spheres. Relational dimensions sit squarely in the reconciliation sphere, but it is clear that, though they can be distinguished from other, more structural aspects, tackling conflict requires understanding and integrated efforts to address all of its factors. Where structural injustice works to the benefit of one group in society, severely disadvantaging another, no amount of relationship building will be adequate as a response to the conflict between them; underlying inequities need to be explored with mutually satisfactory outcomes. Similarly, it is unlikely that any progress in the economic, security or political spheres will be lasting without rebuilding war-torn relationships over time.
This chapter presents some of the ways in which local business communities have acted as ‘connectors’ across conflict divides. It draws on examples in Section 2 from Bosnia, Cyprus, Israel/Palestine, Nepal, Northern Ireland, the Philippines, Sierra Leone, Somalia, Sri Lanka and South Caucasus. An exhaustive account of the slow and complex processes used to assist divided communities in strengthening relationships is beyond the scope of this chapter; it focuses instead on those that emerge from the case-study material.

Two categories of business participation emerge from the studies: participation in dialogue processes and participation in economic activities that strengthen peaceful transactions between divided communities. As will become clear, these two categories are not completely distinct and many initiatives contain elements of both, with differing degrees of emphasis. The second area is discussed in more detail in Chapter 2; this chapter examines the relational gains that can be made through joint activities. It is hoped that the examples given will provide inspiration for further engagement.

Before presenting the business experiences, this chapter will explore some issues involved in the relational dimensions of peacebuilding, including the actors that have a part to play at different levels and the context in which these initiatives take place.

The impact of violent conflict on relationships

It is widely recognised that violent conflict destroys the ‘social fabric’ of communities. What does this mean? As one study puts it: “Relationships involve the whole fabric of interaction within the society in which conflict takes place, as well as beyond to other societies … these relational aspects of conflict are crucial. Poor relationships between groups are all too often a trigger for conflict and remain a critical hindrance to peacebuilding efforts after the violence is over.”

Hostility and physical violence are the more obvious manifestations of conflict and division between groups, but inequalities embedded in a society’s structures and institutions (called ‘structural violence’) also hinder peaceful relationships. Socio-economic and political structures may keep one group at a disadvantage vis-à-vis another by denying them access to certain jobs – as with the Dalits in Nepal (as discussed in the country report in Section 2) – or to land, or by imposing restrictions on movement and access to markets (see the Israel/Palestine case study). The potential for more open hostility is always present in such societies and needs to be addressed by tackling the structural issues directly (for instance, discrimination in the legal system and education, or access to economic opportunities), as well as by strengthening peaceful relationships between communities.
In what ways are social relationships damaged by structural and open violence, and what kinds of relationships are likely to lead to conflict, rather than peaceful coexistence? At the least, conflict can lead communities to avoid one other and unjust structures are divisive. In the extreme, communities become segregated to the point where internal divisions are reflected in the re-drawing of territorial boundaries (Bosnia Herzegovina, Georgia/Azerbaijan and Israel/Palestine are cases in point). With reduced social, cultural, economic and political interaction, further space is created for prejudice and mistrust to develop, shored up by anger or fear of ‘the other’. These attitudes are easily manipulated for political ends by media and leaders, feeding into a cycle of violence that widens by sucking in new actors and intensifies by affecting more victims. Where issues may once have been dealt with calmly, the resort to violence sets a precedent, silencing peaceful dialogue and interaction, and shrinking the space for people to express opposition to violence. Hostility and mistrust become the norm.

Re-opening channels of communication and interaction is therefore crucial in several ways: it reasserts a shared humanity; challenges prejudices and forces opponents to consider ‘the other side of the story’; shows individuals that violence is not the only means of addressing conflict issues; creates opportunities to address structural issues; and gives space to those who want to effect peaceful change.

Achieving change through relationship building

Experience shows that by bringing people together, whether through dialogue or joint activities, some of the changes necessary for resolving conflicts can occur at three connected levels: personal transformation, transformation of relationships at the group level and transformation of the wider conflict context.

Personal transformation

Through sustained peaceful interaction with ‘the other side’, individuals increase their understanding both of the other’s perspective, and their own assumptions and prejudices. In the long run, this affects the way individuals relate to one other and behave in the conflict context. Through long-term contact and joint experiences people can regain confidence and trust in each other.

There is a strong element of such personal transformation in the cases discussed in this chapter. Participants at the initial meetings of the Business for Peace Alliance in Sri Lanka, an island-wide network of Chambers of Commerce from Tamil as well as Sinhalese areas, vividly recall their suspicions of one another, their perceptions of insecurity and how their relationships changed over time.
The Business for Peace Alliance – building relationships

The Business for Peace Alliance (BPA) was founded in November 2002 with support from International Alert and the UNDP. The BPA is a working group of business members from the 17 regional chambers of commerce representing all Sri Lanka’s provinces and ethnic business communities. Its objectives are to support reconciliation, business-to-business relationships across the ethnic divide and regional inclusion in the peace process.

It emerged from a lengthy process of consultation with individual chambers, identification of appropriate individuals and trust building among the participants. “We had no business or personal connections with the south during the war,” recalled one northern member at the first meeting. “The north sat on one side and the south on the other. We were a bit suspicious. There was a little friendship over tea, but we ate lunch separately. In those two days, we met many southerners. But soon after we became friends. It was a real experience for us and the first time we started moving with southerners.” Another member described how initial prejudices were slowly overcome and commonalities established. “It took time to understand each other’s experiences. We had the feeling that they were terrorists. Their appearance intimidated us. There was a feeling of anger that these people had caused such devastation … but then we found that we could sit and talk with them. Within seconds, we realised there were common problems.”

Regular bi-monthly meetings facilitated by Alert and UNDP, combined with visits of each other’s chambers across Sri Lanka, created a strong spirit of fellowship that is already a significant achievement. Ongoing ideas for joint ventures and technology-transfer programmes between regional chambers are indications that new relationship structures are being nurtured between northern and southern businesses, without interference from Colombo. In addition, strong friendships and levels of trust have been built across the group at a personal level.

More spontaneous manifestations of relationship building through trade in market spaces are described in the case studies in Section 2, with traders from Arizona market in Bosnia, and Sadakhlo and Ergneti markets in South Caucasus relating how the interaction changed their perceptions of the other side. In the words of one trader at Ergneti, where Georgians and Ossetians maintained trade relations despite a political blockade: “People seemed to have put aside the violence, and traded and interacted in a friendly way, regardless of ethnic origin.”
Transforming relationships within and between groups

By their nature, dialogue and joint activities involve only a relatively small group of people at any one time. These experiences can be repeated, however, and the individual learning shared by word of mouth or expanded to include larger numbers of people through a network. A critical area of transformation occurs when the individuals involved in dialogue or joint activities crystallise into a group with shared vision and opinions.

The discovery of common ground generates a fundamental shift in group perception: an exclusive ‘them’ and ‘us’, derived from previous opposed positions, is gradually replaced through sustained engagement with a more inclusive, common identity based on shared interests and needs. Joint business activity and dialogue across conflict divides can help to change group interactions and generate new identities – for instance, from two sides of a conflict who nevertheless trade together in the same market place – vis-à-vis the majority of their societies, who do not.

Transforming the wider conflict context

The impacts that these interactions have at the individual and group levels are significant, but they can occur without influencing the wider political progress towards peace. “Peacebuilding efforts that focus on building relationships and trust across conflict lines, increasing tolerance, increasing hope that peace is possible often produce dramatic transformations in attitudes, perceptions and trust. But evidence shows that impacts for the broader peace are more significant if these personal transformations are translated into actions at the socio-political level.”

The challenge, therefore, is to channel personal and group transformations in ways that will affect ‘peace writ large’. This can happen in a variety of ways. Activities can evolve into visible manifestations of concern for peace, including through groups addressing a structural issue they have identified as unpinning the conflict. Dialogue initiatives that lead to creative solutions by the group involved, and which the official negotiating parties later adopt, are another example. Or, participants may simply decide to publicise their involvement in a dialogue initiative in order to modify or influence public opinion. The creation of new networks, organisations or institutions with a peacebuilding focus is another way the wider context can be affected, further strengthening the broader peace constituency.

Joint activities constitute concrete effort to affect the wider context in particular when they address specific conflict issues and/or seek to generate ‘peace dividends’ for society in order to mobilise support for peace. For example, businesses from both sides of a conflict set up a joint venture to generate both symbolic and economic
value, or an organisation brokers business activities across the divide precisely to demonstrate the viability and necessity of peaceful economic relations – as illustrated by the work done with Israeli and Palestinian businesspeople by the Peres Center for Peace. Businesspeople involved in such activities can also actively lobby government to reform governance or legal frameworks that are both obstacles to business, and at the same time symptomatic of the conflict, as discussed in Chapter 2.

There are several examples of relationship-building exercises that have had an impact on the wider context and on prospects for durable peace. Sri Lanka’s Business for Peace Alliance, mentioned above for its purely relational dimensions, is one.

The Business for Peace Alliance – practical efforts to influence the conflict context

The BPA has convened 12 times at different locations throughout the country and launched a series of projects that combine private sector interests with peacebuilding:

- Business exchange visits between chambers in the rest of the country and the Jaffna Chamber of Commerce. The visits are intended to create cross-regional economic activity, as well as community and inter-personal understanding.
- Peace visits designed to replicate the reconciliation and cooperation that the BPA has provided to its own members. The BPA acts as a coordinator for members of regional chambers who wish to make business and peace visits to other areas of the island. The visits always contain a business dimension, such as finding sectoral matching for investors, suppliers or distributors, but they also promote understanding and reconciliation.
- Training workshops focusing on topics such as communication and presentation skills, peacebuilding and corporate social responsibility
- Coordination of the production of a directory of regional businesses that was distributed by the BPA in 2004, in conjunction with the Colombo Chambers of Commerce and the Federation of Chambers of Commerce and Industry Sri Lanka
- Acting as coordinators for local dialogue in the north and east that will identify economic and social development issues for the two regions
- Establishing a ‘peace bridge’, an inter-regional trade and investment fair, promoting peace, and including contextual sharing of food, music and cultural items
- In response to the tsunami, BPA member chambers supported district coordinators in meeting local populations and communicating their needs to those responsible for planning and reconstruction.
Similarly, the Turkish-Armenian Business Development Council (TABDC), created by a Turkish and an Armenian businessman, seeks to facilitate dialogue, business connections and cultural exchanges between the business communities of two countries that have no official diplomatic, political or economic ties. The TABDC seeks to influence the wider context as part of its wider strategy.

Business groups from two sides of a conflict have also tried to impact on public opinion by making joint media statements to influence the debate about the need for peace, as was done by the Brussels Business Group of Greek and Turkish Cypriot business leaders during their three-year dialogue initiative.

While the effect of such interventions is incremental, they point towards the potential of linking the different levels of relational transformation – personal, group and context – in order to work holistically towards peace. The following two sections present in greater detail experiences of businesspeople contributing to the relational dimension of peacebuilding through dialogue and through joint business activity across conflict divides.

**Businesses strengthening relationships through dialogue**

**What is dialogue, and what is it for?**

In peace practice, dialogue is defined as “deliberate, arranged conversations across conflict lines organised and often facilitated by peace agencies or individuals. Dialogue provides opportunities (meetings, structures, processes, ‘space’) for direct contact and communication between people on opposing sides of conflict.”\(^{14}\) In emphasising ‘listening, learning and the development of shared understandings’ between ‘enemies’,\(^{15}\) dialogue contributes in important ways to rebuilding relationships across conflict divides. It can take the form of one-off events, such as a confidential meeting or public conference but, reflecting the complexity of most conflict contexts, dialogue usually takes the form of a series of meetings between selected participants over many months or years.

Dialogue initiatives can evolve over time from an initial focus on meeting, talking, building trust and so on to more ambitious goals, such as jointly analysing and trying to solve shared problems (finding ‘common ground’), and planning and implementing joint activities.\(^{16}\) In Georgia and Abkhazia, what began as unorganised meetings and communications to maintain relationships between businesspeople on either side led to a joint trip to a trade fair in Istanbul and, from that, to a more structured dialogue initiative aimed at analysing shared problems (trade blockades and the lack of economic integration) and the initiation of a process of developing joint solutions (see below).
Dialogue can take place across conflict lines or involve different groups from one society, such as hardliners and moderates, or different sectors. As well as ‘horizontal’ dialogue between individuals at the same level, ‘vertical’ dialogue between grassroots, middle and high-level leaders is also valuable. By inviting individuals with common identities, roles or problems regarding a conflict (for example, youth, women and academics), participants may be able to identify issues of shared concern, and empathise with and understand one other better.

Ideally, participants should be ‘well networked’, enabling the effects of the encounter to be multiplied and its key messages passed along. Businesspeople tend to be well-networked individuals, both as a group (through business associations and clubs) and also with regard to other groups, including politicians.

Some dialogue initiatives specifically involve individuals who are opinion makers and/or leaders in their communities. Businesspeople have a distinct role to play here, as is evident from several of the cases reviewed below. Businesspeople used their position as community leaders to influence opinion and urge dialogue in Northern Ireland where, before the signature of the Good Friday Agreement, the Group of Seven lobby group circulated a letter to employees urging them to recognise the need to move away from sectarianism and towards peaceful settlement of the conflict.

Other initiatives target individuals with access to, and influence over, political actors in Track I processes. This was the rationale for bringing together the business communities from divided Cyprus with influence over their respective political leaderships.

Depending on the point in a conflict when dialogue takes place (for instance before, during, or after Track I negotiations), it will naturally have differing aims and impacts. Establishing peaceful dialogue in the midst of, or at the onset of, violence, for example, sends an important peace message, reaffirms mutual recognition and may provide the momentum for initiating a Track I process. During negotiations, unofficial dialogue can help address the problems encountered at the official level and propose solutions in the form of joint recommendations. Dialogue at this point can also help to demonstrate public support for the peace process and put pressure on political actors to maintain momentum. As argued above, dialogue is instrumental in rebuilding relationships and reconciling different groups after a peace settlement.

Types of dialogue involving the business community

‘Business-focused’

The examples in Section 2 show that business involvement in two distinct types of dialogue: either focusing primarily on businesspeople or business-related issues, as in Abkhazia/Georgia, Cyprus and Sri Lanka; or as part of a broader, more socially
diverse group. Successful dialogues sustained over time often evolve both in focus and membership as their agenda, and the context around them, shift.

One advantage of starting with a ‘business-focused’ dialogue is that the participants come together through shared identities (as businesspeople affected by conflict), mentalities (pragmatism and ‘business sense’), interests (doing more business) and, to some degree, through language (‘talking shop’ with the other side), providing fertile ground for fostering cross-conflict relationships. The cases show that businesspeople from opposing sides often find themselves to share the same challenges vis-à-vis conflict, which facilitate the emergence of a shared agenda and strategies. The description of the BPA in Sri Lanka shows this in practice, as does the box below on Abkhazia/Georgia.

### Abkhaz and Georgians talking business and peace

In 2002, UK-based peacebuilding NGO Conciliation Resources (CR) organised a series of study visits to London for Georgian and Abkhaz politicians, businesspeople, officials and civic figures to understand the experience of Northern Ireland. The first, for those engaged in the economic sphere, explored the ways that economic and business impacts on a peace process can contribute to the dynamics of conflict transformation.

After the visit, one participant – an ethnic Georgian factory director in pre-war Abkhazia who had been displaced to Georgia – made efforts to keep in touch with the Abkhaz participants. He asked CR to facilitate a further meeting in Gali. An informal meeting was arranged under CR’s auspices, although the NGO was not actually present.

Maintaining relations, and discussing issues and options were considered more important than putting any concrete business proposals on the table at this meeting. One practical outcome of the meeting was a joint visit to a trade fair in Istanbul in May 2004, with the support of a group of Turkish businesspeople. The initiative came from the Georgian and Abkhaz interlocutors, but CR issued the invitations, liaised with the relevant authorities, arranged travel with UN assistance and co-funded the trip with the British Embassy in Georgia.

Regular communication and interactive analysis of the opportunities for building bridges between the two private sectors was a challenge for Georgians and Abkhaz alike. All agreed it would be useful to convene a meeting in Moscow in September 2005 as a means of considering ways to move forward. CR felt it was important to link this process to International Alert’s work on business and conflict in the South Caucasus. The meeting was designed to
explore the challenges and opportunities involved in economic cooperation within a context that circumscribes the room for legal economic endeavour.

In Moscow, the mixed group of businesspeople, officials and politicians came to the joint conclusion that, with the political process deadlocked, cooperation between businesspeople presented an opportunity to change the dynamic. In the view of some participants, operating a parallel, economic approach could help unlock the political stalemate. Despite the legacy of war, a number of factors provided encouragement for economic cooperation, such as the lower transport costs of working directly with those in close geographic proximity, as well as evidence of shared attitudes.

The most obstructive impediments from the participants’ perspective were groups who benefit from the current status quo through smuggling illegal and legal goods, the prevalent atmosphere of political deadlock, lack of public optimism and the tendency of politicians to engage in war rhetoric that reinforces public insecurity.

Though the meeting was not framed with a ‘problem-solving’ agenda, participants made suggestions that could empower local businesspeople for future engagement, many of which reflected a willingness to think both jointly and creatively.

‘Mixed’
The examples of ‘mixed dialogue’ contained in the case-study material describe businesspeople brought together with others as a cross-sectoral group of opinion makers and community leaders – sometimes only from one side – to garner support for a particular issue. The Somalia country report in Section 2 describes how the business community is perceived as a key actor in a range of political, social and economic issues, including security, and its consequent involvement in various cross-sectoral dialogue initiatives to tackle specific issues.

Business participation in the Mogadishu Security and Stabilisation Initiative

After the formation of the Transitional Federal Government (TFG) in late 2004 and as part of local efforts to stabilise Mogadishu, the Somali peacebuilding NGO, Centre for Research and Dialogue (CRD), convened a day-long meeting of opinion makers in Mogadishu in June 2005. The 72 participants included former presidents Ali Mahdi and Abdiqassim, high-level politicians, religious leaders, civic and women’s groups, the media, as
well as nine members of the Somalia business community. The aim was to advance a plan of action for the Mogadishu Security and Stabilisation Initiative (MSSI), and generate consensus and endorsement for the initiative by the broad-based group. Live broadcasts on radio ensured a high degree of public awareness.

The meeting agreed to clear all roadblocks with immediate effect. The following day, with the participation of the civic movement, all checkpoints were dismantled or circumvented. Funds were mobilised from the local community, the business sector and diaspora to support the encampment and training of 2,000 militia in two locations outside the city, together with the cantonment of 100 heavy weapons.

In August 2005, CRD was asked to provide technical assistance at a follow-up meeting attended by 25 representatives of the business sector, the Islamic courts, civil society and the TFG. Discussions focused on continuing support for the militia in cantonment camps, the removal of the remaining checkpoints and the establishment of a regional administration through a broadly participative process. Though sustaining momentum with these goals has proved challenging in the context, continuing talks were recognised as essential to progress.

Joint training or study trips can have an indirect relationship-building effect, strengthening a network of like-minded individuals within a divided society. Exposure to such activities in two cases led businesspeople to take the issues forward in their own sphere of influence. In the Georgia-Abkhazia case, a study trip to Europe led the Georgian factory owner to approach CR to facilitate a dialogue between Georgian and Abkhaz businesspeople. Similarly, a training seminar by the Swiss Development Cooperation (SDC) for members of different sectors of Nepalese society gave participants the opportunity to explore together their own context. This informal dialogue ultimately led to the creation of the National Business Initiative.

**Unexpected outcomes from cross-sectoral dialogue on conflict – a Nepalese businessman’s account**

“In February 2003, I was invited by SDC to join a group of 25 people in Switzerland for a seminar on ‘Conflict Resolution and Peacebuilding in Multicultural Societies’. The group contained representatives from all political parties, civil society, two Maoists and two, including me, from business. We spent one week in retreat in a village. The lessons from the experience and knowledge of the resource persons, presentations on Jura Canton and South Africa, and a conceptual framework for analysing and
resolving conflicts, were all presented as inputs in looking at the Nepalese conflict in a proper perspective. On the final day, we decided to have a closed-door session only among the Nepalese participants. This was a satisfying end to a good programme. I was very encouraged by the spirit of friendly consensus in this meeting. The group asked me, a representative from business, to draft a statement on their behalf. To my surprise I found that the statement was accepted unanimously by the group with very few changes. This planted a hope in my mind that perhaps the business community can play a useful role in conflict resolution."

The advantage of ‘mixed’ dialogues is that the dialogue is as diverse as the society it reflects, and the suggestions or agreements emerging from the process will reflect broader input and legitimacy. Through the process, business links up with a wider range of social actors and has to take account of ‘non-business’ concerns and views. Such encounters have the added benefit of illustrating to business participants the variety of actors working for peace in their own communities, and making them more inclined to work with a broader coalition.

On the other hand, such multi-sectoral initiatives can be slow and common ground less easy to find. Businesspeople used to an efficient *modus operandi* may find participation frustrating. Some businesspeople involved in Somalia’s MSSI, for example, voiced frustration at the initiative’s lack of progress or clear leadership. There is therefore a need to be clear in the agenda about purpose, planning and progression.

**Working to scale – different sizes of business get involved**

**Dialogue involving big business**

As mentioned above, dialogue between influential members of societies with access to political leadership can serve to provide input into, and pressure on, Track I peace processes. External actors – especially different members of the international community – often initiate such processes, ensuring the participation of national business leaders in order to in turn secure their support of peace agreement implementation. The emphasis is thus often less on immediate pragmatic requirements. Many of the relevant cases are discussed in more detail in Chapter 1.

The 1997 initiative by Richard Holbrooke, then US Special Envoy to Cyprus, and the International Peace Research Institute Oslo to bring together Greek and Turkish Cypriot business leaders explicitly combined relationship building with more pragmatic objectives. The goal was to shore up business support for a negotiated settlement by exploring with invited representatives the economic benefits that a
peace agreement could bring, as well as influencing public support for peaceful settlement. As described below, the opportunities offered by high-level business participation in such dialogue initiatives have to be carefully weighed against their loyalty to political elites, which can serve work against dialogue objectives.

The Brussels Business Group – mobilising business to influence political agendas

Richard Holbrooke and International Peace Research Institute Oslo (PRIO) created an opportunity for 32 Greek and Turkish Cypriots with high standing in business, politics and the public sphere to begin discussions around issues of shared concern pertaining to the Cyprus conflict. The international community demonstrated its support by involving the EU Special Envoy to Cyprus, as well as ambassadors and former foreign ministers.

After exploratory meetings, it became clear that the group wanted to continue and it requested help from a PRIO facilitator for regular meetings. What became known as the Brussels Business Group (BBG) made joint statements to the media and political leaders through Richard Holbrooke. These contained sentiments of good will towards a settlement that all could accept, with more focused remarks about particular cooperation projects without specific commitments. The statements became highly influential in the Turkish Cypriot community and strengthened the pro-settlement political group in the north. One of the group’s other aims was to propose areas for confidence building involving businesspeople that were feasible in the absence of a political settlement, and could prepare the ground for solutions.

Paradoxically, the underlying rationale of bringing together individuals with close relations to political elites on both sides was also one of the initiative’s main challenges: for most, business success depended on ensuring good relationships with the authorities. Participants in the process supported the long-term goal of a peaceful settlement, but could not afford short-term risks and were highly conscious of political suspicions surrounding the initiative. As a result, many participants’ political positions were closely aligned with their governments’, making them less open to creative solutions.

Despite its dissolution in 2002, the BBG achieved several things: its outreach was effective and its statements informed public debate. An important element of its work was symbolic in that it brought together prominent businesspeople and encouraged other bi-communal groups. From the relational perspective, contacts between individual participants are still strong and several former members are active in similar initiatives.
Dialogue involving small and medium-sized enterprises

Small and medium-sized enterprises (SMEs) can be important leaders with connections both to the ‘grassroots’ in the communities where they operate and through their employees, as well as upwards to political and other decision makers. Most cases in Section 2 show how, due to size and exposure, SMEs are particularly hit by conflict and may often share common challenges. Encounters between SME entrepreneurs offer fertile territory for reaching across dividing lines and building relationships based on shared concerns and ways of tackling problems.

The BPA in Sri Lanka is one example. BPA members are influential in the regions where they operate, and have access to politicians, officials, international organisations and other decision makers. They also have connections with the conflicting parties. The evolution of the BPA provides evidence that building relationships requires time and the sustained involvement of participants and facilitators. Its first meeting was preceded by lengthy background work by facilitators travelling across Sri Lanka to meet with participants, and to prepare them for the process. Initial mistrust was overcome as the group developed relationships and trust.

Maintaining momentum is essential if an initiative is to develop into more than a single encounter. Comparative research on dialogue initiatives shows that participants become frustrated if organisers do not build on the enthusiasm generated by their initial meetings. In the BPA case, momentum was sustained by regular, bi-monthly meetings facilitated by Alert and UNDP, which resulted in the creation of a permanent, island-wide network of chambers of commerce.

Members’ recognition of the shared ground that existed between them also contributed to their relationships gaining traction. Many felt remote from policy makers in Colombo. In response, the BPA evolved a programme of regional dialogues to feed information and local concerns to decision makers in the capital. For example, the group lobbied Colombo to ensure that the sole motorway leading to LTTE-held areas, a lifeline for the local economy, remained open longer in the evenings.

In Georgia and Abkhazia, SMEs’ shared concerns include closed borders, competition with smugglers and the absence of a legal framework for economic cooperation, leading participants in the first dialogue to discuss solutions to their joint problems. While this particular dialogue is at an early stage and faces challenges in how to progress it further, the participants’ suggestions and the follow-up joint trip to a trade fair were evidence of longer term commitment.

Grassroots dialogue and joint economic activity for interpersonal reconciliation

The Dushirehamwe women’s network of Hutu and Tutsi women in Burundi illustrates how community-level dialogue can create meeting spaces for communities
that have grown apart through conflict in a bid to foster personal encounters and strengthen human relations.20

This network, spanning various grassroots initiatives by individual female, conflict-resolution trainers, underwent a natural evolution from dialogue and conflict resolution-centred encounters to joint economic activities after the organisers realised that reconciliation would be incomplete without addressing one of the participants’ most urgent problems – securing livelihoods. Addressing the issue of livelihoods was facilitated by the fact that many Dushirehamwe groups bring together individuals working in the same sector, such as beekeepers, cattle herders and craft workers.

_Dushirehamwe_ established farming cooperatives, achieving economies of scale through the joint production and sale of agricultural products. But these activities were not conducted solely for economic and market motives: Dushirehamwe used the benefits to extend the chains of community solidarity beyond the core groups by donating cattle, sheep and seeds to others in need.

This approach created a virtuous cycle in which the joint activities ensured participants a decent living from sales of produce and strengthened in turn their relationships with others. “The various economic activities carried out by different groups serve shared interests and reinforce the cohesion between different ethnic groups. The groups also offer forums in which members can freely express their concerns. In this way people are able to see beyond the stereotypes formerly attached to members of different ethnic groups, leading to greater mutual acceptance. It becomes difficult for external political forces to manipulate and divide people along ethnic lines when they already share a common interest.”21 Therefore, what began as a grassroots, dialogue initiative evolved to address the participants’ immediate economic needs.

**Lessons emerging from business participation in dialogue**

Several lessons emerge from the studies, and these reflect the issues and concerns raised about dialogue initiatives more broadly.

**Participation**

The BBG experience in Cyprus demonstrates that choice of participants is a crucial element in a successful dialogue. Tension may arise between balancing access to political players and participants’ willingness to take political risks. Convenors should try not only to involve ‘moderates’, though meetings of moderates from both sides can result in innovative ideas. Problems may arise from involving hardliners who may be closer to conflict actors. The ideal balance seems to consist in involving ‘neither the
softest doves nor the harshest hawks’.22 Some recommendations are available for the gradual inclusion of hardliners, for instance by first involving them in bilateral meetings to explore their positions and agendas.23

Dialogue initiatives can inadvertently emphasise a division between ‘insiders’ and ‘outsiders’, de-legitimising those who do not directly participate.24 The BPA’s broad and inclusive approach in Sri Lanka is a good model, although even here the relationship between the group and the network of chambers of commerce from which its members are drawn is an issue that the BPA strives to define to the satisfaction of all stakeholders.

Where there are significant power or capacity differentials between the two sides, the format of the dialogue may not be viable, if the participants are unable to talk to one another as equals.25 Other activities may be necessary to complement the dialogue, or to pave the way toward it. Examples in the final sections of this chapter point to possible ways forward in this regard.

Moving from ‘talking’ to ‘doing’
Dialogue is likely to reach a dead end if it does not lead to action, generating frustration among participants who have invested time and effort, and leading to an eventual loss of commitment. Where excessive emphasis is placed on talking, rather than doing, people – especially businesspeople – may experience ‘dialogue fatigue’, or suspect that talk has displaced action on the structural issues of conflict that require urgent attention.26 This was the case with the BBG when participants had ideas for concrete activities, but were unable to put them into effect due to the political context and lack of group cohesion.

At the time of writing, the Georgia/Abkhazia dialogue is at a critical stage because, despite an eagerness to combine talking with doing, there is doubt as to whether politicians will adopt the group’s suggestions, or if the group will be able to sustain its focus. The BPA managed to put together a programme of activities that addresses the dimensions of peacebuilding listed above and works hard to implement them, despite challenges and frustration with the slow pace of action.

Duration, logistics and external facilitation
The timeframe for dialogue initiatives is important. Depending on the purpose of a dialogue, groups may come together for a limited period of time and be dissolved after a primary objective has been attained (such as developing recommendations for a particular conflict-related problem); or external circumstances change, and either prohibit or no longer require the group’s continued existence. In general, it is fair to say that any dialogue that targets the relational dimensions of peacebuilding has to be continued over a sustained period of time until it is transformed into something durable, such as self-sustaining relationships, a network or an organisation. The BPA managed to
achieve this but, in the Georgia/Abkhazia case, external facilitation was required to assist with logistics, administration and the organisation of meetings in third countries. Practical considerations are important since holding events across conflict borders can be prohibitive for participants. In the four cases examined – the *Dushirehamwe* network, the BPA, the Georgian/Abkhaz dialogue and the BBG – initial contacts and progress were only made possible by external financial assistance.\(^2\) In most cases, the role of an external facilitator or facilitating organisation is initially crucial.

**Joint business activity across conflict divides**

Continuing contacts and shared stakes in joint business activities are an important factor in normalising relationships and peaceful encounters in the midst of violent conflict. Such contacts mean that individuals continue to encounter one other and interact as business partners, colleagues and friends, which goes a long way towards countering negative group stereotypes.

Joint business activity has the additional benefit that it generates livelihoods in difficult times. Two basic motivating factors for collaboration emerge in the case-study material. Some activities come about because they are profitable for both sides and support their participants’ ability to cope in the midst or aftermath of conflict. Such economic interactions can provide platforms on which to construct further peacebuilding, though this is not always the case. Secondly, there are joint economic initiatives that were deliberately set up to foster peaceful relations.

This distinction is not clear-cut: contacts established out of economic necessity can lead to personal and group transformations, potentially strengthening the peace constituency if there are channels to voice their support for peace (as argued in the South Caucasus regional report). On the other hand, the underlying rationale for setting up collaborative business structures across conflict divides to foster peaceful relations is often to demonstrate precisely potential peace dividends and viability of economic integration, as reflected in the work of the TABDC and the Peres Center for Peace.

The distinction is useful for several reasons. Firstly, doing business, while addressing socio-economic needs, may not translate into wider change; sometimes it may entrench the status quo. Secondly, structures set up specifically to promote peaceful relationships are more likely to develop into activities that address conflict issues related to the business and economic spheres, which purely ‘doing business’ cannot achieve. For instance, the Center for Jewish-Arab Economic Development in Israel works to integrate the Arab Israeli population into the Jewish Israeli economy by fostering Arab entrepreneurship, and by providing access to training and credit that are not available to Arab entrepreneurs in the current climate.
As with dialogue initiatives, the key question is whether, and how, practical joint activities can concretely contribute to peace. While impacts cannot be traced in a straightforward, causal manner from a single activity to the wider peace, a discussion of various examples below will highlight this question in each case, focusing on relational dimensions.

**Business and economic activities as 'connectors’**

The primary motive for business to do business is not to foster good human relations. When business decides to continue or re-establish trade ‘with the enemy’, it is because it makes business sense to do so, or is the only way to secure a living.

From a peacebuilding perspective, continuing linkages across conflict divides by a range of actors are described as ‘connectors’ – spaces or activities that bring people together for peaceful interaction despite divisions and violence. Connectors can be contrasted with ‘dividers’, i.e. behaviour, attitudes and structures that keep conflicting sides apart. “Markets, infrastructure, common experiences, historical events, symbols, shared attitudes, formal and informal associations; all of these continue to provide continuity with non-war life and with former colleagues and co-workers now alienated through conflict.”

It is apparent from a number of the case studies that market spaces, usually informal and created spontaneously on borders between two parties to a conflict, play a vital role by providing ‘neutral spaces’ that require predictable and trustworthy behaviour from all participants if they are to continue to interact and reap the benefits. Some case studies suggest that these continuing relationships have ‘normalising’ effects on the individuals involved and extend to interaction in other areas over time (for instance, joining in the other’s family celebrations etc). One trader, quoted in the Nigeria case study, states this pointedly when referring to rival ethnic groups working in the same market: “The Igbos and Hausas in this market are one – they are all eating from the same pot. We are one family.”

Similar sentiments are expressed at markets in the South Caucasus that are some of the very few places where individuals from opposing sides of the different conflicts in the region can meet: Azeris and Armenians in the ‘no-man’s-land’ in Georgia that until recently housed Sadakhlo market, for example; and Georgian and South Ossetian traders who used to do business at Ergneti market in the border region between the two entities. These commercial interactions change perceptions of what the conflicts are about “The conflict is not really between Armenia and Azerbaijan, but between a class of people who gain and a class of people who lose,” observed one Sadakhlo trader.
How these ‘connectors’ impact on the wider conflict and how participants act outside the market space need to be determined through further research on a case-by-case basis. Since they are not part of a formal and explicit peacebuilding effort, the sustainability of these ‘side-effects’ is not guaranteed. Such markets are often linked to other, more negative trading activities that sustain conflict in different ways. The opportunities they provide for building and extending peaceful relationships between divided communities have to be understood in all their complexity.

In some instances, authorities recognise the positive dimensions of trade across conflict divides and have formalised spontaneous structures, as in Arizona market in Bosnia Herzegovina. However, official regulation is often not appreciated by those engaged in informal activities, especially when it is perceived as bringing costs and no real benefits. In other cases, authorities perceive the informal nature of such markets and their occasional overlap with illicit activity as overwhelmingly negative, leading to closure and the impoverishment of those who once depended on them.

**Joint projects designed to promote peace**

Joint projects usually take place at the local level and are designed to bring together participants across dividing lines with the aim of providing a space for individuals to ‘encounter one another in a conflict-free zone of cooperation’. The expectation is that better relationships will be rebuilt through shared initiatives that demonstrate the possibility of peaceful cooperation and offer tangible benefits to all sides.

Where it is difficult for such joint projects to come about spontaneously due to lack of access, communication, information or continuing mistrust, a third party may be better placed to provide the framework for initiating and carrying them out.

The NGO Mercy Corps conducted a series of projects in Kosovo from 2000-02 with the aim of promoting peaceful co-existence based on economic interaction and mutual benefit. The projects addressed one of the main impacts of conflict in Kosovo – the sharp drop in business linkages across ethnic divides. Mercy Corps integrated dialogue dimensions into its development work with Kosovar businesses in what it called ‘dialogue-rich social and economic development’. All initiatives were staffed either by external conflict-transformation experts or personnel trained in dialogue processes. The activities focused on supporting businesses with multi-ethnic workforces, procurement and business links between ethnic groups; and events that brought together individuals engaged in similar activities, as well as in upstream and downstream, supply-and-demand chains.
The mixture of participants in a series of agri-business conferences meant that business contacts were made. By dealing with the threats and opportunities identified in conference discussions, both across ethnic lines and within their own groups, participants developed new strategies for conducting business with one another. For example, transactions were concluded by Kosovar Albanian dairymen to supply milk to Serb cheese manufacturers, and Kosovar Serb and Kosovar Albanian beekeepers came to an agreement by which honey would be marketed under a single, multilingual label. In some sectors, for example dairy, cooperation now exceeds pre-war levels.

The value of bringing people together around business-related joint projects is clear: if the relationship offers advantages to all sides, it is more likely to be sustainable and evolve from a short-to-medium-term ‘project’ to a continuing relationship between equal partners.

In some of the case-study material, this logic is taken to the regional level in the hope that it will impact on political developments. The Peres Center for Peace in Israel believes that the enhancement of economic cooperation in the region is the key to unlocking the conflict and has developed various initiatives, such as bringing together Egyptian, Israeli, Jordanian and Palestinian professionals from related fields with a view to identifying and promoting solutions to specific problems, and advancing cooperative initiatives. In many instances, it is lack of information about business opportunities on the other side, and lack of meeting spaces and opportunities, that make work difficult at the regional level. Business forums, joint trade fairs and participation in trade fairs abroad can help address these gaps. Another way of facilitating regional business integration is through online business databases and internet platforms, such as the recently established Caucasus Business and Development Network.

The Caucasus Business and Development Network

The Caucasus Business and Development Network (CBDN) is a unique platform for dialogue and information exchange between business communities and other interested parties in the South Caucasus. Geographically, the CBDN covers Armenia, Azerbaijan, Georgia and Turkey, and includes the unrecognised entities of Abkhazia, Nagorny-Karabakh and South Ossetia. In a region where cross-border contact is often forbidden, it promotes economic cooperation as a means of building confidence and peace, and encourages initiatives that have a positive impact on conflict dynamics. In early 2006 the network established a bilingual, Russian/English website. Among other services, it provides users with frequent electronic bulletins on the economies of the region, discussion forums and a business database. It can be accessed at: www.caucasusbusiness.net
Training and capacity building

Beyond doing joint business, the Peres Centre for Peace (PCP) and the Centre for Jewish-Arab Economic Development (CJAED) demonstrate the ways in which business skills training can be used to build relations between businesspeople across conflict lines. In the case of the PCP, this is achieved through a focus on strengthening the capacities of Palestinian businesspeople who would otherwise find it hard to access skills training and business opportunities with Israeli counterparts. The CJAED’s Building Business Bridges MBA programme reaches out to young Arab Israeli, Jewish Israeli and Palestinian entrepreneurs through joint studies, with the explicit aim of improving personal bonds between participants and increasing mutual understanding with a view to fostering future joint ventures.

Encouraging business cooperation in the Middle East – training activities of the Peres Center for Peace and the Center for Jewish-Arab Economic Development

The PCP engages in capacity-building programmes and vocational training seminars designed to provide additional skills and know-how to specific business sectors, particularly to the Palestinian private sector. The aim is to decrease the negative economic effects of the recent violence, which has significantly distanced the two private sectors, and to bridge the gap between the economies of the region. Examples include:

Business training courses for SMEs. As a result of the conflict, Palestinian businesspeople have limited opportunities to develop business skills. The PCP runs seminars to enhance the capacities of Palestinian SMEs, which make up one of the largest components of the Palestinian economy. A four-day training programme was held in Tel Aviv for businesspeople from the Bethlehem area that included lectures and workshop sessions on topics such as writing a business plan, micro financing and human resource development. The course served the further purpose of bringing together Palestinian and Israeli businesspeople to forge professional and personal relations.

The CJAED aims to strengthen the entrepreneurial and management skills of young Arab and Israeli professionals in order to promote equal access to management positions. Under the Management Training and Integration focus area, the CJAED carries out the following programmes:

Building Business Bridges MBA. Among the various activities in this field, the Building Business Bridges MBA programme stands out as one of the most interesting. First launched in 1998, the initiative was conceived as a training
programme for Israeli and Palestinian business executives in cross-cultural management, but since 2003 it has evolved into a fully accredited Masters degree in business administration. Taught by the Graduate School of Business at the University of Haifa, the course brings together Israeli, Arab Israeli and Palestinian professionals with the aim of educating a young business leadership committed to furthering the objectives of cross-border partnerships and cooperation in the Middle East. One of the goals of the programme is to create and foster a network of Israeli and Palestinian business leaders with personal bonds, and understanding of one another’s cultures and business environments. The programme aims to provide laureates with the inclination, knowledge and tools to engage in joint partnerships and ventures. Parallel with the academic syllabus, students are involved in extra-curricular activities that raise awareness on issues related to the conflict. To date, some 90 students have graduated.

**Women’s empowerment programmes.** CJAED provides Arab Israeli women with support and skills training with the goal of strengthening women entrepreneurs, and allowing them not only to generate income for themselves, their families and communities, but also to employ others. CJAED offers a basket of activities for potential women entrepreneurs. The process begins with training courses, both for individual and group enterprises, after which graduates present their business plans. The next stage is a mentoring service to start-up businesses that emerged as a result of the various CJAED courses. Another aspect of the agency’s ongoing support are seven businesswomen networks. Each comprises senior and starter businesswomen who conduct regular meetings, workshops and exposure visits to an array of businesses. Following on the success of the networks, CJAED is now working to establish a National Businesswomen’s Network to unify the regional networks and create a strong body to represent businesswomen at the national level. Another important aspect of CJAED’s assistance to women entrepreneurs is the Women’s Loan Fund, which has so far resulted in the addition of over 90 women to the workforce.

The case-study material provides evidence that joint projects can be initiated without external help or facilitation. Businesspeople have used their own skills and resources to bring people together to strengthen networks or develop joint ventures. Some do it because it makes business sense, while others believe in the importance of building capacity and integrating business ties in the absence of political solutions to local conflicts. In Abkhazia, the Abkhaz Union of Women Entrepreneurs provides start-up funds and training to Georgian Abkhaz micro entrepreneurs in Gal’i, an eastern region of Abkhazia bordering Georgia, whose inhabitants have been left in a vacuum due to the protracted conflict. According to the businesswomen involved, profit is not the primary motive of these initiatives: they are impelled to promote better relations and strengthen ties with marginalised Georgian Abkhaz.
The strength and legitimacy of some of these initiatives derives from their joint creation by individuals from both sides of the conflict, as with the Turkish-Armenian TABDC, Sri Lanka’s BPA or the Jewish and Arab Israeli CJAED. Others were set up by one side to reach out to the other (for instance the Abkhaz Union of Women Entrepreneurs and Israel’s PCP), which requires more careful confidence building if participants from the ‘other side’ are not to perceive their activities as threatening external interventions. This perception can come about especially in cases where beneficiaries are economically disadvantaged, as is the case for Palestinians and Georgian Abkhaz.

Conclusions

Rebuilding mutual confidence between communities damaged by conflict is one of the key tasks of peacebuilding. As argued in this chapter, the business community has much to contribute to the relational dimensions of peacebuilding through dialogue and joint business activities. Continued business linkages constitute some of the few ‘connectors’ between divided communities in times of violent conflict.

Several important lessons can be learned from the cases in this volume, both for businesses and others.

Lessons for businesspeople

Understanding the conflict and choosing the right response
Conflicts have relational as well as cause-and-effect dimensions, and peacebuilding efforts need to reflect this. This does not mean that all actors need to work on all aspects of conflict but, as is hopefully clear, the private sector is well placed to identify a role for itself. Business has the strong networking and outreach capacities required to strengthen relationships; its need to ‘do business’ can lead to contacts with the ‘other side’; it has the ability to address structural inequalities, such as access to jobs; and it often has access to policy makers.

Linking levels of transformation
Changes can happen at personal, group and wider levels. While this does not mean that initiatives always achieve changes at all three, awareness of these dimensions can inform peacebuilding approaches. The personal transformation of one businessman in Nepal through exposure to training on peacebuilding provided him with the impetus to seek to transform the wider context by rallying a national business alliance seeking to affect peaceful change.

Acting with patience
A businessperson’s mentality often values efficiency and outcomes. Peace, by
contrast, is a complex and ambitious goal, and a marathon mentality may be required before a meaningful contribution can be made. Businesses trying to contribute should not become frustrated or disappointed when direct returns are not immediate. Patience and pragmatism are crucial, as is the ability to be flexible in response to changes in the situation.

**Dialogue for what?**

There is a multitude of ways in which dialogue can be used for different ends, involving different people. Before engaging in dialogue, questions need to be asked as to what is the ultimate purpose of any given initiative. Is it to effect a change of mind among political decision makers? Is it to reach out to a workforce to raise awareness about conflict issues? Dialogue within the business community, for instance to strengthen business support for a peace process, can be just as important as dialogue across conflict divides.

**Work with others**

In many conflict situations, suspicion and logistical hurdles make it difficult to reach out to the other side. In many of the cases, businesspeople have benefited from the help of peacebuilding or development practitioners with the ability to bring groups together in safe environments, and to provide continuity in the process.

**Not any kind of business**

As has been explained, doing business can be a strong and sustainable connector across conflict zones. Businesspeople engaged in it need to ask themselves, however, if it is the right kind of business activity to contribute to peace more broadly. Activities that entrench and build on inequalities do not serve long-term peace objectives. Although they may work as a short-term survival strategy, they need to be carefully assessed to see if they can be adapted to work towards longer-term peacebuilding goals.

**Lessons for others engaged in peacebuilding**

**Including business in analysis and planning**

By understanding business activities as one possible connector between divided communities, businesspeople’s perspectives of the conflict, and the range of other roles that business can play in supporting peace processes, other actors can draw business actively into peacebuilding efforts.

**Exposing businesses to peace-related activities**

Sharing peacebuilding ideas with members of the business community and involving them in activities such as study tours are effective ways of mobilising them to become part of a peace constituency.
Providing opportunities for encounter
In many instances divisions run so deep that encounters are almost impossible. External actors can help by providing opportunities for encounters, for instance joint visits to trade fairs, joint training, workshops and conferences.

Clarity of purpose and ways of working
To most businesspeople, the methods and aims of peacebuilding, and the actors and organisations involved in it, will be novel. It is important to be open about the purpose of engagement, as well as the limitations and likely challenges that will be encountered.

Building capacity
Involving businesses in peace-related initiatives requires capacity building. Where there is inequality between the two sides, capacity building has to target the disadvantaged side to ensure that meetings and conversations take place on more equal terms.

Learn from business
Business can bring a lot to a peacebuilding initiative. Entrepreneurs often have a problem-solving orientation, are willing to take risks, can be flexible in responding to opportunities, and are by definition networkers. They will also have grounded perspectives on the conflict that can inform analysis. Others should try to tap into these qualities and learn from them.
Endnotes

4 In peacebuilding theory and practice, rebuilding war-damaged relationships and confidence between divided communities is seen as one element of broader reconciliation processes, which are in some cases initiated at a national level as part of a transition from violent conflict to peace. There is a large body of literature on broader reconciliation that discusses the processes involved in depth. A comprehensive resource is International Institute for Democracy and Electoral Assistance (2003) *Reconciliation after Violent Conflict – a Handbook* (Stockholm, Sweden: IDEA).
8 Miall op. cit.
9 Ibid.
12 Ibid.
14 Anderson and Olson op. cit.
17 Kaufman op. cit.
19 Anderson and Olson op. cit.
21 See Harushiyakira in this volume.
23 Ibid.
24 Kaufman op. cit.
25 Maiese op. cit.
27 See also Anderson and Olson op. cit.
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