

**The Business of Peace and the Politics of Inclusion: What Role for Local ‘Licit’
and ‘Illicit’ Business Actors in Peace Mediation?**

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**Thesis submitted in partial fulfilment of the requirements for the degree of DPhil
in International Relations in the Department of Politics and International
Relations at the University of Oxford**

Word count: 99, 136

**Michaelmas
October 2019**

Abstract

The increasing recognition of the negative and positive roles played by local business actors in countries in conflict has yet to translate into their consistent inclusion in peace mediation. Despite the ‘local turn’ in peacebuilding, local businesses actors are excluded from the United Nations-led discourse on inclusion, which prioritises non-state armed groups, civil society, women and, increasingly, youth. This discourse overlaps with the discourse on ‘business for peace’ (B4P), which constructs businesses as economic actors and excludes peace mediation from its definition of ‘peace’. Consequently, since 1990 only: 13.3 per cent of peace agreements reference at least one ‘licit’ business actor; 4.4 per cent reference ‘illicit’ business actors; and, merely 2.5 per cent reference *both* - 22 peace agreements out of 889 in 30 years. Using case studies on Yemen (2011-2016) and Somaliland (1990-1997), this thesis demonstrates that both ‘licit’ and ‘illicit’ business actors play distinctly political roles in war to peace transitions, as: supporters and/or humanitarian aid providers (‘benefactors’); beneficiaries of the government and the war economy (‘profiteers’); mediators and peacemakers (‘intermediaries’); and, conflict actors or spoilers (‘agitators’). Indeed, such actors are deeply enmeshed in the dynamics of conflict and peace, and simultaneously in the production of statehood and in processes that undermine it as a result of social ties that inform, shape and constrain the roles business actors play. Their exclusion from the analyses, strategies and considerations of international mediators may inadvertently be contributing to pervasive cycles of violence and conflict. This thesis advances the theory – and, *practice* - of a ‘local business lens in peace mediation’ which can be used by international mediators across all mediation ‘tracks’ to engage meaningfully with local power dynamics through the inclusion of local business actors in: mediation strategies/processes; peace agreements/settlements; and to better inform the structure of peace processes.

Acknowledgements

This thesis would not have been possible without the generous support of Wolfson College and the Department of Politics and International Relations (DPIR) in the context of the Oxford-Wolfson-Marriott-Politics and International Relations Graduate Scholarship from 2014 to 2017; I am also grateful to DPIR for financial support for field-work through the Cyril Foster and Related Funds for International Relations. I would like to sincerely thank Professor Richard Caplan, my supervisor, for his intellectual support, invaluable guidance, pointed insights and vast patience for over four years; and, Dr. Hugo Slim for serving as my inspiring and kind entry-point to Oxford in 2014. I am indebted to Professor Anne Deighton, my college advisor, for her enduring faith in me and wonderful advice at all the right moments. This research benefited tremendously from the support of my two research assistants: Omer Eid Qalonbi, in Somaliland, and my anonymous colleague in Yemen: they both surpassed my expectations and were a true pleasure to work with. I would also like to thank colleagues and acquaintances from the United Nations, diverse mediation entities, governments, non-governmental organisations and thank-tanks for taking time out of their busy schedules to share precious insights on this complex topic. I am particularly grateful to the business leaders, political actors and civil society representatives from Somaliland and Yemen for participating in my research and for their trust, and particularly for sharing often personal stories of violence, suffering and strength - past and present. My ‘family of friends’ (you know who you are) made this endeavour enjoyable even at the most difficult moments, and I am particularly grateful to my ‘brothers’ Alex and Remy, and my ‘sister’ Lynn. Lastly, I thank my loved ones - Aurélien, Baptiste, Tess, Nadine and Sasha - for accepting my ‘presence of absence’, for their kindness and love.

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Introduction

*“Men and nations have been waging war – and making peace – for centuries. If they will not learn to prevent wars, we may hope that they will at least learn to end them better.”*¹

Background

Businesses are political animals.² Whether with reference to small local companies, multi-national corporations or vast business associations, this assertion is unlikely to come as a revelation to any reader, and especially to a reader familiar with transatlantic ‘current affairs’. On the United States side of the ocean, the Trump Administration - or as *The Economist* has labelled him, “the chief-executive-in-chief” - has made this notion all the more explicit having “filled his cabinet with fellow plutocrats, executives and, horrors, lobbyists.”³ Attempting to put corporate power into perspective, business is said to have spent more than \$3.4bn over the past year pulling government strings, 8.5 per cent more than under the Obama Administration.⁴ Similarly, the Facebook-Cambridge Analytica scandal,⁵ in which a transatlantic corporate alliance is accused of using personal data to sway ‘on the fence’ voters in the 2016 Presidential election, demonstrated – as the world continues to feel the repercussions of this political earthquake - not all corporate power can be quantified. Smaller businesses have also exerted their political muscles: in 2018, a small printing company allegedly “saved America” by purchasing a plot of land on the

¹ Randle, Robert F., *The Origins of Peace: A study of Peacemaking and the Structure of Peace Settlements*, The Free Press, New York, London, 1973, page 507.

² This statement adapts the famous quote by Aristotle in *Politics* (4th Century BC), that “Man is a political animal”. The reason, he says, “why man is more of a political animal than bees or any other gregarious animals is evident. Nature, as we often say, makes nothing in vain, and man is the only animal whom she has endowed with the gift of speech. And whereas mere sound is but an indication of pleasure or pain and therefore found in other animals (for their nature attains to the perception of pleasure and pain and the intimation of them to one another, and no further), the power of speech is intended to set forth the expedient and inexpedient, and likewise the just and the unjust. And it is characteristic of man that he alone has any sense of good and evil, of just and unjust, and the association of living beings who this sense of makes a family and a state.”

³ *The Economist*, ‘The influence business. Lobbying in Donald Trump’s Washington’, April 13th, 2019.

⁴ *Ibid.*

⁵ Lewis, Paul and Hilder, Paul, ‘Leaked: Cambridge Analytica’s blueprint for Trump victory’, *The Guardian*, 23 March 2018.

US/Mexico border to thwart Trump's border wall plans.⁶ On the other side of the Atlantic ocean, the United Kingdom's Brexit debacle has mobilised business actors large and small: in November 2018, for example, more than 70 business leaders backed calls for a second referendum⁷ and, by September 2019, *The Financial Times* reported that Britain's business lobbies fear the government's 'cold shoulder' if they speak out against Brexit.⁸

That businesses are political animals is, one might argue, quite *obvious*. Where this notion becomes seemingly less obvious, however, is in the realms – both theoretical and practical – of peace mediation. In the political and politicised space of peace mediation, where warring parties come to the negotiating table to end violent hostilities and co-create a vision for peace – often under the auspices of the United Nations (UN), regional organizations, governments or trusted 'insider mediators'⁹ - this notion takes on an aura of *taboo*. In the international relations field in which peace studies 'sit', after all, businesses are understood as economic entities, and woefully neglected ones at that.¹⁰ What possible role could such profit-oriented actors play in the political wrangling's of peace negotiations? To be a practitioner, furthermore, who advocates for the inclusion of business actors in peace processes tends to raise eyebrows. The suggestion that business actors might have a role to play is often perceived as a controversial pro-business, pro-capitalist stance and an inappropriate inter-mingling of profits with peace, in precisely the *opposite* way in which advocating for armed groups, or even terrorist groups, to be involved in peace mediation implies that one must be pro-violence or 'pro-terror.' Even amongst the rare practitioners

⁶ White, Jeremy B., 'Cards Against Humanity buys area of US border to prevent Trump building his wall', *The Independent*, 15 November 2017.

⁷ Wilcock, David, 'Brexit: More than 70 business leaders back calls for final say referendum', 3 November 2018.

⁸ Pickard, Jim; Thomas, Daniel; and Campbell, Peter, 'UK business groups fear repercussions if they criticise no-deal Brexit', *The Financial Times*, September 23 2019.

⁹ United Nations Development Programme, authored by Josie Lianna Kaye, 'Engaging with Insider Mediators: Sustaining Peace in an age of turbulence', United Nations Development Programme (UNDP), Forthcoming, 2019

¹⁰ Woodward, Susan L, 'Soft intervention and the puzzling neglect of economic actors', in Hoodie, Matthew and Hartzell, Caroline A, Eds., *Strengthening Peace in Post-Civil War States, Transforming Spoilers into Stakeholders*, University of Chicago Press, 2010.

who believe business actors *do* have a role to play, the business actors they have in mind are ‘good’ businesses: the ‘licit’, ‘formal’, ‘legitimate’, ones, those with a solid corporate social responsibility (CSR) agenda. So-called ‘informal’, ‘illicit’ actors, including the weapons dealers, drug traffickers and criminal gangs, are glaringly absent and, indeed, made invisible in the context of such narratives.

The puzzlingly neglect¹¹ - and, indeed, exclusion - of business actors in/from peace mediation is all the more surprising given the equal rise of two prominent UN-led discourses over the course of the last two decades: the discourse on inclusion in peace mediation, and the discourse on ‘business for peace’ (or B4P). Ever since UN Security Council Resolution 1325 on women, peace and security in 2000, the premise that a peace agreement can be signed by a few elite male counterparts behind closed doors has slowly but surely given rise to the notion of *inclusive* peace processes, which include all ‘relevant actors’, including armed groups, civil society, women and youth. In parallel, ever since former Secretary-General Kofi Annan’s speech at Davos¹² in 1999 where he called for a “new partnership among governments, the private sector, and the international community,”¹³ there has been a shift away from approaching businesses as predominantly negative actors requiring regulation and/or control, towards their discursive recasting as peacemakers and peacebuilders. Whereas the early 2000s were dominated by strategies designed to mitigate the nefarious face of business in countries in conflict - including the EITI¹⁴, the Kimberly Process¹⁵, the UN Guiding Principles on Business and Human

¹¹ Ibid.

¹² SG/SM/6881.

¹³ Tesner, Sandrine with Kell, George, *The United Nations and Business, A Partnership Recovered*, Basingstoke, Macmillan, 2000, page xxii.

¹⁴ The Extractives Industry Transparency Initiative <https://eiti.org/> (Accessed August 2019).

¹⁵ <http://www.kimberleyprocess.com/> (Accessed August 2019).

Rights’¹⁶, and the ‘OECD Guidelines on Companies Operating in Weak Zones of Governance’¹⁷ – the last decade has seen a veritable explosion of initiatives that make the ‘business case for peace’, including the Oslo-based Business for Peace Foundation¹⁸, UN Global Compact’s Business for Peace (B4P) Platform¹⁹, the appointment of a private sector focal point at the UN Peacebuilding Support Office and the 2018 UN-Private Sector forum, *Building and Investing in Peace for all*,²⁰ amongst others.

Thesis question, objectives and rationales

This thesis addresses two-interlinked questions: How important are local licit and illicit business actors actually and potentially in peace mediation processes with respect to armed conflicts? What explains their conspicuous absence from internationally-led peace mediation processes?’

To answer these complex and overlapping questions, this thesis seeks to make explicit the deeply entrenched normative aspects of peace mediation - which are rarely publicly articulated.²¹ If the exclusion of licit and illicit business actors from peace mediation could be explained by the lack of power – or, indeed, irrelevance - of such actors in war to peace transitions, this thesis would, quite simply, ‘have no legs.’ But since it is almost

¹⁶ United Nations Human Rights Office of the High Commissioner ‘Guiding principles on business and human rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework’, United Nations Human Rights Office of the High Commissioner, New York and Geneva, 2011.

¹⁷ Organisation for Economic Co-Operation and Development (OECD), ‘OECD risk awareness tool for multinational enterprises in weak governance zones, OECD, 2006.

¹⁸ <https://businessforpeace.no/> launched in 2009. (Accessed August 2019).

¹⁹ <https://www.unglobalcompact.org/take-action/action/peace> (Accessed August 2019).

²⁰ <https://www.unglobalcompact.org/take-action/events/1642-un-private-sector-forum-building-and-investing-in-peace-for-all>, launched in 2013, (Accessed August 2019).

²¹ Eriksson, Mikael and Kostic, Roland, ‘Peacemaking and peacebuilding, two ends of a tail’ in, Eriksson, Mikael and Kostic, Roland, Eds., *Mediation and Liberal Peacebuilding, Peace From the Ashes of War?* Routledge, 2013, page 9.

inconceivable that business actors - with their vast horizontal and vertical reach - have no bearing on the dynamics of peace and conflict, this exclusion, if substantiated, raises important and pressing questions. Indeed, the exclusion of business actors from peace mediation is evidence of a normative architecture made invisible: it suggests a technocratic, de-politicised approach²² to peacemaking largely divorced from local realities, and local power dynamics. By making visible the normative, intersubjective underpinnings²³ of the practice of peace mediation through a local business lens, this thesis demonstrates that the ‘shape’ of peace processes is not only taken for granted and perceived as “inevitable”²⁴, but may be actively contributing to the “establishment of post-war systems and structures in which violence, insecurity, and instability are pervasive”²⁵ as a result of the exclusion of actors in a position to influence such structures.

This thesis is, therefore, important and relevant on three counts. First, it comes at a time when the international peace and security architecture is increasingly being called into question.²⁶ Conflicts over the past decade have increased in intensity, complexity and scope; indeed, for the first time since the end of the Cold War, the number of civil wars has almost tripled over the course of the past decade, with a six-fold increase in battle-related deaths since 2011²⁷ - peaking in 2016 with 53 countries experiencing conflict.²⁸ According to the UN Secretary-General, Antonio Guterres, over 71 million people have been forcibly

²² Westendorf, Jamine Kim, *Why Peace Processes Fail: Negotiating Insecurity After Civil War*, Lynne Rienner, Boulder CO, 2015, page 4.

²³ Eriksson, Mikael and Kostic, Roland in, Eriksson, Mikael and Kostic, Roland, Eds., 2013, page 9.

²⁴ Hacking, Ian, *The Social Construction of What?* Harvard University Press, Cambridge, Massachusetts and London, England, 1999, page 12.

²⁵ Westendorf (2015), page 3.

²⁶ In 2015, the UN concluded a number of high-level policy processes designed to answer the question: ‘Is the UN ‘fit for purpose?’ This included the Report of the high-Level Panel on Peace Operations (commonly referred to as the HIPPO report); the 2015 Review of the United Nations Peacebuilding Architecture; and, the Global Study on the Implementation of the United Nations Security Council resolution 1325.

²⁷ Von Einsiedel, Sebastian; with, Bosetti, Louise; Cockayne, James; Salih, Cale; Wan, Wilfred, ‘Civil war trends and the changing nature of armed conflict, United Nations University, Occasional Paper 10, March 2017.

²⁸ Dupuy, Kendra; Rustad, Siri Aas, ‘Trends in armed conflict, 1946-2017’, Conflict Trends, PRIO, 2018.

displaced by war, violence and persecution,²⁹ resulting in the world's largest humanitarian crisis since the end of World War Two. Moreover, many locations in which peacekeeping operations take place today "face protracted crises with multiple adversaries, stalled peace processes, organized crime and attacks from violent extremists or terrorists."³⁰ One of the world's leading mediators, Martti Ahtisaari, has warned that the "space for peace mediation is shrinking"³¹ as a result of the increasing internationalisation of conflict and the securitisation of foreign policy; indeed, 38% of today's conflicts are deemed "internationalised"³², hampering negotiated solutions and contributing to an often 'frozen' UN Security Council. As the complexity of conflict increases, so must the tools, practices and strategies used by international mediators. In the small space for mediation which remains, therefore, this thesis argues, it is perhaps time to consider alternative ways of approaching peace – including acknowledging, recognising and engaging with the political power of local licit and illicit business actors.

Second, there is a dearth of theory in this field and this thesis, therefore, hopes to contribute to filling a small part of the large gap. Since "the politics of private business is a multidisciplinary topic" it requires transcending the borders of academic disciplines,³³ which can be demanding and makes business actors, combined with peace and conflict dynamics, a somewhat 'unnatural' topic of research. As underscored by Nicole Deitelhoff and Dieter Klaus Wolf, 'governance' is traditionally dealt with by the political sciences;

²⁹ 2019 Report of the Secretary-General on the Work of the Organisation.

³⁰ Ibid.

³¹ CMI, 'Martti Ahtisaari warns: The space for peace mediation is shrinking', 15 February 2017.

³² Internationalised in the sense that "external states contributed troops to one or more sides of the conflict." Gowen, Richard, 'Fragile contests are increasingly battlegrounds in geopolitical contests, United Nations University, Centre for Policy Research, August 2, 2018.

³³ Deitelhoff, Nicole; Feil, Moira; Fischer, Susanne; Haidvogel, Andreas; Dieter Wolf, Klaus; and, Zimmer, Melanie, 'Business in zones of conflict and global security governance: What has been learnt and where to from here?' in Deitelhoff, Nicole and Wolf, Dieter Klaus, Eds., *Corporate Social Responsibility? Corporate Governance Contributions to Peace and Security in Zones of Conflict*, Global Issues Series, Palgrave Macmillan, Basingstoke, 2010, page 225.

businesses are subject to management studies,³⁴ and peace and conflict tends to be addressed by those in the field of international relations; as a result, “no coherent “big picture” exists” on the relationship between private sector actors and conflict.³⁵ That is not to say that there is *no* research on business actors in peace mediation, but such research is comparatively³⁶ limited and does not provide a comprehensive theoretical framework for understanding business contributions. Moreover, it is impossible to understand the contributions that business actors do and *can* make to peace without understanding why those contributions either go unnoticed or are not considered relevant to the world’s leading peace and security actor: a yet to be addressed issue in the literature. In that spirit, this thesis advances the argument that rather than being the ‘fault’ of business actors, a lack of willingness on their part, low skills or aptitude – or, indeed, low *relevance* - the obstacle standing in the way between local licit and illicit business actors and a greater, more constructive role in peace mediation, is the UN itself.

Third, of relevance to both theory and practice is the belief that licit and illicit actors represent an untapped potential for peace mediation, *because both* can be simultaneously positive *and* negative actors from the perspective of ‘peace’. It is imperative to avoid simplistic binaries in which illicit business actors are inherently ‘bad’ and, vice versa, ‘licit’ actors are innately ‘good’. This is not only false; it is extremely unhelpful. This thesis builds upon the work of Jean-Paul Lederach who notes the particularly constructive attributes of business actors from the perspective of peacebuilding; such actors, he argues, benefit from the “basic necessity of business to hone a wider interdependence among people who are

³⁴ Ibid.

³⁵ Sherman, Jake, ‘Private sector actors in zones of conflict: Research challenges and policy responses’, IPA Workshop Report, New York, NY, 2001.

³⁶ Compared to the extensive coverage in the literature on the role of armed groups, women, and civil society in peace mediation, for example.

not like minded or like situated” because “commerce, to be successful, must find ways to relate to and move seamlessly between high-level leadership and the grassroots”; this, says Lederach, “creates unique potential for the intersection with peace building.”³⁷ More importantly, this thesis argues that the unique potential of local business actors, licit and illicit, lies precisely in the fact that they are *local actors* i.e. actors who are well-positioned, both horizontally and vertically, within the ever-shrinking space of peace mediation – in which international models are faltering as a result, in part, of the rise of polarized geopolitics - to provide alternative ways to negotiate and build peace from the ‘bottom up’ across all mediation ‘tracks.’ While this thesis focuses on Tracks 1, 1.5 and 2 – to be covered in greater detail in Chapter One – this conception of business actors also demonstrates an important role for business actors in Track 3 processes.³⁸

Definition of terms

Definitions are not objective ‘facts’, but change over time and represent important power contestations; clinging too closely to any set of definitions risks undermining one of the very purposes of the research i.e. to understand how socio-historical power relations shape and influence discourses and practices. However, five key definitions used implicitly and explicitly in the title of the thesis are required here as a starting point for the analysis.

First, this research ‘takes place’ within the domain of international deadly conflict, defined

³⁷ Lederach, John Paul, ‘The role of corporate actors in peace-building processes, opportunities and challenges’, in Ed. Williams, Oliver, *Peace Through Commerce, Responsible Corporate Citizenship and the Ideals of the United Nations Global Compact*, University of Notre Dame, Notre Dame, 2008, page 105.

³⁸ Track 1 refers to official, governmental decision-making levels Track 2 refers to non-official, influence levels linked to decision-makers; Track 3 refers to grassroots and civil society. For more information on ‘tracks’ in mediation, see: Federal Foreign Office of Germany, ‘Basics of mediation: concepts and definitions, Fact sheet series: Peace mediation and mediation support’, Federal Foreign Office of Germany, January 2017. See Chapter One for more information.

as “large-scale organized violence carried out by government or non-state actors”³⁹, including violence that is ‘intra-’ and ‘inter-’ state. The term ‘armed conflict’ is used in line with the Uppsala Conflict Data Program’s (UCDP) definition, as referring to “a contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state, results in at least 25 battle-related deaths in one calendar year.”⁴⁰ this thesis focuses, as such, on state-based conflict. No explicit distinction is made between intra- and inter-state conflict because this thesis maintains that whether the UN and/or the peace actors it works with are mediating in intra- *or* inter-state conflicts is a matter of little significance: the same pattern of ‘absence’ and analysis with regards to local business actors still holds because the exclusion is based on shared inter-subjective understandings of both mediation and business actors, as will be explored in the chapters that follow.

Second, the term ‘peace mediation’ is often used inter-changeably in the literature with the term ‘peacemaking’; the latter refers to diplomatic efforts to manage or resolve conflicts according to Chapter VI of the UN Charter⁴¹ on the pacific settlement of disputes. Since mediation strategies, techniques and settlements are the focus of this research, *mediation* is the preferred concept, qualified by the term ‘peace’ to differentiate the mediation of armed conflicts from other forms of mediation (e.g. commercial, or divorce, for example). Peace mediation is also preferred as it “covers a wide range of instruments used to deal with intra- and inter-state conflict”, including “mediation, mediation support and mediation-based

³⁹ Levinger, Matthew, *Conflict Analysis: Understanding Causes, Unlocking Solutions*, United States Institute of Peace, Academy Guides, Washington DC, 2013, page 1.

⁴⁰ The Uppsala Conflict Data Program (UCDP), definitions. See: <https://pcr.uu.se/research/ucdp/definitions/>. (Last accessed August 2019).

⁴¹ Zartman, William, ‘Introduction: Toward the Resolution of International Conflicts’, in Ed. Zartman, William, *Peacemaking in International Conflict, Methods and Techniques*, Revised Edition, United States Institute of Peace, Washington D. C, 2007, page 13.

dialogue processes.”⁴²

Third, the terms ‘licit’ and ‘illicit’ are used here to denote business actors engaged in activities that may or may not be perceived as *legitimate*, predominantly in the eyes of the international community. ‘Licit’ business actors, therefore, are those engaged in activities considered and/or perceived as ‘lawful’ whilst illicit business actors are those engaged in activities considered ‘unlawful’. These terms – which form an integral part of the thesis and cannot be accepted at ‘face-value’ - are explored in greater depth in Chapter Two.

The fourth set of terms, ‘local business actors’, requires a more multi-faceted explanation. The concept of *local* helps to differentiate business actors that originate from the conflict context under study to those business actors whose headquarters may be located elsewhere; this does not preclude local actors, however, from being regional or international in character. Given the strong focus on multinational companies (usually of European or American origin) in the B4P space⁴³, this research focuses wholeheartedly on actors that have a national and cultural affinity with the local context in question. The term *business* is preferred to other terms such as corporation, private sector, or entrepreneurs which are misleading on multiple fronts; ‘corporation’ tends to denote international businesses; entrepreneurs is often used to mean new or ‘fledgling’ companies; similarly, the term ‘private sector’ excludes local businesses which may be government-led or ‘public’ in origin. Most importantly, however, the term ‘business’ is preferred as it is comparatively more ‘open’ term than the aforementioned concepts, which all direct our attention to the ‘formal’ and the ‘licit.’ Lastly, the term ‘actor’ is preferred as it's a “collective term,

⁴² Federal Foreign Office, ‘Basics of mediation: Concepts and definitions, Fact sheet series: Peace mediation and mediation support,’ Peace Mediation, Germany, January 2017, page 1.

⁴³ To be explored in greater depth in Chapter Two.

capturing different types of corporate institutions and individuals, namely companies, business associations and interest groups as well as individual entrepreneurs and business executives.”⁴⁴ Moreover, the use of the concept of ‘actor’ underscores the *agency* of business actors in peace and conflict contexts.

Lastly, by asking ‘how important’ business actors are actually and potentially this thesis does not seek to prove and/or demonstrate that the involvement of local business actors in peace mediation leads to more sustainable or ‘better’ peace outcomes. Such research may provide significant value to the field, but is well beyond the scope of this thesis. By elaborating upon the roles business actors play and, in particular, elucidating their roles as both economic and political actors, this thesis calls into question their *exclusion* and demonstrates their relevance to the political endeavour of peace mediation.

Epistemological approach

The approach used in this thesis is firmly ‘post-modernist’ or, what some might also refer to as ‘post-structuralist’.⁴⁵ Recognising the diverse nature of such research, post-modernism is defined here as a strand of critical theory which connects “systems of knowledge, theory, and representation with the operations of social and political power” by demonstrating “how modern social structures, institutions, and events are historically bound and contingent; how they are the products, not of human nature, the laws of politics, the progress of history, or the cunning of reason, but of human action and thought in a

⁴⁴ Iff, Andrea and Alluri, Rina M., ‘Business actors in peace mediation processes’, *Business and Society Review*, Volume 121, Issue, 2, 2016, page 188.

⁴⁵ As outlined by Devetak, these two terms have complex, interlocking histories and the extent to which research choose to differentiate between them highly subjective. The term used in this thesis is post-modernist, but with a recognition of the fact that it could also be considered post-structuralist. Devetak, Richard, ‘Post-structuralism’, in Burchill, Scott; Linklater, Andrew; Devetak, Richard; Donnelly, Jack; Nardin, Terry; Paterson, Matthew; Reus-Smit, Christian; True, Jacqui, Eds., *Theories of International Relations*, Fourth Edition, Palgrave Macmillan, 2009.

world without stable foundations.”⁴⁶ Driving post-modern critique is the, perhaps, idealistic notion that the world could be otherwise if only we understood better the reasons and rationales for the way the world *is* i.e. that which has been constructed in a certain way, can be deconstructed and constructed again, differently, better, more equally. Consequently, much like the broader field of international conflict resolution in which this thesis is grounded, this research is both rigorously academic and passionately normative,⁴⁷ analysing both what is done, and why, and what *should* be done – utilising the power of research as the ‘essential bridge’ between theory and practice.⁴⁸

In (one of) the post-modernist tradition(s), this thesis ascribes to the methodological approach of *interpretivism*.⁴⁹ In line with the core tenets of interpretivism broadly speaking, and the work of Lisa Wedeen in particular, the approach of this thesis is grounded in four key premises: First, knowledge, including scientific knowledge, is “historically situated and entangled in power relationships”, where – drawing upon the work of Foucault - power connotes “intersubjective relationships that are diffuse, omnipresent, and often acephalous.”⁵⁰ Second, the world is socially-made i.e. “categories, presuppositions and classifications referring to particular phenomena are understood as manufactured rather than natural.”⁵¹ Third, “individualist assumptions that characterize much rational choice

⁴⁶ Burke, Anthony, ‘Postmodernism’, in Reus-Smit, Christian and Snidal, Duncan, Eds., *The Oxford Handbook of International Relations*, Oxford University Press, New York, 2008, page 359.

⁴⁷ Cheldelin, Sandra; Druckman, Daniel; Fast, Larissa; Clements, Kevin, ‘Theory, Research and Practice’ in Cheldelin, Sandra; Druckman, Daniel; Fast, Larissa, Clements, Kevin, Eds., *Conflict, From Analysis to Intervention*, Second Edition, Continuum, London and New York, 2003, page 12.

⁴⁸ Sandole, Dennis J. D., ‘Critical systematic inquiry in conflict analysis and resolution, an essential bridge between theory and practice’, in Sandole, Dennis J D; Byrne, Sean; Sandole-Staroste, Ingrid; and, Senehi, Jessica, Eds., *Handbook of Conflict Analysis and Resolution*, Routledge, London, 2011, page 420.

⁴⁹ The methodological approach used in this thesis was greatly influenced by participation (self-funded) in the 2017 Syracuse University two-week programme on Qualitative and Multi-Method Research and, in particular, by the research strand on ‘interpretive methods.’ (Further still, the classes by Lisa Wadeen and Timothy Pachirat were particularly instructive and inspirational. See Annex Two: Confirmation of admission to the annual Institute for Qualitative and Multi-Method Research, June 2017.

⁵⁰ Wedeen, Lisa, ‘Reflections on ethnographic work in political science’, *Annual Review of Political Sciences*, Vol. 13, 2010., page 260.

⁵¹ Ibid.

and behaviourist literature” are eschewed, thereby rejecting all forms of cost-benefit-type analyses in favour of an approach that insists that “ideas, beliefs, values, “preferences” and decisions are always embedded in a social world, which is constituted through humans’ linguistic, institutional, and practical relations with others.”⁵² And, lastly, our understanding of the world is rooted in language and other symbolic systems, in what is sometimes termed ‘culture’ in the literature, defined here as a being operationalized as “semiotic practices”⁵³ and understood as referring to *meaning*.⁵⁴

The three ‘tools’ at the disposal of the Interpretivist, therefore, are ‘practices’, ‘discourses’ and ‘power’ and, underlying all three is the belief in the *co-constitution* “of conditions (ideas and material conditions), of society (agents and structures), and of subjective meaning among individuals and groups.”⁵⁵ The way in which local business leaders are included or excluded from peace mediation is, therefore, viewed as a *practice*, one which forms part of the larger ‘regime of practices’⁵⁶ of peace mediation. Building upon Foucault’s understanding of practices as “places where what is said and what is done, rules imposed and reasons given, the planned and the taken for granted meet and interconnect”⁵⁷, this thesis draws upon the approach to ‘practices’ developed by Vincent Pouliot. In his definition, practices are performances which unfold over time and which, consequently, are fundamentally dynamic⁵⁸, forming a “basic constitutive process of social life and politics, being a concrete, social flow of energy giving shape to history.”⁵⁹ Practices acquire

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Green, Daniel M, Ed., ‘Constructivism and comparative politics’, Armonk, NY and M. E. Sharpe, 2002, page 62, quoting Onuf, Nicholas Greenwood, *World of Our Making: Rules and Rule in Social Theory and International Relations*, University of South Carolina Press, 1989.

⁵⁶ Foucault, Michel, ‘Questions of method,’ in Burchell, Graham; Gordon, Colin; and Miller, Peter, Eds., *The Foucault Effect: Studies in Governmentality*. University of Chicago, 1991, page 75.

⁵⁷ Ibid.

⁵⁸ Pouliot, Vincent, ‘Practice tracing’, in Bennett, Andrew and Checkel, Jeffrey T., Eds., *Process Tracing, From Metaphor to Analytic Tool*, Strategies for Social Inquiry, Cambridge University Press, 2015, page 214.

⁵⁹ Ibid.

meaning from “widely-shared presuppositions and underlying semiotic codes, and are tied to particular locations in the social structure and to the collective history of groups.”⁶⁰ Practices can, therefore, be understood as actions or deeds repeated over time, which, rather than being ‘static’, are vulnerable to contestation as a result of social interaction with other practices, with other ideas, choices and rules. The exclusion of local business actors from peace mediation, therefore, is not ‘set in stone.’

Similarly, the *discourses* on inclusion in peace mediation, on B4P, those used by international mediators and by local business leaders themselves are approached through the lens of deconstruction i.e. a mode of unsettling oppositions predominant in discourse used “to demonstrate the effects and costs produced by the settled concepts and oppositions.”⁶¹ Using Srdjan Vucetic’s definition, discourses are understood as constituting subjectivities i.e. “subject positions, identities.”⁶² In this sense, discourses do not simply *describe* reality, “they enable/constrain what is ‘thinkable’ in a given discursive context and they reward/punish ideas, institutions, and practices that are congruent/deviant with the pre-set political boundaries of inclusion/exclusion.”⁶³ Discourses are analysed to create a narrative which “traces the historical evolution of meanings (both subjective and intersubjective) in order to explain how they are brought about, or made possible, in a given social context.”⁶⁴ In this method, historical analysis and interpretation go together in order to make sense of certain practices, the meanings they have been co-constitutively assigned, and to what effect. Consequently, since history has evolved to produce certain discourses

⁶⁰ Gross, Neil, ‘A pragmatist theory of social mechanisms’, *American Sociological Review*, Vol. 74, No.3, June 2009, page 359.

⁶¹ Devetak in Burchill; Linklater; Devetak; Donnelly; Nardin; Paterson; Reus-Smit; True, Eds., (2009), page 191.

⁶² Vucetic, Srdjan, ‘Genealogy as a research tool in international relations’, *Review of International Studies*, Volume 37, Issue 3, 2011, page 1300

⁶³ Ibid.

⁶⁴ Pouliot, Vincent, ‘“Subjectivism”: Toward a constructivist methodology’, *International Studies Quarterly*, Vol. 51, No. 2, June 2007, page 367.

that enable and constrain certain patterns of peace mediation, the present can foster the emergence of alternative, more *inclusive*, discourses.

Power is the tool which binds practices and discourses together. Discourses, and the practices that support and constrain them are:

...dominant (hegemonic, governing, ruling), while others are challenging (counter-hegemonic, resisting, alternative or subaltern). This multiplicity means that discourses are open to mutual contestations, critiques and, ultimately, change; for one, every discourse implies expectation about future courses of action, which are, in principle, always open-ended.⁶⁵

Power is understood here in the Foucauldian sense of existing through social networks of relationships, with the possibility of being used for productive or repressive ends;⁶⁶ power is expressed through social discourses which can be destabilized and, effectively transformed, through analysis and language.⁶⁷ Power, therefore, is not only that which exists in the institutional sphere, but extends “into the much broader spheres of social relations and everyday collective human life.”⁶⁸ This ‘decentered’ approach to power is in line with the extensive work of Foucault and Gramsci, scholars who have greatly expanded our understanding of the way in which “power is exercised not only through societies’ formal institutions, but through communication and action, and the cultural knowledge that grounds them.”⁶⁹ Where there is power, as Foucault has argued, there is also resistance.⁷⁰

⁶⁵ Ibid.

⁶⁶ As outlined in Hansen, Toran, ‘Critical conflict resolution theory and practice’, *Conflict Resolution Quarterly*, Vol 25, No. 4, Summer 2008, page 407.

⁶⁷ Ibid.

⁶⁸ Westendorf, Jasmine-Kim, *Why Peace Processes Fail: Negotiating Insecurity After Civil War*, Lynne Rienner, London, 2015, page 40. Quoting: Foucault, M. ‘Truth and Power’ in Rubinow, and Rose, N (Eds.), *The Essential Foucault*, New York, New Press, 1994.

⁶⁹ Nordstrom, Caroline, *Violence, Power, and International Profiteering in the Twenty-First Century* (California Series in Public Anthropology), University of California Press, 2004, page 73.

⁷⁰ Foucault, Michel, *The History of Sexuality, Volume I, An introduction*, Translated from the French, Robert Hurley, Pantheon Books, New York, 1978, Page 95.

Methodological considerations

Using this epistemological approach as a driver and a lens for analysis, desk-based research proceeded in an inter-disciplinary manner, drawing upon the fields of international relations, politics, economics, business, anthropology, development, history and area studies – assessing their applicability to the topic concerned, and inferring their relevance on the basis of triangulation within and across different bodies of literature; this analysis was complemented by a review of primary sources, including UN reports, UN Security Council Resolutions, UN General Assembly Resolutions, internal UN documents, as well as other policy-relevant texts from mediation entities, non-governmental organizations and think-tanks. Desk-based analysis also proceeded iteratively and inductively in parallel to empirical studies, so that analysis shaped the empirical aspects of the study underway, whilst, vice versa, also informing the nature of the desk-based research, highlighting new avenues for analysis, whilst sometimes closing off others deemed less relevant or fruitful. In this sense, the biggest shift in the work from using an (interpretivist) *political economy lens* as the dominant frame of analysis to using *inclusion in peace mediation* arose as a result of extensive engagements with mediation professionals. Increasingly, the political economy lens became a constraint to an effective analysis of the research question, in part as a result of the limits of the field,⁷¹ and in part due to the increasing prominence of the discourse on inclusion⁷² in peace mediation since the beginning of this DPhil in September 2014. Consequently, the dissonance felt when engaging with international mediators who raised the discourse on inclusion, whilst simultaneously elaborating upon the exclusion of local business actors, helped to not only justify this shift, but make it an imperative.

⁷¹ See Chapter Two.

⁷² See Chapter One.

This thesis consists of three empirical chapters, based on an extensive review of secondary sources and engagement with a total of 77 interviewees.⁷³ The first empirical chapter, Chapter Three, seeks to give an indication of the ‘universe of cases’ i.e. an indication of the *general* approach to the inclusion and/or exclusion of business actors in peace mediation, given that an in-depth case-by-case analysis of all active mediation cases is beyond the scope of this thesis. This task was approached in two ways: first, it involved an assessment of all the peace agreements signed since 1990 undertaken using the University of Edinburgh’s Peace Agreements Database (PA-X Version 2).⁷⁴ Focusing on both agreements in the pre-negotiation phase (total of 505) – used as a proxy⁷⁵ for understanding the extent to which business actors are included in the *process* of peace mediation – and, an analysis of ‘settlements’ also as a proxy to ascertain the extent to which businesses actors were included in the elaboration of such *agreements*, this analysis was undertaken around key concepts associated with businesses *as actors*, including typically ‘formal’ terms: ‘business’, ‘corporation’, ‘company’, and, ‘private sector’; and, concepts typically associated with ‘informal’ business actors: ‘informal’; ‘illicit’, ‘traffickers/smugglers’⁷⁶, ‘cartels’ and ‘criminal groups.’ The terms were then assessed according to both *scope* and *frequency*, whereby ‘scope’ analysed the extent to which the provisions in which these

⁷³ See Appendix One: List of interviewees. When an interview is mentioned, the interviewee number in Appendix One is noted in brackets to allow for cross-referencing. When the combination of what is said combined with the location of the interviewee may allow for identification of participants who elected to be ‘anonymous’ such information has been removed to protect the identity of individuals in what is a relatively close-knit group of people. Some interviewees requested to anonymise only certain statements, in which case, again, information that would allow the reader to ascertain the identity of this person (location, date) has been removed from the citations.

⁷⁴ The Peace Agreements Database can be accessed here: <https://www.peaceagreements.org/search> (Last accessed July 2019).

⁷⁵ The written agreements serve as a *proxy* rather than *evidence* for understanding business inclusion since the fact that they ‘appear’ in the text of an agreement does not *necessarily* imply that they were included in the peace negotiation process or in the elaboration of the peace settlement. Conversely, the absence of business actors in the text of the agreements does not necessarily mean that they were *not* included in those processes. However, it can be assumed that the involvement of certain actors in the mediation process and in the process of negotiating settlements is likely to increase the chances of such actors appearing in the text of the agreement as a ‘relevant’ consideration and, therefore, it can be used as a proxy. There is no other way to assess the involvement of business actors in each and every process short of undertaking in-depth case studies on each and every peace agreement negotiated since 1990 which is beyond the scope of this research.

⁷⁶ Traffickers featured in peace agreements associated with the pre-negotiation phase, whereas smugglers, as a term, was more prominent in comprehensive peace agreements; both were therefore used in order to take a ‘maximalist’ approach.

actors were mentioned provided a level of context and detail, whereas ‘frequency’ assessed the number of times the actors are mentioned in the peace agreement in question. The *general* approach to the inclusion and/or exclusion was then complemented by semi-structured interviews with 22 mediators and mediation professionals from the UN Secretariat, and leading European mediation entities, along with government representatives and academic-practitioners.⁷⁷

Two cases studies – on Somaliland and Yemen - were selected using a purposive (i.e. non-random) selection method along two key axes. First, as a means to explore whether international approaches to the inclusion of local licit and illicit business actors in peace mediation differ from local approaches, Yemen (2011-2016) was selected as an example of a highly internationalized peace process, which was UN-led and internationally supported through a wide range of configurations, including regional and sub-regional organizations, Member States, and international NGOs; conversely, Somaliland (1990-1997) was selected as its peace was entirely ‘home-grown’ from the ‘bottom-up’ without any international engagement whatsoever and, therefore, represents an example of a local approach to peace mediation.⁷⁸ Second, as a means to explore different dynamics of business inclusion and exclusion, Yemen was selected as a case where business actors were marginalized from the peace process, whereas they were central to the process in Somaliland. In this sense, the two case studies are *illustrative*, rather than *representative*, of two extremes on the spectrum of local/international approaches to the inclusion/exclusion of local business actors; they represent two ‘poles’ on potentially extreme ends of a spectrum – conveying

⁷⁷ More details on the methodological approach used here is provided in Chapter Three; the approach is relatively complex and requires the methodology to be ‘on hand’ in order to comprehend the data provided in the context of the chapter; consequently, to benefit the reader additional information is provided in Chapter Three alongside the analysis.

⁷⁸ More information on the reasons for selecting the time periods for each chapter is provided in Chapter Four and Chapter Five on Somaliland and Yemen respectively.

therefore the alternatives, diversity and variety of experience. Further research would be required to established where other, similar cases lie. An additional advantage of these two case studies is that, despite the above differences, Somaliland and Yemen are geographically close, with some cultural affinities, as well as close economic ties, which provides a greater basis for cross comparison between international and local approaches to local licit and illicit business actors in peace mediation.⁷⁹

The case study on Somaliland involved two field-trips: the first conducted over a period of two weeks in July 2017, and the second conducted following participation in a British Foreign and Commonwealth Office (FCO)-funded electoral observation mission in mid-November 2017.⁸⁰ The FCO advises against all travel to Somalia, including Somaliland, except for the cities of Hargeisa and Berbera to which the FCO advises against all but essential travel due to threats of terrorism and kidnapping.⁸¹ In part, such advice stems from the fact that Somaliland is not recognised as a Member State and, as such, similar threat levels for Somalia and Somaliland is a widespread, in part politically-motivated practice. That is not to say that Somaliland is risk-free – the contested area of ‘Khatumo state’⁸² and

⁷⁹ Comparative case studies can sit uncomfortably with interpretivist analyses which prioritise historically constituted, culturally influenced understandings of local contexts that are beyond comparison; comparative analyses, while qualitative, are more closely affiliated with positivist approach to political science and with the notion of ‘variables’ upon which they are often constructed, a notion which interpretivists also tend to distance themselves from (variable X in abstraction from the historical context in which it has evolved simply has no meaning). In order to overcome this resistance to comparison, this thesis builds upon Vincent Pouliot’s ‘subjectivism’ methodology, which “begins with the inductive recovery of agents’ realities, then objectifies them through the interpretation of intersubjective contexts and thereafter pursues further objectification through historicization” – proceeding in a non-linear fashion, and seeking to strike a balance between “subjectivism (experience-near concepts) and objectivism (experience-distant concepts).” It is on the basis of the experience-distant concepts that some level of comparison can be made. This involves abstracting practices and discourses away from specific contexts, by first explaining the social and political effects that practices generate “at the level of action (local causality)” and, second, proceeding to extract those practices – to the extent that it is possible - “away from the context to gain cross-case leverage (analytical generality). As outlined by the famous anthropologist Clifford Geertz, the goal is to strike a balance between research that is so specific to the local context that it only makes sense in a given place and time, and research that is so broad and general that it can no longer be applied to any space or time. Above quotes are taken from: Pouliot, (2007) page 367, and Pouliot, Vincent, in Bennett and Checkel, Eds., (2015), page 258.

⁸⁰ In which I served as a short-term election observer in the far eastern area of Xudun.

⁸¹ <https://www.gov.uk/foreign-travel-advice/somalia> (Last accessed 25 September 2019).

⁸² An unrecognised state in Eastern Somaliland; the leaders of Sanaag, Sool and Cayn declared it an autonomous state in 2012.

the border area with Puntland are considered particularly, albeit relatively ‘dangerous’ - but, having already visited Somaliland on previous occasions, permission was granted by the University to conduct research there. Travel in Somaliland, however, can be a complex exercise: all foreign nationals traveling outside of Hargeisa, particularly beyond Berbera and to the East, are required by the Government of Somaliland to travel with a convoy of armed soldiers;⁸³ combined with the costs of a research assistant/translator from Hargeisa⁸⁴ - who provided extensive support in reaching the right set of business actors and political leaders - this posed a severe financial burden and limitations on the research.⁸⁵ These limitations aside, the first trip involved interviews in Hargeisa, Borama, Berbera, Burao, Ainaba, and eastern ‘capital’ of Laascaanood, and the second involved a trip to Xudun, and follow-up meetings regarding documentation in Hargeisa.⁸⁶

While extremely fruitful – allowing for 26 rich and often lengthy interviews with leading political figures, including the first vice President of Somaliland, and many of the leading businessmen in the 1990s - the engagement of the researcher at this period in time, with this set of actors created dynamics that influence – often in fascinating ways – the findings of this case study. Evidently the passing of time raises questions of ‘historical reliability’, although from an interpretivist perspective, what is ‘remembered’/not remembered is of interest in of itself. After 25 years of ‘peace’, many Somalilanders are frustrated that their efforts have not led to recognition by the international community; as a British researcher and given Britain’s close ties with Somaliland, it was difficult to escape being perceived in some manner as a link both with Somaliland’s colonial past and the international

⁸³ At the time of travel in 2017.

⁸⁴ Omer Eid Qalonbi.

⁸⁵ Travel is also frequently conducted through landscapes with no clearly identifiable roads or landmarks, so a decent four-by-four and an experienced driver is essential, but also costly.

⁸⁶ See Appendix Six for a Map of the Somaliland and Northern Somalia.

community's withholding of recognition. There is a palpable desire to tell Somaliland's story to the outside world, even if this is through the *porte parole* of a DPhil researcher, manifesting often in a focus on the 'positive' aspects of the Somaliland's past, and a brushing aside of, or reluctance to speak of, dynamics related to internal conflict. Some suspicion appears to have been raised by my presence, and the nature of my questions; "no one has ever asked us about this issue before" was a common refrain; some seemed surprised that I was not interested in learning about the role of elders in local peace-making processes like "those foreigners" before me, and one or two – possibly also influenced by my status as a 'mature student', raised the possibility, via my research assistant and translator, of me being a spy. This evidently limited to some degree what such actors were willing to share. Lastly, all those 'in favour' of the state of Somaliland were happy to be quoted directly; those who had views considered more 'controversial', or for whom the state is not a foregone conclusion, requested different degrees of anonymity. These dynamics will be analysed in greater detail during the course of Chapter Four.

The case study on Yemen, which is spread across two chapters on the UN approach to business actors⁸⁷ and the role played by Yemeni business actors⁸⁸ in the local context - is based on extensive secondary sources and interviews with 12 predominantly UN stakeholders (and partners) for the former, and 17 for the latter, including Yemeni business elites, and diplomats, experts and academics – conducted in 2018 and early 2019. Considerable challenges were encountered during the course of conducting research for this case study. First, since Yemen is an active conflict and the subject sensitive, the University considered the country too dangerous to travel to for research purposes. Second, as a result, a research assistant was required but the University believed it would violate

⁸⁷ See Chapter Three.

⁸⁸ See Chapter Five.

the ‘duty of care’ to hire a Yemen-based researcher; consequently, considerable effort was spent on identifying a Yemeni based outside of Yemen with the right level of knowledge, skills, contacts and discretion to assist with identifying interviewees. Third, in light of the potential dangers to the research assistant selected, s/he could help undertake a ‘mapping’ of the business space, provide some background information on business actors and, in some cases, their contact information, but could not facilitate contact with them – which sometimes meant contacting them ‘blindly’ and/or relying on the snowball technique – often raising considerable suspicion.⁸⁹ Fourth, since the majority of interviews had to be conducted by phone rather than in person, while frequently rich and insightful, it was not always possible to build enough trust to be able to enter into discussions of more sensitive topics, which sometimes affected the textual richness of the findings and imposed limitations on the interpretivist endeavour. Where feasible, multiple interviews were conducted with the same business person, and when possible, this meant a second in-person meeting, when it was easier to enter into a dialogue about more sensitive topics.

Most importantly - and perhaps interestingly although not surprising - is the fact that whilst contact was made with businessmen in Yemen across the full political and (tightly interwoven) geographical spectrum and despite considerable persistence, only those from two out of the five ‘categories’ of business actors⁹⁰ identified agreed to an interview: those of the old established economic elite, and the new/younger ‘reformers’. Those who could be referred to as ‘tribal capitalists’, ‘bureaucrats in business’⁹¹ and/or ‘businessmen in arms’⁹² either never responded at all or declined to engage. While it may have been possible

⁸⁹ The name of this researcher is not provided to protect his/her anonymity and ensure safety.

⁹⁰ Adapted from: Salisbury, Peter, ‘Yemen’s Economy: Oil, imports and elites’, Middle East and North Africa Programme Paper MENA PP 2011/12, Chatham House, October 2011, page 10-11.

⁹¹ Phillips, Sarah, *Yemen and the Politics of Permanent Crisis*, The International Institute for Security Studies, June 2011, page 104.

⁹² Further details on these categories are provided in Chapter Five.

to meet with such actors in Yemen, engaging on the phone was impossible – demonstrating a strong awareness on their part that such roles are negatively perceived, or even regarded as ‘criminal’ by the international community. Details about the roles they played were, therefore, dependent on secondary sources and ‘indirectly’ through interviews with other businessmen, experts, diplomats and academics. Further evidence of power at work: the majority - although not all – of those businessmen who did participate in interviews requested to do so on the basis of anonymity, stating that their ‘impartiality’ could be called into question through their participation in such an exercise and that this could have real impacts on their safety, and the security of their business assets and colleagues in country.⁹³

Principal arguments

This thesis advances the claim that local licit and illicit business actors are excluded and/or marginalised from the international discourse and practice of peace mediation, in spite of their role as both economic *and* political actors in war to peace transitions and, therefore, their vast potential to contribute constructively – or actively derail and undermine - building and sustaining peace. In support of this central claim, this thesis makes five inter-related arguments.

⁹³ The geographical localisation and/or origin of those businessmen who agreed to participate in interviews is similarly revelatory as they are split between two prominent and highly contested cities: Taiz and Aden. Taiz is Yemen’s third largest city, its former capital and a hub for the country’s merchant class and commerce; often referred to as the ‘heart of Yemen’s revolution’, Taiz was the point of origin of anti-Saleh protests, where youth and women took to the streets demanding for Saleh’s resignation in the face of significant levels of violence on the part of government troops; the ‘March of Life’ involving thousands of protestors in 2011 went from Taiz to Sanaa and contributed to an escalation of protests across the country. The city of Aden is also extremely significant to the conflict: the capital of what was formerly known as the People’s Democratic Republic of Yemen (or Southern Yemen), Aden has traditionally served as the center of the ‘Southern’ or Al-Hirak movement – fighting for independence from the north. Both Taiz and Aden (combined with the rest of South Yemen) have long been marginalised from Saleh’s patronage system which helps explain, in part, why so many businessmen there supported the revolution and, as will be demonstrated, could be categorised largely as benefactors of the people, the transition government and, often, as mediators. No businessmen affiliated with the northern parts of the country, such as the Houthis, nor those affiliated with any militant/terrorist’ groups, agreed to participate in interviews – another constraint on the research findings.

First, in spite of ‘local turn’ in peacebuilding – of which this thesis is a part - business actors are endemically excluded from the UN-led discourse on inclusion in peace mediation; their exclusion is symptomatic of a much larger failure to pay attention to, and engage meaningfully with, local power dynamics at the policy level. Whilst the ‘local turn’ in peacebuilding emerged as a response to the deficiencies of ‘top-down’, technocratic engagements of the 1990s, just as the discourse on inclusion in peace mediation grew out of a recognition of the injustice and ineffectiveness of narrow, elite-level pacts, international peacemakers have engaged with “the language but rarely the spirit of the local turn.”⁹⁴ This is all the more surprising given that ‘inclusion’ is increasingly regarded as a pre-requisite for effective mediation on the basis of both normative and pragmatic rationales.⁹⁵ The normative facet is generally applied to women, civil society and youth, whereas pragmatic inclusion applies to non-state armed groups (NSAGs), terrorist groups and, increasingly so-called ‘pariah’ groups, or ‘pure’ terrorists.’ What is striking is the silence on, and exclusion of, licit and illicit business actors from both rationales, despite the normative and pragmatic grounds for including them.

Second, the exclusion of local business actors can be explained by a deconstruction of the B4P discourse which, paradoxically, constructs businesses in a manner that marginalises local actors, and conceptualises ‘peace’ in ways that, ironically, excludes peace mediation. Moreover, it is a discourse which is unilateral in nature: it is inherently designed to influence business actors to the idea that they have a role to play in ‘peace’, but not to influence UN actors to the notion that business actors have a role to play in peace mediation. This thesis argues that B4P, as a discourse and a practice, emerges from historical tensions

⁹⁴ Mac Ginty, Roger and Richmond, Oliver, ‘The local turn in peace building: A critical agenda for peace’, *Third World Quarterly*, Vol. 34, Issue 5, 2013, page 779.

⁹⁵ Lanz, David, ‘Who gets a seat at the table? A framework for understanding the dynamics of inclusion and exclusion in peace negotiations’, *International Negotiation*, No. 16, 2011.

within the UN System since its founding in 1945 around three key ordering principles, or *dichotomies*: ‘political’ versus ‘economic’; ‘public’ versus ‘private’; and, ‘licit’ versus ‘illicit’ – with explicit effects. Indeed, businesses in the B4P discourse are constructed as economic actors, whose prime ‘peace’ role is through their agency in the ‘private’ sphere – contributing to peace through their so-called ‘licit’ business activities and an extension of their corporate social responsibility (CSR) agendas. Peace mediation, on the other hand, remains the prime domain of ‘political’ actors whose goals are ‘public’ in nature; illicit business actors are constructed as an affront to both the ‘political’ and the ‘public’, which must be addressed through a ‘criminal’ lens and, predominantly, the sanctions regime.

Third, the combined effects of the dual discourses on inclusion and B4P is a *political practice* of mediation which exhibits a ubiquitous ‘blind spot’ when it comes to local business actors – demonstrating the impact of the discourses on inclusion and B4P on the reality of peace mediation. Rather than being unique to the UN, this blind spot forms an innate part of the field of international peace mediation, evidenced by a majority ‘consensus’ on business exclusion across a broad range of international actors and an in-depth analysis of UN and non-UN-led peace agreements. Consequently, it will be argued, licit and illicit local business actors are consistently excluded and/or marginalised from: mediation strategies and processes; peace agreements and settlements; and, considerations of the way mediation processes are structured and/or the ‘form’ they take. As a result, only 13.3 per cent of peace agreements (ceasefires, partial, and comprehensive settlements) signed since the 1990s include at least one reference to one licit actor (‘business’, ‘corporation’, ‘company’ or ‘private sector’), whereas only 4.4 per cent of peace agreements include at least one reference to one ‘illicit actor’ (‘informal’, ‘illicit’, ‘traffickers/smugglers’, ‘cartels’ or ‘criminal group’). Moreover, a minuscule 2.5 per cent

of peace agreements reference *both* licit and illicit actors – a total of only 22 peace agreements out of 889 in almost 30 years. When business actors *are* included, the provisions are generally superficial in nature – mentioning business actors in passing, normally no more than once and without meaningful context or specificities.

Fourth, the exclusion of business actors from peace mediation is puzzling but, more importantly, it raises significant questions about the ability of international mediators to grapple with local power dynamics, and to foster sustainable peace whilst effectively ignoring these key licit and illicit power-holders. Licit and illicit local business actors, it will be argued on the basis of analyses of business actors in Somaliland and Yemen, play four key roles in war to peace transitions: as supporters and/or humanitarian aid providers (or ‘benefactors’); as beneficiaries of the government and the war economy (‘profiteers’); as mediators and peacemakers (‘intermediaries’); and, as conflict actors or spoilers (‘agitators’). These roles underscore local business actors as both economic and political *actors*, with economic and political *motivations*, and certainly with both economic and political *effects*. Moreover, an analysis of selective power dynamics demonstrates how these four roles shape and are shaped – in co-constitutive fashion – by power dynamics at the national/sub-national, regional and international levels, roles which can only be understood on the basis of socio-historical analysis, and of the *meaning* business actors give to social, political and economic realms. Markets, like states, and the economy, like politics, are composed of human relations – and, therefore, inextricable from an understanding of power, language and culture.

Fifth, the roles played by local business actors suggests they may benefit from international acknowledgement, recognition and support on the one hand, and may require engagement

strategies that go beyond CSR frameworks and sanctions regimes on the other. This thesis advocates for a ‘local business lens in peace mediation’, which includes licit and illicit local business actors in: mediation strategies and processes; peace agreements and settlements; and, considerations of the way mediation processes are structured/the ‘form’ they take. Deepening the normative and pragmatic rationales for inclusion, this thesis suggests licit and illicit local business actors represent an untapped and unique resource for peace mediation.

Literature review

The literature on business actors in peace mediation is a small but useful body of work, embedded in a significantly broader field of B4P that spans a wide array of disciplines. Moreover, this broader field has been of equal interest to scholars as it has to research-practitioners.⁹⁶ Given the breadth of this work, this literature review focuses on three ‘sub-bodies’ of literature, which are particularly relevant here, starting with the broadest and moving towards the more specific: first, business actors, business ethics and ‘peace’; second, business actors, conflict prevention and peacebuilding; and, third, business actors and peace mediation. What is evident from this review is the limited literature concerning the actual and potential role of local licit *and* illicit business actors in peace mediation, and the absence of scholarship on the reasons for their current exclusion and/or marginalisation.

Business actors, business ethics and ‘peace’

⁹⁶ Katsos, John E., ‘Access and application. Addressing the two major problems in current business and peace research’, Editorial, *Business, peace and sustainable development*, Issue 7, June 2016, page 4.

This particular ‘sub-body’ of literature emanates predominantly from the fields of business administration and management, and tends to build upon the long line of theorists who have historically made a connection between commerce and peace, including Locke⁹⁷ and Montesquieu, amongst others. Timothy Fort and Cindy Schipani – often working with Charles Koerber, Jennifer Westermann-Behaylo and Kathleen Getz - have been leading in this space since 2001, when they published a paper entitled, *The role of the corporation in fostering sustainable peace*⁹⁸ in 2002, going onto publish *The Role of Business in Fostering Peaceful Societies*⁹⁹ as a book in 2009. Going against the grain of a field of management, which had focused largely on profit maximisation for shareholder value, Fort and Schipani argue that while the relationship between corporate action and the ideal of sustainable peace may seem ambiguous, “there may be patterns that can be elucidated”¹⁰⁰ and therefore ways in which “the power and efficacy of multinational corporations can contribute to increased global stability and security.”¹⁰¹ Since businesses benefit from conditions of stability and peace - conditions they suggest are often taken for granted by businesses¹⁰² - business actors have an interest in understanding how they can contribute to peace, motivated in part by increasing societal expectations for businesses to engage in conflict resolution activities,¹⁰³ especially but not only those working in the extractive industry sector.¹⁰⁴

⁹⁷ Miklian, Jason and Schouten, Peer, ‘Business for peace: The new paradigm of international peacebuilding and development’, Conference Paper, PRIO/NAI Working Paper, December 2014, page 4.

⁹⁸ Fort, Timothy L. and Schipani, Cindy A., ‘The role of the corporation in fostering sustainable peace’, *Vanderbilt Journal of Transnational Law*, Vol 35, No. 2, March 2002.

⁹⁹ Fort, Timothy L. and Schipani, Cindy A., *The Role of the Business Fostering Peaceful Societies*, Cambridge University Press, Cambridge, 2004.

¹⁰⁰ Ibid.

¹⁰¹ Ibid, page 3.

¹⁰² Oetzel, Jennifer; Westermann-Behaylo, Michelle; Koerber, Charles; Fort, Timothy L.; Rivera, Jorge; ‘Business and Peace: Sketching the Terrain’, *Journal of Business Ethics*, Volume 89, January 2009, page 356.

¹⁰³ Getz, Kathleen A. and Oetzel, Jennifer, ‘MNE Strategic Interaction in Violent Conflict: Variations Based on Conflict Characteristics’, *Journal of Business Ethics*, Volume 89, Issue S4, 2010, pages 375-386. See also: Fort. and Schipani (2004).

¹⁰⁴ This is based on the argument that those in the extractive industries are often obliged to stay in spite of violence because of the high costs associated with such investments; consequently, they have ‘incentives’ to engage in conflict resolution activities. Ibid, page 378.

According to Fort, Schipani et al., the notion that businesses can contribute to peace and stability is based on three main assumptions¹⁰⁵: first, since poverty is linked to violence and since business can reduce poverty, business actors can also reduce violence; second, countries with a strong rule of law tend to be less violent and less corrupt, and since business actors depend on the rule of law they are in a position to influence levels of corruption and, therefore, levels of violence; and, lastly, because companies are linked to communities, they can serve as ‘mediating institutions’ due to the overlap between the characteristics of nonviolent societies and ethical businesses organizations. More broadly, the authors allude to three economists, Hayek, Sen and De Soto, to argue that: trade fosters ethical behaviour; economic development allows individuals to free themselves from poverty and unleash creative potential; and, effective legal governance – especially vis-a-vis private property – is emancipatory, and reduces the chances of social confrontation.¹⁰⁶

On the basis of these assumptions, the authors believe there are five areas where businesses can contribute to peace¹⁰⁷ by: engaging in economic development; obeying the rule of law; contributing to a sense of community; engaging in track-two diplomacy; and, engaging in conflict-sensitive practices and risk assessments. They argue that the willingness on the part of businesses to engage in such activities is influenced by local and international stakeholder pressure - the former making it more likely for firms to respond directly to violent conflict, whereas the latter influences indirect action.¹⁰⁸ Whilst direct approaches have the “intention of stopping violence or preventing a situation with a clear capacity for violence from becoming violent”¹⁰⁹, indirect approaches “involve efforts to mitigate root

¹⁰⁵ Oetzel, Westermann-Behaylo, Koerber, Fort, Rivera, (2010).

¹⁰⁶ Fort and Schpani, (2004), Page 20-24.

¹⁰⁷ Oetzel, Westermann-Behaylo, Koerber, Fort, Rivera, (2010).

¹⁰⁸ Oetzel, Jennifer and Getz, Kathleen, ‘Why and how might firms respond strategically to violent conflict?’, *Journal of International Business Studies*, Volume 43, Issue 2, 2012, 166-186

¹⁰⁹ Ibid, page 168.

causes so that a situation becomes less violence-prone, or to soften the adverse effects of violence.”¹¹⁰ Timothy Fort went on to develop an approach he called ‘Total Integrity Management’¹¹¹, drawing upon legal, management, aesthetic and spiritual approaches to business ethics as a way to maximise both shareholder and stakeholder value.¹¹²

Other scholars have turned their attention to the attributes of businesses to underscore the rationale for the business-peace relationship. Scherer and Palazzo¹¹³, for example, have underscored the *political* nature of business actors (what are commonly referred to in the business literature as ‘firms’). Critiquing the broader CSR space in which business-peace arguments are often made, they insist that the business case for CSR is an instrumentalist version of the corporation, whereby “the social responsibility of business is reduced to a new “success factor” for the economic course of the firm”¹¹⁴, devoid of ethics and motivated only by the goal of wealth creation.¹¹⁵ The notion of businesses as political actors,¹¹⁶ however, is historically contested most fervently by Milton Friedman, who argues that “socially responsible behaviour exercised by corporate managers represents a threat to a free and democratic society, because these managers are neither democratically controlled nor trained to identify or solve social problems.”¹¹⁷ Interestingly, the economic view of the firm is based on a separation of responsibilities between the public and private spheres; as

¹¹⁰ Ibid.

¹¹¹ Fort, Timothy, ‘Business Integrity and Peace’, Cambridge University Press, 2007.

¹¹² He defines the Total Integrity Management model as: Total Integrity management = (Lc/j + (RK + Jr + U)) * M3 where Total Integrity Management is the result of complying with the law (Hard Trust), provided that the law is just (Lc/j) plus the product of the “The Philosophers Formula” (Real Trust), which assesses how stakeholders are treated in terms of the Rights (Rk) plus justice (Jr) plus Utilitarianism (U), all of which is multiplied by Music, Mediating Institutions, and More Mediation (M3), Ibid, page 124.

¹¹³ See: Scherer, Andreas Georg; Palazzo, Guido; and Baumann, Dorothee, ‘Global rules and private actors: Toward a new role of the transnational corporation’, *Business Ethics Quarterly*, Vol. 16, Issue 4, 2006; and, Scherer, Andreas Georg and Palazzo, Guido, ‘Toward a political conception of corporate responsibility: Business and society seen from a Habermasian perspective’, *The Academy of Management Review*, Volume 32, No. 4, October 2007.

¹¹⁴ Scherer and Palazzo, (2007), page 1100.

¹¹⁵ They argue for a discursive conception of CSR grounded in a Habermasian theory of deliberative democracy which establishes “democratic control on the public use of corporate power” through the power of communication processes. Ibid.

¹¹⁶ See also: Rasche, A., A; Baur, D., van Huijstee, M et al., ‘Corporations as political actors – a report on the first Swiss master class in Corporation Social Responsibility’, *Journal of Business Ethics*, Volume 80, June 2009.

¹¹⁷ Scherer and Palazzo and Baumann, (2006), page 509-510,

Scherer, Palazzo and Baumann note, however, “market coordination only delivers desired results if the market is embedded in a politically designed framework” which ensures that “actors can pursue their private interests without considering the desired societal outcomes, such as economic welfare and peace.”¹¹⁸ This idea is echoed elsewhere, based on the notion that the purely economic conception of the firm is misleading since it neglects “the social context, the social embeddedness of economic actions and the influence of diverse contextual rationalities.”¹¹⁹

This thesis builds upon the notion of businesses as political and social actors, whilst drawing upon other bodies of work to account for limitations of this sub-field of literature, which tends to focus on multi-national corporations (MNCs) and transnational corporations (TNCs).¹²⁰ The field of business ethics also tends to be disconnected from theories of international relations, as well as peace, conflict and mediation more specifically. As a result, terms such as ‘peace’, ‘violence prevention’ and ‘conflict resolution’ are used interchangeably, leading to some conceptual confusion. This also leads to a focus on “bilateral relationships between the firm and its host government” paying less attention to multidimensional relationships with international organizations and civil society.¹²¹ Some of the assumptions are also problematic. For example, the connection between poverty and violence is not widely accepted, with many arguing that that “poverty alone is not a sufficient condition to create a major conflict, or even to cause an individual to commit an

¹¹⁸ Ibid, page 511.

¹¹⁹ Geppert, Mike and Dorrenbacher, Christoph, ‘Politics and Power in the Multinational Corporation: An Introduction’, in Ed. Dorrenbacher, Christoph and Geppert, Mike, *Politics and Power in the Multinational Corporation: The Role of Institutions, Interests and Identities*, Cambridge University Press, 2011, page 8.

¹²⁰ See also: Getz and Oetzel, (2010); and, Davis, Peter, Corporations, *Global Governance and Post-Conflict Reconstruction*, Routledge, London and New York, 2013; Jamali, Dima and Mirshak, Ramez, ‘Business-Conflict Linkages: Revisiting MNCs, CSR, and Conflict’, *Journal of Business Ethics*, Volume 93, Issue 3, 2009.

¹²¹ Dahan, N; Doh, J; Guay, T, ‘The role of multinational corporations in transitional institution-building: A policy network perspective’, *Human Relations*, Volume 59, Issue 11, 2006, page 1572.

act of violence.”¹²² Lastly, literature concerning the contributions that businesses can make to peacemaking is largely aspirational/theoretical rather than empirical: it seeks to outline ways in which businesses *could* contribute to peacemaking but, to date, has paid little attention to ways in which businesses *do* make such contributions based on an analysis of the roles they play in war to peace transitions.

Business actors, conflict prevention and peacebuilding

Literature in the domain of business actors, conflict prevention and peacebuilding has been dominated to a large degree by researcher-practitioners. Building in important ways upon the work of Jean Paul Lederach¹²³, the practitioner literature on businesses as peace actors began in 1999 following the work of Jane Nelson (for International Alert).¹²⁴ Drawing on over 30 countries and a variety of industries, her report concludes that domestic and multinational companies have “an increasingly important role to play in conflict prevention and resolution.”¹²⁵ Ground-breaking at the time, the report details twelve key management challenges in conflict zones¹²⁶ and a typology of ways in which companies can contribute to peace through: core business operations; social investment and philanthropy; policy dialogue; advocacy and institution-building; and, by developing key performance

¹²² Atwood, J Brian, ‘The link between poverty and violent conflict’, *New England Journal of Public Policy*, Volume 19, Issue 1, Article 10, 2003, page 160.

¹²³ In the 1990s, Lederach identified key gaps in peacebuilding initiatives: the vertical gap, the justice gap, and the interdependence gap; the interdependence gap is most relevant to business actors and arises from a failure to view the relationship between specific activities and actors, and the complex world in which these actions and these actors take place. For a summary of his work in this space as it relates to business, see: Lederach, John Paul, ‘The role of corporate actors in peace-building processes, opportunities and challenges’, in Ed. Williams, Oliver, *Peace Through Commerce, Responsible Corporate Citizenship and the Ideals of the United Nations Global Compact*, University of Notre Dame, Notre Dame, 2008.

¹²⁴ International Alert is one of world’s leading peacebuilding organisations, founded in 1986.

¹²⁵ Nelson, Jane, ‘The business of peace, the private sector as a partner in conflict prevention and resolution’, International Alert, Council on Economic Priorities, the Prince of Wales Business Leaders Forum, 2000.

¹²⁶ Including: dealing with repressive regimes; benefitting from ‘war economies’; developing a nation’s strategic assets; managing security arrangements; facilitating or facing criminal activities; tackling corruption; supporting humanitarian relief operations; engaging in diplomacy and peacemaking; rebuilding trust; creating cross-sector dialogue and partnerships; ensuring accountability; and, limiting the means to wage war.

indicators.¹²⁷ Just a few years later in 2004, the work of the OECD-DAC¹²⁸ led to a report entitled, *Promoting a conflict prevention approach to OECD companies and partnering with local business*, which was another policy milestone. The report suggests the private sector has “for too long been ignored by those concerned with conflict prevention” and insists that “companies are powerful actors that have a role to play in transforming violent conflict.”¹²⁹ Many of these points were echoed by former Secretary-General Kofi Annan in his opening remarks at the open debate of the UN Security Council on the role of business in conflict prevention, peacekeeping and post-conflict peacebuilding in April 2004. While accurate, the report – nor the speech - did little to change practices on the ground.

Of particular importance for this thesis, given the focus on *local* business actors, was the publication in 2006 of another International Alert piece on *Local business, local peace: The peacebuilding potential of the domestic private sector*.¹³⁰ The report, which includes 19 case studies¹³¹, depicts what they refer to as ‘peace entrepreneurs’ on a spectrum of local business responses to conflict, from conflict sustaining to coping/survival and conflict reducing/peacebuilding.¹³² Crucially, the report also underscores the intricate relationships between political elites and systems of governance “whose existence often lies at the heart of conflict.”¹³³ The next major milestone came in 2009, following a publication commissioned by the UN Global Compact entitled, *Enabling economies of peace - public policy for conflict-sensitive business*.¹³⁴ The report details precise areas where public policy

¹²⁷ Nelson (2006).

¹²⁸ The Organisation for Economic Co-operation and Development (OECD) – Development Assistance Committee (DAC).

¹²⁹ International Alert, Conflict and Peace Programme, ‘Promoting a conflict prevention approach to OECD companies and partnering with local business’, OECD DAC Conflict, Peace and Development Co-Operation NetWork Briefing Paper, March 2004, page 2.

¹³⁰ Banfield, Jessica; Gunduz, Canan; Killick, Nick, ‘Local business, local peace: the peacebuilding potential the domestic private sector’, International Alert, 2006.

¹³¹ Afghanistan, Bosnia, Burundi, Colombia, Cyprus, Democratic Republic of Congo, El Salvador, Guatemala, Israel/Palestine, Kosovo, Nepal, Nigeria, Northern Ireland, Philippines, Sierra Leone, Somalia, South Africa, South Caucasus, and, Sri Lanka.

¹³² Banfield; Gunduz; Killick (2006), page 25.

¹³³ Ibid, page 26.

would be of assistance, including: “identifying legitimate community interlocutors; dealing with armed groups that threaten plant and personnel; ensuring operational security while also protecting civilians; and determining the criteria by which to assess those settings where conflict and absence of rule of law are so severe that investment and operations cannot be assured to “do no harm”, let alone to promote sustainable peacebuilding.”¹³⁴ The report does outline a role for international organisations, but on the periphery of its main focus on ‘regulating’ business actors; for example, it recommends enhancing UN “peacekeeping mandates and operations to ensure that provision of necessary staff and resources to peace operations to deal with actors and issues related to the political economy of conflict, particularly the role of business in zones of conflict.”¹³⁵

During this period, scholars have echoed similar narratives in the academic space. In 2006 Jessica Banfield and Virginia Haufler¹³⁶ lamented weak efforts on the part of public, private and civil society actors “to engage different types of private sector actors systematically in conflict prevention.”¹³⁷ This lack of attention is ‘mirrored’ in academia, according to Nicole Deitelhoff and Dieter Klaus Wolf, as a result of a field that has focused on contributions businesses make to ‘low politics’ sectors, “such as social, health and environmental politics”¹³⁸ over and above peace and conflict. Similarly, Mats Berdal and Nader Mousavizadeh recommended revisiting assumptions prevalent in international peacebuilding that view the private sector through the lens of micro-finance initiatives and CSR programmes alone.¹³⁹ Julien Barbara, moreover, has criticized the casting of the

¹³⁴ United Nations Global Compact, ‘Enabling economies of peace – Public policy for conflict-sensitive business’, The United Nations Global Compact, 2009, page 34.

¹³⁵ Ibid.

¹³⁶ Banfield, Jessica; Haufler, Virginia; and, Lilly, Damian, ‘Transnational corporations in conflict-prone zones: Public policy responses and a framework for action’, *Oxford Development Studies*, Vol. 33, Issue 1, 2005.

¹³⁷ Ibid, page 133.

¹³⁸ Deitelhoff, Nicole and Wolf, Dieter Klaus, *Corporate Social Responsibility? Corporate Governance Contributions to Peace and Security in Zones of Conflict*, Global Issues Series, Palgrave Macmillan, Basingstoke, 2010, page 4.

¹³⁹ Berdal, Mats and Mousavizadeh, ‘Investing for peace: The private sector and the challenges of peacebuilding’, *Survival, Global Politics and Strategy*, Vol. 52, Issue 2, 2010.

private sector “as an economic, apolitical and accommodating development partner”¹⁴⁰ rather than a “political peacebuilder”¹⁴¹ that can make both positive and negative contributions to the pursuit of peace.¹⁴²

Since 2014, there has been an increasing recognition in limited circles about the potential of business actors to play key roles, in specific, ‘economic’ ways. Under the banner of B4P - in part response to the launch of the UN Global Compact’s Business for Peace platform in 2013¹⁴³ – efforts have been made to consolidate B4P work under the guise of a “new paradigm of international development.”¹⁴⁴ To be explored in greater detail in Chapter Two, this approach, led by Jason Miklian, Peer Shouten, Brian Ganson and Angelika Rettberg, suggests an increasing policy convergence around “for-profit aid investment, public funding of commercial ventures, and private sector assistance as a means to development in conflict and post-conflict setting.”¹⁴⁵ This approach, they argue, is flourishing as a result of the failure of the liberal peacebuilding agenda “precisely in the places where it is needed most”¹⁴⁶ i.e. fragile and conflict-affected areas. According to Rettberg, support for direct engagement with the private sector is so prevalent that “it is unlikely for a self-respecting international agreement to fail to include at least cursory reference to the private sector”¹⁴⁷ especially given the ability of the private sector to fulfil a “key gap between peacebuilding and medium to longer-term economic recovery and

¹⁴⁰ Barbara, Julien, ‘Nation building and the role of the private sector as a political peace-builder’, *Conflict, Security and Development*, Vol. 6, Issue 4, 2006, page 582.

¹⁴¹ Ibid, page 583.

¹⁴² See also: Upreti, Bishnu Raj; Ghimire, Safal; Iff, Andrea, ‘Is peace the business of business? An exploration of corporate role in conflict transformation’, South Asia Regional Coordination Office, NCCR North-South, Discussion Paper 5, Nepal, July 2012.

¹⁴³ See also: Conroy, Stone, ‘Peace and the private sector: the business role for Goal 16, Alliance for Peacebuilding, October 2017; Chatham House event June 2018: ‘Business for peace: What role should companies play in prosperity, peacebuilding and security?’ London; and, Crawford, Victoria, ‘7 ways business can be agents for peace’, World Economic Forum, May 2019.

¹⁴⁴ Miklian and Shouten, (2014), page 2.

¹⁴⁵ Ibid, page 9.

¹⁴⁶ Ibid, page 6.

¹⁴⁷ Rettberg, Angelika, ‘Need, creed, and greed: Understanding why business leaders focus on issue of peace’, *Business Horizons*, Volume 59, Issue 5, 2016, page 483.

development.”¹⁴⁸ Miklian has argued that there is now convergence around business actors’ ability to play a role in five key areas: through economic engagement that facilitates a “peace dividend”; by encouraging local development and facilitating local capacities for peace; by importing international norms or other tools for democratic accountability; by attempting to constrain the drivers or root causes of conflict; and, the one most closely aligned with the spirit of this thesis, by undertaking direct diplomatic efforts with conflict actors.¹⁴⁹ Much of this cutting-edge work is now reflected and advanced in a new book published in 2019, entitled, *Business, peacebuilding and sustainable development*.¹⁵⁰

By elucidating a role for domestic business actors, this body of work provides solid ground upon which this thesis is built, combined with the assertion elaborated upon by diverse actors that insufficient attention is paid to businesses by leading actors in the peace and security sector. This work exhibits three main gaps, however: first, the potential contributions of business actors are framed predominantly through an economic rather than political ‘lens’, and do not grapple meaningfully with the roles they play in war to peace transitions; as such, real or potential roles are often based on an abstraction of business actors, taken out of the local contexts where they operate. Second, there is an endemic silence with regards to the so-called ‘informal sector’ and so-called ‘illicit actors’, despite the prevalence of both in fragile and conflict-affected settings. And, third, none of the referenced works explore the extent to which business actors are included/excluded in peace mediation, nor do they elaborate upon rationales to explain it; the field is viewed almost solely through the lens of what actions business actors can take, irrespective of whether or not they are engaged with by peace and security actors.

¹⁴⁸ Ibid.

¹⁴⁹ Miklian (2017).

¹⁵⁰ Miklian, Jason; Alluri, Rina M., Katsos, John Elias, Eds., *Business, Peacebuilding and Sustainable Development*, Routledge, London, 2019.

The only exception in this regard is the 2015 publication by Jolyon Ford, *Regulating Business for Peace, the United Nations, the Private Sector and Post-Conflict Recovery*, which effectively documents the failure on the part of peacebuilders to regulate business conduct in support of peacebuilding goals. His work develops a theory of post-conflict transitional business regulation to help external peacebuilders influence business actors. Ford's work shares the view that the 'blind spot' towards business actors is not only a missed opportunity, but "irresponsible of UN practice to ignore the socio-political significance of business actors and so to overlook the ways in which these actors might help or hinder near and longer-term peacebuilding."¹⁵¹ His extensive research on peace operations finds that "no peace operation has been expressly mandated to engage with, let alone regulate, the business sector", going onto note that the "private or business sector is not mentioned in the mandate of any past or present peace operations, including transitional administrations, save for one instance."¹⁵² While comprehensive, this work focuses on *post-conflict* peacebuilding rather than peace mediation and, does not provide any comprehensive answers concerning the reasons for this inherent 'blind spot'.

Business actors and peace mediation

The comparatively smaller body of work on business actors and peace mediation can be traced in its 'modern form' to a Conciliation Resources report on 'Tiny' Rowland, a UK-based executive of a MNC, and his role in the peace process in Mozambique.¹⁵³ Given his

¹⁵¹ Ford (2015), page 81.

¹⁵² Ibid, page 79. ("The regional UN Office for West Africa is the only peacekeeping or peacebuilding mission in history where the founding mandate explicitly lists business as a stakeholder in conflict prevention and recovery" page 301).

¹⁵³ Vines, A., 'The business of peace: 'Tiny' Rowland, financial incentives and the Mozambican settlement,' in A. Jeremy, D. Hendrickson, and A. Vines, eds., *Accord—The Mozambican Peace Process in Perspective*, London: Conciliation Resources, 1998.

dual role as both making protection payments to Renamo¹⁵⁴ in a bid to protect his business assets, combined with his efforts to get Renamo to the negotiation table underscore perfectly the multiple, simultaneous and sometimes contradictory roles business actors play in peace mediation. Other case study-specific pieces¹⁵⁵ have been similarly insightful, with Guy Ben-Porat's work on peace processes in Israel and Northern Ireland underscoring business actors' ability to shape public opinion and state-behaviour¹⁵⁶ and Ulrike Joras' work on Guatemala, highlighting the private sector's suitability for conflict management and peacebuilding due to its ability to "promote economic development, provide jobs for ex-combatants, or engage with various stakeholders."¹⁵⁷ Sticking with the theme of the economic benefits of business actors' involvement in peace mediation, Lee Cassanelli's work on the private sector in Somalia underscores the potential for (local and regional) business actors to engage in peace mediation: "If Somalis find better economic security in their markets than in their militias", he argues, "they are more likely to bring pressure on their leaders to support a regime of law order."¹⁵⁸ More recently, Angelika Rettberg's work on the Colombian peace process goes beyond the vital material support business actors can provide, underscoring the symbolic value of the commitment the involvement of the owners of capital and company managers conveys.¹⁵⁹

At the time of writing, there are three significant researcher-practitioner pieces written on

¹⁵⁴ The Mozambican National Resistance movement.

¹⁵⁵ See also: The Portland Trust, 'The role of business in peacemaking: Lessons from Cyprus, Northern Ireland, South Africa and the South Caucasus', August 2013; and, Golan-Nadir, Niva, and Cohen, Nissim, 'The role of individual agendas in promoting peace processes: business people and policy entrepreneurship in the Israeli-Palestinian conflict', *Policy Studies*, Vol. 38, Issue 1, 2017.

¹⁵⁶ Ben-Porat, Guy, 'Between power and hegemony; business communities in peace processes', *Review of International Studies*, Vol. 31, 2005, page 327.

¹⁵⁷ Joras U, 'The role of the private business sector in peace negotiations, Lessons from Guatemala', *Sicherheit und Frieden*, Vol. 25, Issue 4, 2007, page 177.

¹⁵⁸ Cassanelli, L., 'Private sector peacemaking' in Bradbury, Mark and Healy, Sally, Eds., *Whose peace is it anyway? Connecting Somali and international peacemaking*, Accord Issue no. 21. Conciliation Resources in collaboration with Interpeace, 2010, page 44.

¹⁵⁹ Rettberg, A., 'Peace is better business, and business makes better peace: The role of the private sector in Colombian peace processes', Hamburg: GIGA German Institute of Global and Area Studies. Working Papers. No. 240, November 2013, page 5.

business actors and peace mediation of relevance to this thesis, by International Alert in 2006 (as part of the aforementioned report)¹⁶⁰; the Center for Humanitarian Dialogue (HD Center) in 2008¹⁶¹; and, swisspeace in 2010.¹⁶² The first, by Rettberg, features the diverse forms business participation in peace processes can take and draws particular attention to the characteristics of the private sector actors, including size, sector, and ability to act collectively, amongst others.¹⁶³ She largely characterises businesses as economic, profit-seeking actors when she insists that “[m]arketing peace to the private sector as a profitable undertaking becomes one of the crucial challenges facing all actors, domestic and external, seeking to negotiate an end to armed conflict.”¹⁶⁴ Trying to counter mediators’ potential aversion to business involvement in peace processes, Salil Tripathi and Canan Gunduz writing for the HD Center take a pragmatic approach, thereby avoiding the need to “take a normative stance on the desirability, legitimacy and appropriateness of private-sector involvement in peace processes” and indicating, rather, that “private-sector participation is a reality in many armed conflict.”¹⁶⁵ And, Andrea Iff and co.¹⁶⁶ writing for swisspeace highlight the paucity of research on business actors and peace processes with which this thesis concurs, pointing to the absence of any reference to business actors in the 2009 Report of the Secretary-General on enhancing mediation¹⁶⁷ as evidence. Their report found that business contributions to peace processes can include: helping build trust to pave the way for negotiations; providing good offices; mobilizing the wider business community; mobilizing public support; and, providing knowledge and research on specific issues.¹⁶⁸

¹⁶⁰ Rettberg in Banfield, Gunduz and Killick (2006).

¹⁶¹ Tripathi, Salil, and Gunduz, Canan, ‘A role for the private sector in peace processes? Examples, and implications for third-party mediation’, Oslo forum 2008, Center for Humanitarian Dialogue 2008.

¹⁶² Iff, Andrea; Sguaitamatti, Damiano; Alluri, Rina M; Kohler, Daniela; ‘Money Makers as Peace Makers? Business Actors in Mediation Processes’, swisspeace Working Paper, Issue 2, November 2010.

¹⁶³ Rettberg in Banfield, Gunduz and Killick, page 39.

¹⁶⁴ Ibid, page 44.

¹⁶⁵ Tripathi and Gunduz, (2008), page 17.

¹⁶⁶ Iff, Sguaitamatti; Alluri and Kohler (2010), page 7.

¹⁶⁷ S/2009/189.

¹⁶⁸ Iff, Sguaitamatti; Alluri and Kohler (2010), page 13-14.

This thesis also builds upon two academic pieces in this space. In 2015, Natalie Ralph published, *Peacemaking and the extractive industries, towards a framework for corporate peace*, where she makes the case for a new paradigm called ‘Cosmopolitan Corporate Peace’, which seeks to address the “significant gap in international research on companies’ political/diplomatic role in peace processes in intra-state conflict.”¹⁶⁹ She goes onto advance a 14 point corporate peacemaking framework, which she then applies to ten instances of business-related peacemaking globally, and “provides valuable guidance for a process in which companies” – namely, MNCs – “are called to facilitate peace economies instead of war economies.”¹⁷⁰ Building upon the work undertaken at swisspeace and also framing their work through the lens of the “economic actors in mediation processes”,¹⁷¹ in 2016 Andrea Iff and Rina Alluri undertook an analysis of 11 cases in which business actors played an important role.¹⁷² As a result of interviews with diverse actors involved in peace mediation, they came to the conclusion that “business actors are a segment of society that has to be included in mediation processes.”¹⁷³

The work on business actors and peace mediation - whilst meaningful and useful as building blocks for this thesis – underscores the limited attention to the actual and potential role of business actors in peace mediation. Concerning the *actual role*, this literature tends to view businesses as economic actors and focus exclusively on ‘licit’ business actors; none of the identified works look at the role of illicit business actors. Moreover, when focusing

¹⁶⁹ Ralph, Natalie, *Peacemaking and the Extractive Industries, Towards a Framework for Corporate Peace*, Greenleaf Publishing, 2015 (Manuscript), page 2.

¹⁷⁰ Van Dorp, Mark, ‘Should companies be involved in peacemaking, or mind their own business?’, *Global Change, Peace and Security*, Vol. 29, Issue 1, 2017, page 101.

¹⁷¹ Iff, Andrea and Alluri, Rina M., ‘Business actors in peace mediation processes’, *Business and Society Review*, Volume 121, Issue, 2, 2016, page 92.

¹⁷² South Africa, Mozambique, Northern Ireland, Aceh-Indo, Sri Lanka, El Salvador, Somalia, Colombia, Guatemala, Kenya, Cyprus.

¹⁷³ Iff and Alluri (2016), page 199.

on the actual role, pre-existing research looks at the issue from the perspective of local business actors and from the ‘angle’ of the peace process i.e. what contributions do business actors make at key moments in a peace process? None of the works seek to look at the extent to which the actual role has been conditioned by the peace mediation strategies of the world’s leading peace and security actors. Concerning the *potential* role, the aforementioned works have not looked at the issue through the lens of inclusion in peace mediation, despite its increasing prevalence in the field of mediation and the solid conceptual basis it provides for thinking broadly about what roles business actors *could* play. Furthermore, taking a *contextualised* view of the role local business actors play in peace mediation, this thesis suggests it is impossible and/or overly simplistic to try to suggest in advance what roles business actors can play in mediation; this must be analysed on a case by case basis and will be influenced by the roles they play in conflict and society. Lastly, what is missing from this research broadly speaking is two-fold: first, a theoretical and conceptual framework for understanding the actual and potential roles of licit and illicit business actors in peace mediation, which can be applied to other countries in conflict; and, second, a deep understanding of the extent of business *exclusion* and the reasons motivating it, two insights that could actually help explain the lack of a theoretical framework.

Structure of the thesis

This thesis is divided into five chapters. Chapter One, entitled ‘The politics of inclusion’ situates the thesis in the field of mediation and the ‘local turn in peacebuilding’ before proceeding to undertake a detailed analysis of the evolution of the discourse on inclusion; this analysis provides an opportunity to understand the extent to which this discourse refers – implicitly and/or explicitly – to licit and business actors, and whether a conceptual basis

exists for such actors to be included in peace mediation.

Chapter Two, on ‘The Business of Peace’ provides a brief overview of the (modern) evolution of the discourse on B4P before going on to suggest that the B4P discourse is a continuation and, indeed, entrenchment of discourses and practices that came into being with and since the birth of the UN System in 1945. More specifically, this chapter argues and explores B4P as a discourse and a political practice, that has emerged as the result of tensions around three key ordering principles, or *dichotomies*, within the international system: what can be considered: ‘political’ versus ‘economic’; ‘public’ versus ‘private’; and, what constitutes ‘licit’ versus ‘illicit’ – with explicit effects.

Chapter Three, entitled ‘The practice of peace and exclusion of business actors’ bring together the discourses on the politics of inclusion and the business of peace, to explore how these discourses play out – in reality - in the political practice of peace mediation. Through an analysis of peace agreements signed since 1990, interviews with mediation practitioners and a case example of Yemen, the chapter explores how mediators perceive, interpret and articulate the inclusion and exclusion of local business actors, and to what extent it reinforces and overlaps with the historical configurations of the B4P discourse. More specifically, this chapter argues that mediators and mediation professionals exhibit a blind spot when it comes local business leaders, and that such a blind spot is evidenced by the absence of a local business lens in the political practice of peace mediation.

Chapters Four and Five are detailed case study analyses of business actors in Somaliland and Yemen, thereby providing an opportunity to explore the roles licit and illicit business actors play in war to peace transitions in the context of locally- and internally-led peace

mediation processes respectively. Both chapters are divided into two parts: part one explores examples of the four key roles played by local business actors in the transition from conflict to peace as: supporters and/or humanitarian aid providers ('benefactors'); beneficiaries of the government and the war economy ('profiteers'); mediators and peacemakers ('intermediaries'); and, conflict actors and spoilers ('agitators'). Through an exploration of the practices and discourse of local business actors, part two of each chapter seeks to grasp how these four roles played by businesses shaped and were shaped – in co-constitutive fashion – by power dynamics at the local, regional and international levels.

The conclusion of this thesis revisits the key arguments of the thesis and then considers the practical and policy implications of this work. In particular, it draws attention to the need to grapple meaningfully with local power dynamics through greater attention to local licit and illicit business actors and a 'local business lens in peace mediation' which contextualises the contributions business actors can make through an understanding of their socio-historical roles in the context in question, and the meaning they attribute to such roles. The conclusion also brings together the key elements of a theoretical framework for understanding the actual and potential role of local business actors in countries in conflict which, in turn, sheds light on how such actors could be engaged through the local lens in peace mediation, and suggests key avenues for future research.

1

Chapter One The Politics of Inclusion

“I recognise that it is our responsibility to try to identify and seize upon any possible window of opportunity for mediation in order to prevent or manage violent conflict and, eventually, build and sustain peace.”¹

Introduction

No term “ever exists prior to or independent of the play of practice within history.”² So, which play of practices has shaped who gets included and excluded from peace mediation? What does it mean to be labelled a ‘business’? How does this compare to other entities labelled as ‘armed groups’, or ‘civil society actors’? What effect does this have on the role they play/are perceived to play, and more importantly, what effect does this have on peace *writ large*? As will be explored in greater detail in Chapter Two, the business ‘label’ forms part of a web of meaning, inter-linked with concepts such as profit, private sector, markets, transactional relations, the economy; it is seen as being conceptually distinct from notions of the ‘public’, the state, power, relational dynamics, the political. It is also a concept that can be qualified: ‘formal’ and ‘licit’ businesses are accorded some level of legitimacy, they exist according to the rules businesses are supposed to adhere to, even if the consequences of their actions contribute to inequality or environmental destruction – these actions are legal, and fall within a certain discourse of (albeit increasingly contested) *acceptability*.

¹ United Nations Secretary-General Antonio Guterres in A/72/115, United Nations Activities in Support of Mediation, Report of the Secretary General, 2017.

² Ashley, Richard K., ‘Living on border lines: Man, poststructuralism, and war’ in Der Derian, James; and, Shapiro, Michael J., Eds., *International/Intertextual Relations, Postmodern Readings of World Politics*, Macmillan, New York, 1989, page 262.

‘Informal’ and ‘illicit’ businesses, on the other hand, form part of markets considered ‘black’, in the ‘shadows’, operating according to rules considered subversive or even criminal, lacking in legitimacy, irrespective of the role they play in keeping communities – or countries even – alive. Underpinning the meaning we, the reader, understand by these concepts are what Richard Ashley calls *political practices* i.e. practices of power that fix, and entrench a certain way of doing things while simultaneously silencing other ways of understanding and ‘doing’ in the world.

The political practice of peace mediation has an affixed meaning which, this chapter argues, inherently excludes business actors, both licit and illicit – to the detriment of peace. The chapter begins by situating the topic within the broader field of peace mediation, by demonstrating the manner in which academic research mirrors a field of practice largely divorced from considerations of local context. Building upon the work of Roger Mac Ginty and Oliver Richmond³, the chapter then explores the ‘local turn’ in peacebuilding - of which this thesis is a part - documenting the manner in which the ‘blind spot’ towards business actors is symptomatic of a broader failure on the part of the international community to engage with local power dynamics. The chapter then deconstructs the UN-led discourse on normative and pragmatic aspects of inclusion to demonstrate the omission of businesses from both, despite the high applicability of these rationales for inclusion – normative and pragmatic⁴ – to local business actors: the underlying logic of these rationales when applied to businesses underscores further the puzzling absence of businesses from peace mediation,

³ See: Mac Ginty, Roger and Richmond, Oliver, ‘The local turn in peace building: A critical agenda for peace’, *Third World Quarterly*, Vol. 34, Issue 5, 2013; Mac Ginty, Roger, ‘Where is the local? Critical localism and peacebuilding’, *Third World Quarterly*, Vol. 36, Issue 5, 2015; Richmond, Oliver P, *The Transformation of Peace*, Basingstoke: Palgrave Macmillan, 2005; Newman, Edward, and Richmond, Oliver, ‘Peace Building and Spoilers,’ *Conflict, Security and Development*, Vol. 6, Issue 1, 2006.

⁴ Lanz, David, ‘Who gets a seat at the table? A framework for understanding the dynamics of inclusion and exclusion in peace negotiations’, *International Negotiation*, No. 16, 2011.

especially in light of the ‘Business for Peace’ discourse.⁵ The chapter goes on to argue for an understanding of local business actors which takes into account the economic *and* political roles they play in war to peace transitions, an understanding which must be grounded in a context-specific understanding of their discourses and practices.

Peace mediation in focus

While the practice of mediation - as a method of third party conflict resolution - has been around for centuries⁶, the term only became commonly used in international politics following the 1899 and 1907 Hague Conventions⁷, which stipulated an acceptance amongst participating states of “good offices, mediation and arbitration, where they are available, with the purpose of preventing conflict.”⁸ The period following the end of the Second World War, in particular, was marked by an increasing use of mediation to end conflicts, with 20 per cent of political conflicts mediated between 1945 and 1962, compared to 34 per cent between 1963 and 1989.⁹ Despite the increasing use of mediation as a tool, this period was dominated by the “strategic and ideological rivalry of two nuclear-armed camps” which meant that the “effective practice of cooperative, peace-oriented multilateral and regional diplomacy was made ineffective”¹⁰ - or certainly less effective than it could have been.¹¹

⁵ See Chapter Two on ‘The Business of Peace’.

⁶ Kleiboer, Marieke, *Multiple Realities of International Mediation*, Lynne Rienner Publishers, Boulder London, 1998, page 11.

⁷ Faget, Jacques, ‘The metamorphosis of peacemaking’, in Faget, Jacques, Eds., *Mediation in Political Conflicts, Soft Power or Counter Culture?* Hart Publishing, Oxford and Portland, 2011, page 1.

⁸ Scott, James Brown (under the supervision of), ‘The proceedings of The Hague peace conference, translation of the official texts’, Prepared in the Division of International Law of the Carnegie Endowment for International Peace, Conferences of 1899 and 1907, Oxford University Press, New York, 1921.

⁹ Faget, Jacques (2011), page 1.

¹⁰ Evans, Gareth, ‘Preventive action and conflict resolution’, in Otunnu, Olara A. and Doyle, Michael W., Eds., *Peacemaking and Peacekeeping for the New Century*, Rowman and Littlefield Publishers, Oxford, 1998, page 61.

¹¹ On the history of mediation and peacemaking, see also: Benham, J. E. M., *Peacemaking in the Middle Ages, Principles and Practice*, Manchester Medieval studies, Manchester University Press, 2011; Briggs, A., Meyer E., Thomson, David, *Patterns of Peacemaking*, Routledge, 1945; Gittings, John, *The Glorious Art of Peace, from Iliad to Iraq*, Oxford University Press, 2012; Martin, Harriet, *Kings of Peace, Pawns of War. The Untold Story of Peace-making*, Continuum, London and New York, 2006; Mayerfield, Jamie, ‘No Peace Without Injustice: Hobbes and Locke on the Ethics of Peacemaking’, *International theory*, Vol. 4, Issue 02, July 2012; Miall, Hugh, *The Peacemakers, Peaceful Settlement of Disputes Since 1945*, Oxford Research Group, MacMillan, Press, 1992.

The end of the Cold War witnessed the rapid expansion of the practice of mediation: interventions in ongoing conflicts increased fivefold in the 1990s compared to the 1980s.¹² The concept of mediation is enshrined in Article 33 of Chapter VI of the UN Charter, which lists negotiation, inquiry, mediation, conciliation, arbitration, judicial settlement, and resort to regional agencies or arrangements as peacemaking techniques - combined with the 'good offices' role of the Secretary-General.¹³ It was only the end of the Cold War, however, that released the UN Security Council (UNSCR) from four decades of deadlock¹⁴, and opened up new ways for the organisation to engage on the world stage. Following a request from the UNSCR in 1992, Secretary-General Boutros-Boutros Ghali elaborated upon his vision for the UN's role in peace and security in his then-ground-breaking report, *An Agenda for Peace*, in which he envisioned five key roles for the UN: preventive diplomacy, peace enforcement, peacemaking, peacekeeping, and post-conflict peacebuilding. Mediation, which 'belongs' conceptually and practically within but not limited to Boutros-Boutros Ghali's vision for 'peacemaking', was thus thrust – in the context of a renewed spirit of multilateral cooperation – to the forefront of the UN's global efforts to preserve peace.

This period witnessed a dramatic increase in academic and policy-related research on mediation – far too rich and extensive to cover here – demonstrating an evolving understanding of the concept and practice.¹⁵ Already in 1985, Zartman and colleagues

¹² Heldt, Birger, 'Patterns of diplomatic peacemaking', *Canadian Foreign Policy Journal*, Vol. 19, Issue 1, 2013, page 89.

¹³ Kittani, Ismat, 'Preventive diplomacy and peacemaking: The UN experience' in (Eds.) Otunnu, Olara A. and Doyle, Michael W., Eds., (1998), page 90.

¹⁴ Evans, Gareth, 'Preventive action and conflict resolution' in Otunnu and Doyle, Eds. (1998), page 61.

¹⁵ For more references on contemporary mediation and peacemaking, see, for example: Sisk, Timothy, 'Power-sharing in civil war: Puzzles of Peacemaking and Peacebuilding', *Civil Wars*, 15, Supplement 1, 2013; Eriksson, Mikael and Kostic, Roland, Eds., *Mediation and Liberal Peacebuilding, Peace From the Ashes of War?* Routledge, 2013; Bercovitch, Jacob, and Sigmund Gartner, Scott, *International Conflict Mediation, New Approaches and Findings*, Routledge, Security and Conflict management, New York, 2009; Bercovitch, Jacob, 'Mediation and International Conflict Resolution, Analyzing Structure and Behaviour in Sandole Dennis J. D; Byrne, Sean; Sandole-Staroste, Ingrid; Senehi, Jessica, Eds., *Handbook of Conflict Analysis and Resolution*, Routledge, London and New York, 2009; Rifkind, Gabrielle and Picco, Giandomenico, *The Fog of Peace, The Human Face of Conflict Resolution*, I. B. Tauris, 2014; Darby, John and MacGinty,

defined mediation as a “form of third-party intervention in conflict for the purpose of abating or resolving that conflict through negotiation”, putting emphasis on the need for interventions to be “acceptable to the adversaries.”¹⁶ Writing just one year later, Christopher Moore, one of the fathers of the field, defined mediation as a “form of joint decision-making in conflict in which an outsider controls some aspects of the process, or indeed the outcome”, emphasising the need for decision-making power to remain with the disputants.¹⁷ Writing shortly after in 1991, Bercovitz, Anagnoson and Wille defined mediation as a “process of conflict management where disputants seek the assistance of, or accept an offer of help from, an individual, group, state or organization to settle their conflict or resolve their differences without resorting to physical force or invoking the authority of law”¹⁸ – thereby underscoring the range of actors involved in the field, and the diverse alternatives available to the conflicting parties. Some (limited) modern manifestations have put more emphasis on the context in which international mediation takes place: Eriksson and Kostic, for example, define mediation as a “normative practice embedded in a violent context that, through a structured process, intends to resolve an incompatibility by achieving an agreement between two or more participating belligerent parties, providing for a positive outcome and lasting peace.”¹⁹

The mediation field – or ‘peace mediation field’ as it is increasingly referred to in order to differentiate mediation of international violent conflict from other forms of mediation²⁰ - has been largely dominated by research that can be grouped around five key themes, all of

Roger, Eds., *Contemporary Peacemaking: Conflict, Peace Processes and Post-war Reconstruction*, Palgrave Macmillan, 2008; De Soto, Alvaro, ‘A mediator’s view from here: Vision, strategy and other elements of peacemaking’, Oslo Forum 2007.

¹⁶ Touval, Saadia, and Zartman, William, *International Mediation in Theory and Practice*, SAIS, 1985, page 7.

¹⁷ Moore, Christopher, *The Mediation Process, Practical Strategies for Resolving Conflict*, Wiley, 2003, page 8.

¹⁸ Bercovitch, Jacob; Anagnoson, Theodore; Wille, Donnette L, ‘Some conceptual issues and empirical trends in the study of successful mediation in international relations’, *Journal of Peace Research*, Vol. 28, Issue 1, 1991, page 8.

¹⁹ Eriksson, Mikael and Kostic, Roland, ‘Peacemaking and peacebuilding, two ends of a tail’, in (Eds) by Eriksson, Mikael and Kostic, Roland, *Mediation and Liberal Peacebuilding, Peace from the Ashes of War?* Routledge, 2013, page 11.

²⁰ Such as, community, commercial, or family mediation, for example.

which are often tied in causal fashion to the concept of mediation *effectiveness*. First, the *approach/style* of the mediator: four ‘ideal types’ of mediation are often referenced: mediation as power brokerage; mediation as political problem-solving; mediation as domination; mediation as restructuring relationships.²¹ One study, for example indicates that “more aggressive and substantively intrusive styles of mediation are most successful in generating formal agreements between actors”, insisting that “manipulative forms of mediation are...most effective in shortening the duration of crises”²² - although it should be noted that there is little agreement on how exactly to measure ‘success’ in mediation. Second, the issue of mediation *timing*, including how long the conflict has gone on for, the extent to which the parties have reached an impasse, the cost-benefits of escalation, mediation ‘readiness’, etc.²³ - leading to the emergence of Zartman’s concept of conflict ‘ripeness’ for mediation.²⁴ Third, the *character* of the conflicting parties, including the nature of the relationship between the parties, and the nature of the dispute in question; for example, research indicates that ideology disputes are more amenable to mediation than security disputes (50.4 versus 40.7 per cent chance of success).²⁵ Fourth, the issue of ‘neutral’ versus ‘biased’ mediators, which includes concepts such as the ‘bias of source’ (the mediator’s closeness to one party) compared to ‘bias of content’ (mediator’s settlement proposal).²⁶ And, fifth, mediation *process*,²⁷ including research on different peacemaking ‘tracks’²⁸, and methodologies, such as the ‘Harvard Approach’, the ‘Human Needs

²¹ Kleiboer (1998), page 11.

²² Wilkenfeld, Jonathan; Young, Kathleen J.; Quinn, David M.; and Asal, Victor, *Mediating International Crises*, Routledge, Taylor and Francis Group. London and New York, 2005, page 13.

²³ Bercovitch, Jacob and Houston, Allison, ‘The study of international mediation: Theoretical issues and empirical evidence’ in Bercovitch, Jacob, Eds., *Resolving International Conflicts, the Theory and Practice of Mediation*, Lynne Rienner Publishers, Boulder, London, 1996, page 12.

²⁴ Zartman, I William, ‘The timing of peace initiatives: Hurting stalemates and ripe moments’, *The Global Review of Ethnopolitics*, Vol. 1, No 1, September 2001.

²⁵ Bercovitch, Jacob and Houston, Allison, in Bercovitch, Jacob and Houston, Allison, Eds., (1996), page 12.

²⁶ Svensson, Isak, ‘Who brings which peace? Neutral versus biased mediation and institutional peace arrangements in civil wars’, *The Journal of Conflict Resolution*, Vol. 53, No. 3, June 2009, page 446.

²⁷ Ker-Lindsay, James, ‘The importance of process in peacemaking’, *Peace Review*, Vol., 22, Issue 1, 10 Feb 2010.

²⁸ Mason, S., ‘Mediation and Facilitation in Peace Processes’ ISN ETH Zurich, International Relations and Security Network, 2007, page 5.

Approach’, and the ‘interactive problem-solving model’ derived from the work of John Burton.²⁹

What is striking about this research on ‘mainstream’ international mediation is its mirroring of a field of practice largely divorced from considerations of both local context and local power dynamics. Indeed, questions related to mediator character, timing, characteristics of conflicting parties, mediation bias, and process considerations present an image of mediation in which two protagonists negotiate amongst themselves with the aid of a third party in a vacuum, largely divorced from the local context, politics and history, and in which the interactions between international, national and local power dynamics have little or no bearing on the process nor on peace ‘writ large’. This top down, technocratic approach has been criticised extensively in the literature for three key reasons³⁰: it fails to address the underlying causes of conflict, focusing instead on manifestations of conflict; it is a reflection of the international community and associated co-opted elites, which has limited connection to the majority of the population; and, lastly, it “reinforces power-holders and replicates exclusive patterns of social and political relations.”³¹ These critiques, combined with what Alvaro de Soto and Graciana del Castillo have described as a “bleak” twenty-five year record³² – in which 57% of the UN-led multidisciplinary operations have relapsed into conflict during the first decade of transition³³ - have called into question the UN approach to peacemaking. Indeed, many suggest that not only is the international community’s

²⁹ Kelman, Herbert C, ‘Informal mediation by the scholar/practitioner’, in Bercovitch, Jacob, and Rubin, Jeffrey Z., Eds., *Mediation in International Relations: Multiple Approaches to Conflict Management*, St. Martin’s Press, New York, 1992, page 66.

³⁰ Darby, John and Mac Ginty, Roger, ‘What peace? What process?’ in Darby, John and Mac Ginty, Roger, Eds., *Contemporary Peacemaking; Conflict, Peace Processes and Post-war Reconstruction*, Palgrave Macmillan, 2008, page 5.

³¹ Ibid, page 7.

³² De Soto, Alvaro and del Castillo, Graciana, ‘Obstacles to Peacebuilding Revisited’, *Global Governance*, Vol. 22, No. 2, 2016, page 213-4.

³³ Ibid, page 214.

approach to peacemaking not working, but its technocratic and de-politicised approach³⁴ may also be “inadvertently contributing to the establishment of post-war systems and structures in which violence, insecurity, and instability are pervasive.”³⁵

Understanding the ‘local turn’

The recognition of these deficiencies have contributed to what is referred to as the ‘local turn’ in peacebuilding, within which the exclusion of local business actors, it will be argued, is a symptom of a larger failure to pay attention to local power dynamics. The local turn in peacebuilding, which reflects a move from state-centric to people-centric approaches,³⁶ has evolved during two key phases.³⁷ The first emerged in the 1990s, with the work of scholar-practitioners such as Jean-Paul Lederach from the ‘school of conflict transformation’ and, to some extent, in response to the international community’s failures to support peace in contexts such as Somalia, Rwanda and the Balkans – thereby calling into question the post-Cold War optimism associated with the Agenda for Peace. The second phase emerged in response to failures in Afghanistan and Iraq³⁸, when liberal peacebuilding itself as a frame of reference and a mode of engaging was put under a critical spotlight. In this vein, liberal peacebuilding’s goal of establishing ‘Peacelands’³⁹ was increasingly seen as a not-so-well-

³⁴ In her excellent book on ‘Why peace processes fail’, Jasmine-Kim Westendorf describes depoliticised approaches as ones that did “not respond to the political and social contexts that defined how individuals and communities engaged with peace consolidation, or worked against it. In other words, they overlooked the relationship between the society and the state and did not engage with the politics of conflict and peace in the post-war society, particularly in terms of how power and authority are organized and contested, and how competing interests intersect with either peacebuilding or the continuation of conflict.” This research concurs and uses this definition of ‘depoliticised’ in the context of this thesis. See: Westendorf, Jasmine-Kim, *Why Peace Processes Fail: Negotiating Insecurity After Civil War*, Lynne Rienner, London, 2015, page 4.

³⁵ *Ibid*, page 35.

³⁶ Dzuverovic, Nemanja, ‘Why local voices matter. Participation of local researchers in the liberal peace debate’, *Peacebuilding*, Vol. 6, No. 2, No. 2, 2018, page 111; and, Kappler, Stefanie, ‘The dynamic local: delocalisation and (re-) localisation in the search for peacebuilding identity’, *Third World Quarterly*, Vol. 36, No. 5, 2015, page 868

³⁷ Paffenholz, Thania, ‘Unpacking the local turn in peacebuilding: A critical assessment towards an agenda for future research’, *Third World Quarterly*, Vol. 36, No. 5, 2015, page 857

³⁸ *Ibid*, page 859.

³⁹ Autesserre. Severeine, *Peaceland, Conflict Resolution and the Everyday Politics of International Intervention*, Cambridge University Press, 2014.

veiled effort to expand market economies through ignoring or suppressing local variations or, indeed, resistance. This second local turn in peacebuilding is closely affiliated with the Foucauldian and postcolonial approaches⁴⁰ to the study of peace and conflict, with strong influences from “critical and post-structural theory, postcolonial scholarship and practice, interdisciplinarity, as well as a range of alternative ethnographic, sociological and action-related methodologies.”⁴¹ Taking peace rather than war as its principal point of reference, the local turn seeks to distance itself from more ‘traditional’ approaches to international relations.⁴²

Building upon this second phase, and upon the work of Roger Mac Ginty and Oliver Richmond in particular, this thesis supports the notion that international peacemakers have embraced “the language but rarely the spirit of the local turn”⁴³, and this is particularly well-evidenced – as will become evident later in the chapter – by the failure to acknowledge local power dynamics broadly speaking, and to engage with local businesses in particular. The ‘local’ has been conveniently framed as a means to ‘rescue’ internationally-funded projects – and, liberal peacebuilding more broadly – from its inherent contradictions, by providing a lens of analysis for international actors to move away from their state-centric bias. Consequently, while the *Agenda for Peace* made no mention of the ‘local’, almost 20 years on the World Bank’s 2011 World Development Report and UNDP’s 2011 Governance for Peace document use the word ‘local’ 382 and 197 times respectively.⁴⁴ However, as will be explored in detail in Chapter Two and Three, international peacemakers are constrained from engaging meaningfully with the local dynamics of contestation as a result of: the

⁴⁰ Paffenholz, (2015), page 859.

⁴¹ Mac Ginty and Richmond, Oliver, (2013), page 763.

⁴² Ibid, page 766.

⁴³ Ibid, page 779.

⁴⁴ Mac Ginty, Roger, (2015), page 840.

spread of technocracy, ‘professionalization’ and a ‘best practice’ approach to conflict, influenced by neoliberal management frameworks⁴⁵, combined with more structural, historical factors embedded in how the UN system has evolved. The local turn after all “contradicts the universalism that lies at the heart of liberal optimism and notions of universal rights.”⁴⁶ As a result “many proponents of the liberal peace find it difficult to *see* the local”⁴⁷ since such dynamics are challenging to capture in the standardised formats that tend to epitomise orthodox approaches to peacebuilding.

Consequently, despite the recognition that the “exclusion of local arenas by the central state inhibits state legitimacy”⁴⁸, efforts to engage the ‘local’ have been confined to a specific kind of ‘local’ actor, and to engaging them in specific kinds of ways. While concepts such as ‘local governance’, ‘local capacity’, and ‘local ownership’ have become central in the peacemakers lexicon,⁴⁹ in reality ‘local’ too-often means: ‘national’, and/or local actors that are ‘favoured’ by international institutions; engaging with local actors as homogenous; and, inherently ‘good’ sectors of society, such as civil society, women and youth⁵⁰ (i.e. as suggested by Roger Mac Ginty, a ‘local’ that “can be instrumentalised and intervened in by international peace-support and development actors.”)⁵¹ A more realistic approach avoids romanticising the local, and understands that local actors can be “partisan, discriminatory, exclusive and violent (as can international actors)” and that local contexts “also contain power relations and hierarchies that favour some above others (as do international frameworks”)⁵². Consequently, it is vital to engage with the local *as it exists*, rather than as

⁴⁵ Mac Ginty and Richmond (2013), page 777.

⁴⁶ Ibid, page 778. Italics added for emphasis.

⁴⁷ Ibid.

⁴⁸ Leonardsson, Hanna and Rudd, Gustav, ‘The ‘local turn’ in peacebuilding: A literature review of effective and emancipatory local peacebuilding’, *Third World Quarterly*, Vol. 36. No. 5, 2015, page 827.

⁴⁹ Ibid.

⁵⁰ It is evident that these actors can no more be considered as inherently ‘good’ than business actors can be considered as inherently ‘bad’.

⁵¹ Mac Ginty, (2015), page 841.

⁵² Mac Ginty and Richmond (2013), page 770.

we would like to exist, which means engaging with all actors, armed groups, gangs, businesses, criminal networks, drug cartels and other perceived ‘unsavoury’ entities that the international community either does not want to or does not know how to engage. Business, therefore, represents one of the many “neglected sites of local agency.”⁵³

Interestingly and, perhaps, worryingly, after almost a decade of the prominence of the ‘local’ on the international stage, the 2018 Sustaining Peace Resolutions⁵⁴ do not explicitly acknowledge ‘the local’; indeed, the UNSCR and the General Assembly jointly define sustaining peace “as a goal and a process to build a common vision of a society, ensuring that the needs of all segments of the population are taken in account.”⁵⁵ To some extent, this represents a new trend whereby the local is taken for granted, or viewed as important “background information”⁵⁶ to be taken into consideration when engaging with the lead actors on the national stage. Perhaps the resolutions are a more honest recognition of where real power lies, even when projects and initiatives have a ‘local’ face i.e. with donors and administrators in New York, London, Geneva or elsewhere.⁵⁷ The Sustaining Peace paradigm suggests that the local turn in peacebuilding has not only been “shallow”⁵⁸ but also partial: an engagement with *certain* elites, from *certain* sectors of society, and engagement that tends to expand rather than transform or negotiate their power. Rather than positing the ‘local’ as good or bad, or framing it in either patronising or romantic ways,⁵⁹

⁵³ Bojicic-Dzelilovic, Vesna and Martin, Mary, ‘Wholly local? Ownership as philosophy and practice in peacebuilding interventions’, *Peacebuilding*, Volume 6, Issue 3, 2018, page 224.

⁵⁴ “In the twin resolutions adopted in 2016 on the review of the peacebuilding architecture (Assembly Resolution 70/262 and Council Resolution 2282 (2016), Member States stressed that, while Governments have primary responsibility for peacebuilding and sustaining peace, the international community, including the United Nations system, can do more to build peaceful and resilient societies.” A/73/890-S/2019/448, 30 May 2019. The Sustaining Peace reconceptualised conflict prevention as an ongoing, long-term endeavour.

⁵⁵ *Ibid.*

⁵⁶ Tschudin, Alain and Trithart, Albert., ‘The role of local governance in sustaining peace’, IPI, February, 2018, page 1.

⁵⁷ Mac Ginty (2015), page 846.

⁵⁸ *Ibid.*, page 846.

⁵⁹ *Ibid.*, page 848.

this chapter views the local as a social construction⁶⁰, that cannot be separated from the ‘national’, the ‘regional’ or the ‘global’, and which can be understood through the roles that it plays i.e. the ‘local as activity.’ In this sense, the local is understood as a “system of beliefs and practices that loose communities and networks may adopt”, which changes with time and circumstances, and which have territorial and extra-territorial characteristics.⁶¹ In shifting towards an understanding of the local as “[e]veryday acts of a diversity of individuals and communities that go beyond elites and civil society normally associated with liberal peacebuilding”⁶², it becomes possible to focus on how power is exercised in the construction of peace that is “context-specific, home-grown and bottom-up.”⁶³

*The exclusion of businesses from the discourse on ‘inclusion’ as a “political practice”*⁶⁴

When viewed through the lens of peace mediation, the ‘local turn’ has inevitably given rise to a discourse on ‘inclusion’⁶⁵ i.e. Who gets a seat around the table? Whose views – and on what - are consulted and/or reflected in the peacemaking process? More than just a discourse, however, the inclusion narrative takes on the form of a ‘political practice’ since it constructs meaning, empowers, and fixes “the limits of socially recognized modes of objectivity, subjectivity and conduct in the peacemaking realm.”⁶⁶

⁶⁰ Ibid.

⁶¹ Ibid, page 851.

⁶² Leonardsson and Gustav, (2015), page 17.

⁶³ De Coning, Cedric, ‘Understanding peacebuilding as essentially local’, *International Journal of Security and Development*, Vol 2, No 1, 2013, page 6.

⁶⁴ Ashley, Richard K., in Der Derian, James and Shapiro, Michael J., Eds., 1989, page 282.

⁶⁵ Interestingly, analysis of this discourse has been under-represented in academic literature, and has been recovered predominantly by those we might consider as falling into the narrow ‘academic-practitioner’ category, including those at: The Berghof Foundation, swisspeace, International Peace Institute, the Inclusive Peace and Transitions Initiative, and, the Mediation Support Network.

⁶⁶ Ashley, Richard K., in Der Derian, James and Shapiro, Michael J., Eds., 1989, page 282.

As suggested by the Berghof Foundation⁶⁷, the issue of inclusion can be approached from multiple angles: the inclusion of actors (social groups and sectors); the inclusion of issues (needs, concerns, issues in conflict of the actors); horizontal inclusivity (relevant actors are represented at the table); vertical inclusivity (the different parties at the table are themselves composed of different segments of their constituency); input inclusivity (inclusive design of the negotiation process); and, outcome inclusivity (inclusive implementation of the peace agreement).⁶⁸ While this thesis focuses predominantly on: the inclusion of actors (i.e. business actors) and uses the inclusion of business-related concepts as a proxy for understanding the extent of inclusion of business actors (see Chapter Three), it also focuses on input inclusivity over and above outcome inclusivity - although it will be argued below that those that are included in the former should logically also be included in the latter. This thesis also adds another dimension of inclusion as ‘mediator strategy inclusivity’ i.e. the extent to which a broad range of actors are included in the mediator’s strategy for reaching an agreement, which may include but also go beyond the inclusive design of the negotiation process itself.

From a structural or process perspective, the issue of inclusion has been approached through the concept of ‘multi-party mediation’ or ‘tracks of diplomacy’ as a means to promote greater inclusion and more effectively foster peace. Tracks of diplomacy can be defined “as diplomatic initiatives by outside state or non-state parties to transform a dispute by communicating information, proposing new solutions, and directly influencing the crisis using carrots and sticks that can help generate movement towards potentially overlapping

⁶⁷ Berghof Foundation, ‘Broadening and deepening participation in peace negotiations, a strategic framework’, Berghof Foundation, 2015.

⁶⁸ Ibid.

bargaining positions.”⁶⁹ Track 1 generally refers to interstate processes between official negotiating and mediating parties; Track 2 tends to be an unofficial, informal interactions undertaken in support of the official process unofficial representatives or “members of adversary groups or nations that aim to develop strategies, to influence public opinion, organize human and material resources in ways that might help resolve their conflict.”⁷⁰ The concept of a 1.5 Tracks emerged as a response to the challenge of low incentives for engaging in a process⁷¹, and can be defined as a unofficial public or private interaction between conflict stakeholders, whereby the representatives may be official but the third party tends not to be a representative of a political institution.⁷² Whilst it has received less attention in the literature, Track 3 is defined as comprising “leading civil society figures at the local level and grassroots initiatives.”⁷³ In recent years, the concept of ‘insider mediation’⁷⁴ has further expanded the notion of mediation from the perspective of inclusion, whereby an insider mediator is defined as “a mediator “from within the conflict” who benefits from a certain connectedness to and a high degree of trust from the conflict parties”⁷⁵, often bringing important “indigenous resources to a peace process.”⁷⁶ What

⁶⁹ Bohmelt, Tobias, ‘The effectiveness of tracks of diplomacy strategies in third-party interventions’, *Journal of Peace Research*, Vol 47, Issue 2, 2010, page 167.

⁷⁰ Montville, Joseph, ‘The arrow and the olive branch: A case for Track Two diplomacy,’ in Vamik D. Volkan *et al.*, Eds., *The Psychodynamics of International Relationships*, London: Lexington Books, 1990.

⁷¹ Bohmelt, (2010), page 168.

⁷² Mapendere, ‘Track one and a half diplomacy and the complementarity of tracks’, *Culture of Peace Online Journal*, Volume 2 (1), 2006.

⁷³ Federal Foreign Office, ‘Basics of mediation: Concepts and definitions, Fact sheet series: Peace mediation and mediation support,’ Peace Mediation, Germany, January 2017, page 3.

⁷⁴ See, for example, Mason, Simon, ‘Insider Mediators, Exploring their key role in informal peace processes’, Berghof Foundation for Peace Support, swisspeace, CSS, 2009; Mubashir, Mir; Morina, Engiellushe and Vimalarajah, Luxshi, ‘OSCE support to insider mediation, strengthening mediation capacities, networking and complementarity’, Berghof Foundation, OSCE, December 2016; Mir, Mubashir, and Vimalarajah, Luxshi, ‘Tradition- and Faith-Oriented Insider Mediators (TFIMs) in conflict transformation: Potential, constraints, and opportunities for collaborative support’, Baseline Study – Synopsis, Berghof Foundation and Finn Church Aid, 2016; Roepstorff, K. and A. Bernhard, ‘Insider mediation in peace processes: An untapped resource?’ *Security and Peace*, Vol. 3, Issue 3, 2013; Smith, Richard and Scott Deely, ‘Insider mediators in Africa, understanding the contribution of insider mediators to the peaceful resolution of conflicts in Africa’, Summary report of phase one, PeaceNexus Foundation for the Swiss Department of Foreign Affairs, Division for Human Security, July 2010; United Nations Development Programme (UNDP), ‘Supporting Insider Mediation: Strengthening Resilience to Conflict and Turbulence’, Guidance Note, UNDP with funding and support from the European Union, 2014.

⁷⁵ Wehr, Paul and John Paul Lederach, ‘Mediating conflict in Central America’, *Journal of Peace Research*, vol. 28, No. 1, 1991, page 87.

⁷⁶ Svensson, I. and M. Lindgren, ‘Peace from the Inside: Exploring the Role of the Insider-Partial Mediator’, *International Interactions*, Vol. 39, Vol. 5, 2013, page 698.

makes insider mediators interesting and pertinent is that they can be used across all the referred to ‘tracks.’

Inclusion has increasingly taken central stage for many reasons and is generally regarded as a pre-requisite for effective mediation⁷⁷: DPA, for example, argues that the “benefits of inclusiveness in peace processes is a given.”⁷⁸ The first reason for this, as described in the previous section, relates to the increasing calls to foster greater local ownership, to take local knowledge into account in the design of programmes, and the belief - as underscored in the context of the Secretary-General’s 2012 *Report on Peacebuilding in the Aftermath of Conflict* - that inclusive processes can reduce the risk of relapse into violence⁷⁹, since “an inclusive process builds confidence among participating parties that their core objectives can be achieved through negotiation rather than violence.”⁸⁰ Second, research has demonstrated that political *exclusion* serves as a trigger for renewed armed conflict, whilst “political *inclusion*, including but not limited to power-sharing arrangements, is highly correlated with consolidation of peace.”⁸¹ Third, and more specific to processes of negotiation, researchers have demonstrated that “the inclusion of additional actors or groups next to the main conflict parties (such as civil society or political parties) in negotiation processes is crucial in making war-to-peace and political transitions more sustainable.”⁸² Lastly, there is an increasing recognition that the political space for mediation is shrinking, as a result of the internationalisation of conflict, making formal Track 1 processes politicised

⁷⁷ See also: Inclusive Peace and Transitions Initiative, ‘Can inclusive peace processes work? New evidence from a multi-year research project’, The Graduate Institute, Policy Brief, April 2015; Inclusive Peace and Transition Initiative, ‘Preventing violence through inclusion’, Briefing Note, January 2018; Rausch, Colette and Luu, Tina, ‘Inclusive peace processes are key to ending violent conflict’, United States Institute of Peace, Peace brief, 22, May 2017.

⁷⁸ DPA Politically speaking, “Including” Inclusion in Peace Processes: An often delicate balancing act’, <https://dpaps.atavist.com/including-inclusion-in-peace-processes->

⁷⁹ A/67/499-S/2012/746.

⁸⁰ Ibid, page 11.

⁸¹ Call, Charles T., *Why Peace Fails, the Causes and Prevention of Civil War Recurrence*, Georgetown University Press, 2012, page 4. Italics added for emphasis.

⁸² Paffenholz, Thania, and Ross, Nicholas, ‘Inclusive peace processes – an Introduction’, Development Dialogue, Part I, 2015, page 28.

by regional and sometimes even global geo-political dynamics. According to the 2016 Uppsala Data program, 18 (or 38 per cent) of the 47 recorded intrastate wars are ‘internalised’, defined as meaning “external states contributed troops to one or more sides of the conflict”⁸³; this is an exceptionally high number for the post-Cold War context. The latter has resulted in an increasing recognition of the need to expand mediation beyond formal Track 1 negotiations, to other tracks which may be less politicised and, therefore, offer more hope for ‘bottom-up’ forms of peace.

The *UN Guidance on Effective Mediation* defines inclusion as “the extent and manner in which the views and needs of conflict parties and other stakeholders are represented and integrated into the process and outcome of a mediation effort” - a definition which allows for some degree of “constructive ambiguity.”⁸⁴ The Guidance goes on to link inclusivity with effectiveness, legitimacy, national ownership, and the tension that exists between inclusivity and efficiency i.e. the well-versed notion that the more complex mediation processes become, the more difficult it is to reach an agreement. Interestingly, the more recent 2017 Report of the Secretary-General on *Activities in Support of Mediation* emphasises the need to work with other mediation actors in the context of “multiparty and multi-layered” processes and, while not referring explicitly to ‘mediation tracks’, he does emphasise the notion that “local-level dialogues and peace initiatives can provide a basis for and act as complements to a formal peace process”⁸⁵ alluding to the inherent importance of Tracks 2 and 3. What is revealing from the perspective of the discourse on inclusion is the fact that the Secretary-General in his 2017 Report references: ‘local’ 31 times, ‘women’ 36 times; ‘civil society’ 19 times; ‘youth’ a total of seven times; religious groups five times;

⁸³ Gowen, Richard, ‘Fragile contests are increasingly battlegrounds in geopolitical contests’, United Nations University, Centre for Policy Research, August 2, 2018.

⁸⁴ UN Guidance for Effective Mediation: <https://peacemaker.un.org/guidance-effective-mediation>

⁸⁵ A/72/115, United Nations Activities in support of mediation, Report of the Secretary General, 2017.

armed groups are mentioned twice; the concept of “insider mediation” is referenced only once in reference to a UNDP-EU publication on the topic; and, business actors, however, are mentioned nowhere in the report at all.

Indeed, as these numbers underscore, the discourse around inclusion is less black and white than it may at first seem. While not made explicit, the UN practice and discourse of inclusion - as argued by David Lanz in one of the few academic pieces⁸⁶ on the subject - generally falls into two categories: those who should be included on normative grounds, and those who should be included on pragmatic grounds. Some actors, he argues, are included on the basis of *international norms*, including the belief that broad inclusion fosters democratic culture, and that including civil society actors builds popular support for peace; similarly, actors may be excluded on normative grounds if including perpetrators of mass atrocities prevents accountability, and in the framework of the war on terror, whereby exclusion of terrorist groups is a tool of de-legitimization. Similarly, groups may be included on the basis of *practical requirements*, including realpolitik i.e. actors who could undermine peace; and, from the perspective of implementation i.e. those actors whose support is necessary for long-term peace consolidation. Furthermore, actors can be excluded for practical reasons, including the belief that peacemaking processes should be ‘kept simple’, and/or to exclude hardliners who may undermine peace from the ‘inside’. As will be explored throughout the rest of this chapter, what is striking is the silence and exclusion of businesses from both rationales, despite the normative and pragmatic grounds for including them across all mediation ‘tracks’, and as insider mediators.

⁸⁶ Lanz, (2011).

From the perspective of normative inclusion, and in addition to the arguments around the democratic ideals of participation, Honneth highlights the linkages between the politics of inclusion and the politics of recognition, whereby the “starting point tends to be a phenomenological analysis of moral injury”⁸⁷, leading to the idea that an ‘injustice’ provides the grounds for recognition. The combination of democratic ideals/values of participation and moral notions of injustice have created a normative inclusion discourse which has experienced several ‘waves’. It can be argued that the first ‘wave’ began in the late 1990s as part of the work of Lederach and the notion of ‘peace from below’⁸⁸, and was systematised in the work of Anthony Wanis-St. John on the participation of civil society⁸⁹ in peace processes. Mediators cannot, he argued, “simply invite the public to rounds of peace negotiations as if they were a festival”; it is, he went on, “through groups organised in the civic sphere that public participation can be realized.”⁹⁰ Wanis-St. John undertook a systematic analysis of peace processes and found that there was a strong correlation between active civil society participation in peace negotiations and the durability of peace during the peacebuilding phase: “countries in which civil society actors were actively engaged in peace negotiations”, he argued, “seemed to enjoy more sustainable peace in the peacebuilding phase”, even in cases where civil society groups did not have a direct seat at the table, but were able to exercise influence over the negotiators.⁹¹ The relevance of civil society was recognised in UNSCR 2122 in 2013⁹² on the importance of Civil Society Organization

⁸⁷ Honneth, Axel, ‘Recognition or redistribution? Changing perspective on the moral order of society’, in Haugaard, Mark and Clegg, Stewart, R, Eds., *Power and Politics, Volume III*, Sage Library in Business and Management, Sage, London, 2012, page 227.

⁸⁸ Leonardsson and Gustav, (2015), page 826.

⁸⁹ The United Nations defines civil society as: “the ‘third sector’ of society, along with government and business. It comprises civil society organizations and non-governmental organizations. The UN recognizes the importance of partnering with civil society, because it advances the Organization’s ideals, and helps support its work.” See: <https://www.un.org/en/sections/resources-different-audiences/civil-society/>.

⁹⁰ Wanis-St. John, Anthony, ‘Peace processes, secret negotiations and civil society: dynamics of inclusion and exclusion’, *International Negotiation*, Volume 13, 2008, page 4.

⁹¹ Wanis-St. John, Anthony and Kew, Darren, ‘Civil society and peace negotiations: confronting exclusion’, *International Negotiation*, Volume 13, 2008, page 11.

⁹² S/RES/2122: See: International Service for Human Rights, ‘UN Security Council: Strengthen relationship with civil society and focus on human rights to prevent conflict’, August 2014.

(CSO)⁹³ interactions with members of the Security Council at Headquarters and during Council field missions, including women's organisations; and, UNSCR 2171 in 2014⁹⁴ in which the Council expressed its willingness to strengthen its relationship with civil society, acknowledging the importance of civil society organisations in matters of peace and security.⁹⁵

The second 'wave' of normative inclusion in peace agreements focused on the participation of women, although it should be noted that the inclusion of women was considered *part and parcel* of the commitment to civil society inclusion to some extent. The normative frameworks used to advance women's participation in peace agreements are extensive and include:⁹⁶ the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) (1979), the Beijing Platform for Action (1995), the Millennium Declaration (2000), and regional protocols including the African Union Protocol (2003) and the Pacific Regional Action Plan on Women, Peace and Security (2012); and, of course, the 2000 UNSCR 1325⁹⁷ on Women, Peace and Security – and specifically in conflict resolution, prevention, peace building and post-conflict reconstruction. The issue has given rise to a series of studies on the issue, including a 2015 study for UN-Women on the 'gender perspective' of peace agreements.⁹⁸ The study found that 18 per cent of peace agreements

⁹³ It is questionable whether civil society organisations necessarily represent civil society in all contexts, but this is outside the scope of the chapter.

⁹⁴ S/RES/2171: See: International Service for Human Rights, 'UN Security Council: Strengthen relationship with civil society and focus on human rights to prevent conflict', August 2014.

⁹⁵ Up until that time, Security Council engagement with civil society was centred on informal meetings, including the Arria briefing, which first started in 1992: See - UN Security Council: Strengthening the relationship with civil society and focus on human rights to prevent conflict, August 2018.

⁹⁶ Potter, Antonia, 'Women, gender and peacemaking in civil wars' in Darby, John and Mac Ginty, Roger, Eds., *Contemporary Peacemaking: Conflict, Peace Processes and Post-war Reconstruction*, Palgrave Macmillan, 2008, page 454.

⁹⁷ While 1325 is the most recognised and referred to UNSCR on women, there are seven other resolutions relevant to women: 1820 (2008); 1888 (2009); 1889 (2009); 1960 (2010); 2106 (2013); 2122 (2013); 2242 (2015). See: http://www.unwomen.org/en/what-we-do/peace-and-security/global-norms-and-standards#_WPS_resolutions (Last accessed August 2019).

⁹⁸ See also: Conciliation Resources, 'Women's participation and inclusive peace processes: lessons learned from Mindanao and beyond', Submission to the Global Study on Women, Peace and Security, March 2015; O'Reilly, Marie; O Sulleabhain, Andrea; Paffenholz, Thania, 'Reimagining peacemaking: Women's roles in peace processes', International Peace Institute, June 2015.

between 1990 and 2015 included references to women, noting that before UNSC 1325 that number drops to 11% and increases to 27% in the following years.⁹⁹ Both UNSCR 2122 (2013) and 2242 (2015) have also made a shift in the language used to describe participation, from “full and equal participation” to the increasingly cited notion of “meaningful participation.”¹⁰⁰ Furthermore, a study conducted in 2018 by Jana Krause, Werner Krause and Piia Branfors on peace agreements from 1975-2011¹⁰¹ - mirroring in many ways both methodologically and discursively the work of Wanis-St.John on civil society – found that “women’s participation in peace negotiations with voice and influence leads to better accord content, higher agreement implementation rates, and longer lasting peace.”¹⁰² The research findings, they argue, “show a robust relationship between peace agreements with women signatories and peace durability.”¹⁰³

It can be argued that a nascent, third ‘wave’ of normative inclusion is emerging in the context of the increasing focus on the participation of youth, as evidenced by the UNSCR 2250¹⁰⁴ on the importance of youth as agents of change in the maintenance and promotion of peace and security – the first resolution of its kind. The normative arguments advocating for the inclusion of civil society, women and youth are wide ranging. The first argument is relational: the inclusion of women and civil society actors create linkages between those with access to negotiations, thereby broadening societal support for the peace process;¹⁰⁵ indeed, they create “bottom-up processes aimed at constructing a new social contract and

⁹⁹ Bell, Christine, ‘Text and context: evaluating peace agreements for their ‘gender perspective’, UN-Women, New York October 2015.

¹⁰⁰ UN-Women, ‘Women’s meaningful participation in negotiating peace and the implementation of peace agreements’, Report of the expert group meeting, UN-Women, 2018, page 11.

¹⁰¹ Krause, Jana; Krause, Werner; Branfors, Piia, ‘Women’s participation in peace negotiations and the durability of peace’, *International Interactions*, Volume 44, Issue 6, 2018.

¹⁰² *Ibid*, page 1005.

¹⁰³ *Ibid*.

¹⁰⁴ S/RES/2250 (2015).

¹⁰⁵ *Ibid*, page 1005, page 991.

healing social divisions.”¹⁰⁶ The second is substantive: the inclusion of civil society actors and women inform the negotiations on specific issues and agendas, leading to the inclusion of provisions for sharing the post-conflict political, economic and social reform agenda;¹⁰⁷ indeed, many societal actors possess useful technical expertise and credible data that can be used in the context of the process,¹⁰⁸ and they can ensure that even elite agreements adopt a “people-focused peace agenda.”¹⁰⁹ The third argument relates to the implementation of the peace agreement: civil society groups and women help create networks, collaboration and knowledge-building that can help advocate for the implementation of the agreement in the post-conflict phase¹¹⁰ since they “help set in motion dynamics that result in greater accountability from the combatant parties as they transition from negotiation to peacebuilding.”¹¹¹ Fourth, invoking the ‘injustice argument’, the studies also find that women and civil society actors “bear the brunt of war’s brutality” leading to a moral argument for their inclusion: “How can those who suffer disproportionately and unjustly during war be legitimately excluded from the peacemaking?”¹¹²

Moving from the normative to the pragmatic ‘facet’ of the discourse on inclusion, we also see a wide range of arguments which, as will be explored in greater detail in the forthcoming sections, can also be applied to businesses. Much of the discourse stems from the increasingly recognised principle of engaging with “all relevant actors”, whereby ‘relevant’ includes those who have power to undermine the peace negotiation phase or disrupt the peace implementation phase - although what ‘relevant’ means in practice is evidently subjective and often an expression of power relations, informed by the liberal peacebuilding

¹⁰⁶ Quoting Prendergast and Plumb in Wanis St-John (2008), page 18.

¹⁰⁷ Krause, Krause and Branfors, (2018) page 1005 and page 991.

¹⁰⁸ Wanis-St. John and Kew (2008), page 23.

¹⁰⁹ Ibid, page 24.

¹¹⁰ Krause, Krause, and Branfors, (2018), page 992.

¹¹¹ Wanis-St. John and Kew (2008), page 24.

¹¹² Ibid, page 18.

discourse. Generally speaking, however, this discourse is applied to so-called ‘spoilers’, non-state armed groups (NSAGs), proscribed group and, increasingly, a sub-set of actors called ‘pariah groups’. According to Stedman’s original definition, spoilers are “leaders and parties who believe that peace emerging from negotiations threatens their power, worldview, and interests, and use violence to undermine attempts to achieve it.”¹¹³ Spoilers may seek to undermine the peace process to prevent a peace agreement from being reached, or in order to gain a seat at the table.¹¹⁴ While not all spoilers are necessarily granted such a seat, there is at least consideration and debate – and therefore elaboration of a strategy – amongst mediators of how to deal with them. In the case of total spoilers, for example – that is “actors that can, under no circumstances be integrated into a peace process” – the most “beneficial strategy is one of marginalization.”¹¹⁵ Indeed, where “international custodians have created and implemented efficient strategies for protecting peace and managing spoilers, damage has been limited and peace has triumphed.”¹¹⁶

But who exactly is a ‘spoiler’?¹¹⁷ Do (‘licit’ or ‘illicit’) business actors count? Stedman’s original intention appears to have been “an analysis of the key warring actors to the armed conflict, or factions within these groups”¹¹⁸ and this became the dominant paradigm in international peacemaking. However, the concept has also been somewhat ‘narrowed’ to apply predominantly to NSAGs, including rebel groups, insurgents, or militias and factions within them¹¹⁹ – giving rise to an extensive discourse on the why’s and how’s of

¹¹³ Stedman, Stephen John, ‘Spoiler Problems in Peace Processes’, *International Security*, Vol. 22, No. 2, 1997, page 5.

¹¹⁴ Nilsson, Desiree and Kovacs, Mimmi Soderberg, Revisiting an elusive concept: A review of the debate on spoilers in peace processes, *International studies Review*, Vol. 13, No. 4, 2011, page 613.

¹¹⁵ Lanz (2011), page 286.

¹¹⁶ Zahar, Marie-Joelle, ‘Reframing the spoiler debate in peace processes’ in (Eds) Darby and Mac Ginty (2008), page 160.

¹¹⁷ See also: Nilsson, Desiree and Kovacs, Mimmi Soderberg, Revisiting an elusive concept: A review of the debate on spoilers in peace processes, *International Studies Review*, Vol. 13, No.4, December 2011; Dalsheim, Joyce, *Producing Spoilers, Peacemaking and the Production of Enmity in a Secular Age*, Oxford University Press, 2014.

¹¹⁸ Nilsson, Desiree, and Kovacs, Mimmi Soderberg, ‘Revisiting an elusive concept: A review of the debate on spoilers in peace processes’, *International Studies Review*, Vol. 13, No. 4, 2011, page 608.

¹¹⁹ Ibid.

engagement. Teresa Whitfield attributes the rise of engagement with NSAGs to the relative coherence of groups that emerged to contest the Cold War's proxy conflicts and a broad acceptance that it was the prerogative of the UN Secretary-General and other peacemakers to reach out to such actors, amongst others.¹²⁰ The arguments used for engaging with NSAGs are multiple: engaging them is preferred to defeating them militarily since this rarely creates conditions for peace; protecting local populations from violence by addressing human rights violations through engagement; they may represent sizeable constituencies; channels of communications with NSAGs can help diffuse a crisis; engagement improves understanding and analysis, and the list goes on.¹²¹ Despite or perhaps because NSAGs' "political power is closely linked to their ability to use, or threaten the use of, violence"¹²² most mediators appear to agree that the risks of engagement - related to legitimacy, perceptions of partiality, perverse incentives to engage in greater violence, engagement may be futile, etc. - do not outweigh the benefits. A common refrain is epitomised by Martin Griffiths, former head of the Centre for Humanitarian Dialogue (HD Centre) and current UN Special Envoy for Yemen: "I cannot think of an armed group with which I would not engage with in principle, although many in practice."¹²³ Responding to demand, the UN System Staff College introduced a learning initiative to advance UN capacity to understand and strategically engage NSAGs,¹²⁴ complemented by a seemingly endless list of UN and non-UN guidance notes, policy papers, and lessons learnt initiatives.

¹²⁰ Whitfield, Teresa, 'Engaging with armed groups, dilemmas and options for mediators', Mediation Practice Series, Centre for Humanitarian Dialogue, October 2010, page 7.

¹²¹ Ibid.

¹²² Mulaj, Klejda, 'Introduction, violent non-state actors: Exploring their state, relations, legitimation, and operationality', in Mulaj, Klejda, Ed., *Violent Non-State Actors in World Politics*, Columbia University Press, New York, 2010, page 7.

¹²³ Whitfield, (2010) page 7.

¹²⁴ McQuinn, Brian and Olivia, Fabio, 'Analysing and engaging non-state armed groups in the field', Preliminary Scoping Report, United Nations System Staff College, 2014, page 8.

The evolution of the discourse on engagement with NSAGs took on another ‘turn’ in light of the rise of policies concerning ‘proscribed groups’. The so-called ‘proscription regime’ emerged in the context of the post-9/11 ‘war on terror’ framework, and as a result of the criminalization of engagement with such actors as a result of the *Holder v. Humanitarian Law Project* Supreme Court ruling, which defined what it meant to give material support to terrorist groups.¹²⁵ The UN’s own proscription regime was then established through UNSCR 1267, 1988 and 1989 with regards to the Taliban and Al-Qaeda, and a specific regime with regards to Somalia.¹²⁶ Furthermore, Member States were requested to take additional steps vis-à-vis NSAGs, including “criminalising terrorism: freezing assets, banning travel and engaging in an arms embargo.”¹²⁷ What is striking about this aspect of the inclusion discourse is that in what is often characterised as a clash between the normative frameworks¹²⁸ of counter-terrorism on the one hand, and that of engaging with ‘all relevant actors’ on the other, the latter has largely prevailed within the realm of mediation. Consequently, despite the legal risks associated with engagements with proscribed groups, there is broad agreement that engaging with them is often “politically and practically necessary.”¹²⁹ As a result, the UN has provided policy guidance on the topic in the context of diverse reports and knowledge products,¹³⁰ including a 2019 internal note/policy directive on guidelines for engaging with NSAGs.¹³¹ The rationale for such an approach to engaging with violent actors of all ‘colours’ has, and continues to be articulated as follows: “these actors have both a clear stake in the armed conflict and its outcome, and have at least

¹²⁵ The redefinition included providing advice, training and guidance thereby potentially criminalising engagements by mediators.

¹²⁶ Federer, Julia Palmiano, ‘We do negotiate with terrorists: Navigating liberal and illiberal norms in peace mediation’, *Critical Studies on Terrorism*, Vol. 12, Issue 1, 2018, page 12.

¹²⁷ Ibid.

¹²⁸ Ibid, page 6.

¹²⁹ McQuinn and Olivia (2014), page 4.

¹³⁰ See: UNSSC Course on ‘Analysing and understanding non-state Armed Groups’ (2018); UN Guidelines on Humanitarian Negotiations with Armed Groups (2006); DPKO-World Bank Note on ‘The changing landscape of armed groups: Doing DDR in new contexts’ (2018) to mention only those available publicly (i.e. not including internal documentation on the matter).

¹³¹ Senior UN Official, in-person interview, New York, November 2018.

at some point been willing and able to use violence to pursue their interests, and could thus potentially do so again.”¹³²

Even the extension of the discourse towards ‘pariah groups’ i.e. groups and individuals who “provoke genuine revulsion and pain at the suffering they cause”¹³³ has not broken the consensus on the need to engage with such groups where relevant and possible in the context of peacemaking processes. Referred to also as ‘pure’ terrorists, such as the late Osama bin Laden and the Islamic state of Iraq and the Levant (ISIL), the HD Centre has argued that “mediators routinely reach out to ‘pariahs’ and need to do so if their positions are to be understood and peace processes are to be set in motion”; more often than not, they continue, “such people and such groups will prove to be part of the solution. But, such contact can often mean breaking a taboo or even breaking a law.”¹³⁴ Extending conversations to morally repugnant groups is undertaken through a pragmatic lens: “Talking is a practical approach rather than a moral conviction or ideological doctrine; it is a principle based on the notion that armed conflict is so devastating than any alternative is nearly always preferable.”¹³⁵ In this sense, dialogue is perceived as a non-committal exploration of ideas; any concerns related to the legitimising of certain groups or their views is, it is argued, overcome by the notion that “talking will not make matters worse unless one gives in to unreasonable demands.”¹³⁶ Even in rare contexts when UN mediators have decided that ‘breaking’ the counter-terrorist normative framework in favour of the engagement ‘norm’ could prove too harmful, they have consistently outsourced the risk to ‘private mediators’ who have a now

¹³² Nilsson and Kovacs (2011), page 608.

¹³³ Centre for Humanitarian Dialogue, ‘A guide to mediation, enabling peace processes in violent conflicts’, Centre for Humanitarian Dialogue, 2007, page 10.

¹³⁴ Ibid, page 10.

¹³⁵ Solheim, Erik, ‘Always try engagement’ in Sher, Gilead, and Kurz, Anat, Eds., *Negotiating in Times of Conflict*, INSS, Institute for National Security Studies, 2015, page 17.

¹³⁶ Ibid, page 28.

well-established track record in “bypassing sovereignty”¹³⁷ to engage with politically sensitive actors, including actors such as the HD Centre, the Dialogue Advisory Group, InterMediate, the Crisis Management Initiative, amongst others.¹³⁸ “Including ones enemies”, it seems, “rather than killing them, is the most frequent path to peace.”¹³⁹

Applying the ‘logic’ of inclusion to business actors

So where do business actors feature within this discourse on inclusion? The short answer is, quite simply: they do not. There are no academic articles linking the inclusion of business actors to the sustainability of peace agreements; there are no protocols, conventions or declarations that advocate as such; there are no Security Council resolutions on business, peace and security;¹⁴⁰ no Oslo forums dedicated to the topic; no UN guidance notes or internal briefings or protocols, no UN Staff college trainings or leaders advocating for business actors to have a seat at the table, or even in the broader process. Calls for businesses or the private sector to be included in peacebuilding broadly speaking remain very much on the margins of UN discourse; the ‘B4P discourse’ as will be discussed in Chapter Two, remains largely aspirational in nature, and has yet to penetrate the narrower, more political and politicised – and, indeed, practical - realm of peace mediation. And yet, if businesses are perceived as broadly ‘positive’ actors with meaningful contributions to make, we could expect them to fall into the ‘normative inclusion bucket’ alongside civil society, women and youth; if they are perceived as ‘negative’ actors with the potential to undermine or derail a

¹³⁷ Richmond (2005), page 23.

¹³⁸ Federer (2018) page 13.

¹³⁹ Call (2012), page 216.

¹⁴⁰ There was one Security Council discussion on the role of business in conflict prevention, peacekeeping, post-conflict peace-building in April 2004, focused on the ‘economic dimensions of armed conflict’. This did not lead to any Security Council Resolutions. Only one of the senior UN officials interviewed for the purpose of this research was aware of this discussion. See: SC/8058.

peace process, it would be possible to imagine them falling into the ‘pragmatic inclusion bucket’. Their absence from both, therefore, is both surprising, and puzzling.

Before applying the ‘logic’ of inclusion to business leaders, it is important to step back and consider the ‘logic’ of *exclusion*: What reasons are given for *not* including them? While this will be covered extensively from a historical and theoretical standpoint in Chapter Two, and a practical standpoint in Chapter Three, understanding and, indeed, refuting the main reasons for excluding business leaders is necessary to be able to overcome our own, potentially deep-seated ‘reasons’, for believing that business has no place ‘meddling’ in issues related to peace mediation. This type of exercise is all the more necessary since the exclusion of business actors from peace mediation has not been the subject of extensive research. It is, however, noted in limited circles: Vesna Bojicic-Dzelilovic and Mary Martin, for example, identify private companies as one of two key actors – along with faith groups – which are under-acknowledged in peace-related engagements; the private sector, they argue, “is on the whole disconnected from mainstream peacebuilding interventions and its contribution is conceived as an indirect one through its role as a driver of economic growth and a provider of jobs.”¹⁴¹ Susan Woodward has also underscored the manner in which economic actors, broadly speaking, are marginalised from international peacebuilding discourse and practice (in what she calls the “puzzling neglect of economic actors”); to the extent to which such actors are discussed, she argues:

the focus is on the army of external economic actors – the international financial institutions, aid donors, multilateral development banks and agencies, foreign investors, and civil-military reconstruction teams – who seek to provide a “peace dividend” (a form of purchase) through physical repairs and promises of aid for economic recovery. When local recipients are identified, they are primarily political

¹⁴¹ Bojicic-Dzelilovic and Martin, (2018), page 225.

*actors: the general population as voters, militia leaders and ex-combatants or politicians.*¹⁴²

While her work is focused on peacebuilding rather than peace mediation specifically, this chapter wholeheartedly concurs that the “silence on, neglect of, and often even disincentives to domestic entrepreneurs and economic activity” is especially puzzling given the prominence of economic actors in the context of literature on the causes of civil war and its continuation.¹⁴³ Surely, one would assume, if business actors can provoke and prolong conflict, they have a role to play in mediating peace?

Professional mediators/mediation support staff working with UN and non-UN entities¹⁴⁴ put forward multiple arguments for why business actors *are not* or, indeed, *should not* be included in peace processes – arguments which give the notion of engagement with business the aura of ‘taboo’. Five of the most common and, perhaps, obvious, arguments are explored below, with a focus on those the reader may also, at first glance, share. A rebuttal of these arguments is required here before proceeding with a more careful analysis of the roles business actors do and can play, and because these ‘anti-business’ arguments are revelatory; they confirm the manner in which the ‘political practice’ of peace mediation is deeply entrenched in socio-historical power configurations – including what is ‘political’ and ‘economic’, ‘public’ and ‘private’, ‘licit and illicit’ - in which ‘who and what’ gets included and excluded from peace mediation discourses and practice is not only taken for granted, but that attempts to question and reform the practice are resisted.¹⁴⁵

¹⁴² Ibid.

¹⁴³ Ibid, page 191.

¹⁴⁴ Interviews with UN and non-UN mediation professionals were conducted in 2015-2018; analysis is covered in Chapter Three.

¹⁴⁵ The manifestation and historical elements of these dynamics will be explored in greater detail in Chapter Two.

The first argument concerns *necessity*: business actors are not needed at the table because they are represented by government figures with business interests. This is, of course, often true, but this invariably concerns state-led businesses and the notion that the only business actors that matter in-country are state-led ones is not only false but also implicitly promotes a questionable intertwining between contentious politics and business actors. The second argument concerns *impracticability*: a mediator cannot include everyone around the table. This is, of course, also true; but there are many more women, civil society and youth in the world than there are relevant business actors so numerically speaking it is less complex to include business actors than it is other actors. This argument also assumes that businesses can *only* be included via a seat at the table, whereas the discourse on normative inclusion demonstrates the multiple forums through which businesses can be engaged, including through ‘mediator strategy inclusivity’ mentioned above. The third argument concerns *motivations*: business actors are, it is argued, profit-seeking entities and mediators cannot be seen to legitimise economic motives. The implication of this argument is that, conversely, all those that seek power have non-profit seeking motivations, an argument which is certainly not borne out by reality; moreover, the notion that businesses *only* seek profit is reductionist and also disproven – not least in the context of the case studies on Somaliland and Yemen that follow.¹⁴⁶ Even if we assume that businesses *do* have economic motives: if these economically motivated actors undermine prospects for peace, surely it would be pragmatic to include them. The fourth argument revolves around *legitimacy*: who do business actors ‘represent’? Again, this question is logically dubious based on the underpinnings of the inclusion discourse. It could be argued, for example, that they represent the thousands of workers employed by them, or the country’s economic future; on the other hand, if this is an argument for non-engagement, it can also be asked: who do so-called

¹⁴⁶ See Chapters Four and Five on the role of business leaders in Somaliland and Yemen, respectively.

‘pariah groups’ represent? The last argument concerns *status*: business actors are ‘elites’, they do not represent the ‘local’. Almost all those who participate in Track 1 negotiations are in some shape or form elites; as the circle of inclusion has been extended to civil society actors, women and youth many have also become ‘co-opted elites’, since peacemakers tend to reach out to a certain sub-section of well-educated, urban-dwelling actors who speak the ‘language’ of peacebuilding and who express an interest in ‘being included.’ Consequently, like many other stakeholder groups, many business actors are elite, others may not be. These arguments do not justify or explain their exclusion.

The discourse on inclusion - as outlined above - reveals, in fact, a preliminary basis for elaborating a rationale for the inclusion of business actors. Just as the Graduate Institute of International and Development Studies¹⁴⁷ in Geneva found that the meaningful inclusion of civil society actors and women had a positive bearing on the achievement and sustainability of peace, by applying the logic of the inclusion discourses to businesses, one can assume that the inclusion of such actors would have similar outcomes. Indeed, many of the *normative rationales* for inclusion can also be applied to business actors: they too form part of any democratic society and, therefore including them can also be ‘justified’ on the basis of the need to include *all* sectors of society; consequently, the relational argument applies to business actors, since including them will broaden societal support for the peace process. In this regard, it is important to consider the *reach* of local business actors as a result of their horizontal and vertical linkages i.e. from local populations hired as employees, to governments representatives on the one hand, and across different parts of the country and, potentially, conflict lines on the other. From a substantive perspective, business actors also have specific knowledge about formal and informal centres of power, the economy, trade

¹⁴⁷ Paffenholz and Ross (2015), page 29.

routes, supply chains, conditions on the ground, intimate knowledge of how the country is integrated in regional and global political economies (etc.) all of which can help inform the peace mediation agenda and, potentially, the provisions of a peace settlements. From an implementation perspective, businesses with their vast networks, can use their political capital and knowledge in a manner that can help advocate for the implementation of the agreement in the post-conflict phases. Furthermore, from the ‘injustice’ perspective, it is evident that any conflict adversely effects many businesses, and that business structures are also often targeted during conflict. While it may be unfashionable in an era of increasing anti-capitalist and anti-business sentiment to consider business leaders as ‘victims’ of conflict in any sense (not least, since the notion of businesses as conflict instigators is deeply engrained in many people’s imaginations) in many conflict contexts business actors may witness generations of hard work – and their livelihoods - wiped out.

The *pragmatic rationale* for inclusion also evidently applies. Business actors – as a result of their relationships with power-brokers at the political level, and hundreds and thousands of families often dependent on them for survival – could pass the actor of ‘relevance test’ on multiple fronts; quite simply, without businesses, both the state and armed groups, for example, would lack the funding for recruitment and weapons, and local populations would struggle even more for basic survival. Furthermore, business actors which have flourished in the context of the war economy, may also feel threatened by the emerging peace and therefore ‘qualify’ for inclusion on the grounds of an expanded definition of the ‘spoiler term’ to include “the activities of any actors that are opposed to peaceful settlement for whatever reason.”¹⁴⁸ Moreover, in the same way that actors considered ‘morally repugnant’ do not necessarily get a seat at the table, businesses in the illicit sector can contribute

¹⁴⁸ Newman (2006), page 102.

meaningfully to a broader mediation strategy without such a seat, including those who may be involved in trafficking of people, drugs and weapons. Illicit business actors are likely to have a vast wealth of knowledge about conflict dynamics, many communities may be dependent on them for survival, and the failure to bring them on board of any emerging peace settlement – and, for example, to consider alternative livelihood strategies – could result in them deliberately or inadvertently undermining the peace process. While the notion that actors whose sole motivation is ‘economic’ may be advanced for not reaching out to smugglers, for example, mediators can be encouraged to take a pragmatic approach to such engagement by suspending their moral judgement, in the same way they might for so-called ‘pariah groups’. And, in contexts where the UN is not able to engage with such groups for reasons of sensitivity, time or resources, engagement can also be ‘out-sourced’ to smaller mediation entities able to work behind the scenes to engage where it is deemed that engagement could contribute to a constructive mediation process. To date, however, this type of ‘constructive ambiguity’ has yet to be applied to local business actors.

Deepening the discourse on ‘inclusion’ as it relates to business actors

In line with the local turn in peacebuilding, this thesis argues for the recognition of “particularism and local variation that confront universalist ideas and practices.”¹⁴⁹ This recognition requires a deep understanding of the way in which the roles local business actors play shape and are shaped by – in co-constitutive fashion – the forces of history and power at the national/sub-national, regional and international levels. Such an analysis demonstrates, as the case studies will reveal, that businesses play both economic *and* political roles in war to peace transitions, often on the basis of economic *and* political

¹⁴⁹ Mac Ginty and Richmond (2013), page 772,

motivations, and most certainly with economic *and* political ramifications that both sustain and undermine peace. Whether referred to as small, medium-sized, MNCs, public or privately owned, so-called ‘informal’ or ‘formal’, ‘licit’ or ‘illicit’, ‘legal’ or ‘non-legal’ businesses are multi-faceted actors, embedded in the socio-political and cultural fabric of society. As such, they do not perceive themselves - and nor do they behave - as traditional economic theory has suggested according to the logic of purely rational actors, making decisions in order to only maximise profits on the basis of cost-benefit calculations. Business actors, as such, have critical roles to play across all four (1, 1.5, 2, and 3) tracks, and as ‘insider mediators’ themselves within and between these tracks.

Indeed, while the already well-established arguments for inclusion on the basis of normative and pragmatic considerations can be applied to local business actors, this thesis seeks to build upon and deepen the discourse on inclusion as it relates to business actors by suggesting that business actors represent an untapped and unique resource, the recognition of which could drastically improve the ability of the UN and partner entities to engage meaningfully with local power dynamics. Much like traditionally labelled ‘political’ actors, business actors cannot be extricated from the historical, cultural, socio-political, and economic environments in which they exist, nor from the power struggles that dominate these realms. Power is understood here in the Foucauldian sense of existing through social networks of relationships, with the possibility of being used for productive or repressive ends;¹⁵⁰ furthermore, power is expressed through social discourses which can be destabilized and, effectively transformed, through analysis and language.¹⁵¹ An analysis of local business actors, therefore, is really an analysis of “power dynamics, social forces, and

¹⁵⁰ As outlined in Hansen, Toran, ‘Critical conflict resolution theory and practice’, *Conflict Resolution Quarterly*, Vol 25. No. 4, Summer 2008, page 407.

¹⁵¹ Ibid.

the contestation of interests within a society, which reach beyond the institutional sphere into the much broader spheres of social relations and everyday collective human life.”¹⁵²

As such, and using the discourse on inclusion as its basis, this thesis advocates for the development and implementation of a ‘local business lens in peace mediation’ which acknowledges and engages meaningfully with local power dynamics through an understanding of the political, economic, social and cultural dimensions of licit and illicit business actors in three key domains: mediation strategy and process; mediation content and agreements; and the way in which mediation processes are ‘structured’ i.e. the form they take. Such a ‘lens’ will take into account the notion that local business actors are motivated by, and have impacts of what would be commonly referred to as being ‘political’ in nature, where political can be understood as a struggle for power – as will become apparent through an analysis of four overlapping but conceptually distinct roles they play in war to peace transitions as: benefactor; profiteer; intermediary; and, agitator. Recognition of these roles demands an explicit acknowledgement on the part of the mediation community that local business actors, both ‘licit’ and ‘illicit’, can support and undermine peace mediation strategies and peace settlements, and that such actors represent the confluence of local, national/sub-national, regional and international power dynamics. A failure to include them, therefore, formally or informally - in peace mediation strategies, content and in the way in which the mediation process are structured - is not only a missed opportunity, it may represent the difference between sustainable peace and enduring violence.

¹⁵² Westendorf (2015) page 40.

Conclusion

The theory and practice of peace mediation is based on the principle of talking with everyone in the interests of peace i.e. the notion that no actor can be considered unworthy of dialogue; according to Deputy Representative of the Secretary-General (DRSG) Christopher Coleman, mediation professionals cannot be worried about “getting mud on white robes.”¹⁵³ What is striking, however is the manner in which the discourse – and, as will be revealed in Chapter Three, practice – of peace mediation is disconnected from local power dynamics. The so-called ‘local turn in peacebuilding’ has not made significant changes to the largely technocratic and de-politicised approach to peace mediation, nor helped ground it in local realities; the practice of mediation still exists largely in a state-based world where two major so-called ‘political’ protagonists must resolve their disputes around a table, somewhat removed or at least isolated from the complex, ecosystem of actors and issues at the local, national/sub-national, regional and international levels of which such actors are a part. The exclusion of local business leaders from both the normative and pragmatic aspects of the discourse on inclusion – in spite of the high applicability of both to local business leaders – underscores their puzzling marginalisation. So, how can the exclusion of local business leaders from the discourse on peace mediation be understood and, indeed, explained? What are the historical roots of this phenomenon?

¹⁵³ Coleman, Christopher, Former Chief of Policy Planning and Mediation, Department of Political Affairs, Deputy Special Representative of the Secretary-General, Kosovo (UNMIK) and leading the Transition Team on Reform of the UN Peace and Security Pillar (temporary assignment, New York), Phone Interview, 11 October 2018 (21).

2

Chapter Two The Business of Peace

“Business acts politically. Any theory of the economy that does not recognize this – such as contemporary textbook economic theory – is doomed to fail.”¹

Introduction

The exclusion of business actors from the discourse on ‘inclusion’ in peace mediation may, at first glance, appear all the more puzzling given the prominence of the largely-UN-led ‘business for peace’ (or B4P) discourse on the world stage. If the discourse does ‘what it says on the label’ one would expect the world’s leading peace and security actor to make business inclusion in peace processes the pinnacle of the B4P discourse – and practice; one would expect, furthermore, that the two discourses on inclusion and B4P would, in fact, overlap, intertwine and mutually reinforce one another, so that the concept of inclusion ‘incorporates’ business actors. Interestingly, the ‘discourse about the discourse’ assumes this to be the case: two of the leading B4P scholars, Jason Miklian and Peer Schouten, have argued that B4P represents a “new paradigm of international peacebuilding and development”² which reconceptualises businesses as “full partners in broader peacemaking and peacebuilding assessment, planning and execution”³ in the eyes of the UN, the World Bank and almost all major international aid organizations - heralding businesses as “potential peacemakers.”⁴ If the paradigm has truly

¹ Nolt, James H., *International Political Economy, the Business of War and Peace*, Routledge, London and New York, 2015, page ix.

² Miklian, Jason and Schouten, Peer, ‘Business for peace: The new paradigm of international peacebuilding and development’, Conference Paper, PRIO/NAI Working Paper, December 2014, page 2.

³ Miklian, Jason, ‘The past, present and future of ‘liberal peace’’, *Strategic Analysis*, Volume 38, Issue 4, 2014, page 503.

⁴ Schouten, Peer; and Miklian, Jason, ‘The business-peace nexus: ‘business for peace’ and the reconfiguration of the public/private divide in global governance’, *Journal of International Relations and Development*, 2018, page 5.

shifted, and if businesses are true partners in peacemaking, how can one explain the endemic exclusion of local business actors from the discourse on inclusion in peace mediation?

Rather than a departure from the past, the B4P discourse is a continuation and, indeed, entrenchment of discourses and practices that came into being with and since the birth of the UN System in 1945. The exclusion of local business actors from the discourse on inclusion can only be explained by a deep analysis, and deconstruction of the B4P discourse. Moreover, such an analysis demonstrates that even if a paradigm shift has occurred – which is debatable – it has failed to induce any meaningful change to the political heart of the UN System: the UN Security Council (UNSC) and the UN Secretariat, where peace and security decisions are made and implemented respectively.⁵ Any ‘paradigm shifts’, therefore, have been either partial or superficial in nature. As will be demonstrated throughout this chapter, the B4P discourse is anchored in a very particular history of UN engagement with businesses which has constructed ‘business’ in a manner that marginalises local actors, and conceptualises peace in ways that, ironically, excludes peace mediation. Moreover, it is a discourse which is unilateral in nature: it is inherently designed to change the behaviour of business actors i.e. B4P “aims to influence key decisions makers in firms to the idea that business has a peace role.”⁶ It is *not* designed, however, to influence key decision makers in the UN System to the idea that businesses have a role to play in peace mediation.

This chapter argues that B4P, as a discourse and a political practice, emerges from tensions around three key ordering principles, or *dichotomies*, within the international system: what can be considered: ‘political’ versus ‘economic’; ‘public’ versus ‘private’; and, what constitutes

⁵ In practice, the Secretary-General does not only ‘implement’ peace and security decisions but uses his office and standing to influence decisions in line with the mandate of the Secretary-General.

⁶ Miklian, Jason and Schouten, Peer, ‘Broadening ‘business’, widening ‘peace’: a new research agenda on business and peace-building, *Conflict, Security and Development*, Vol.19, No.1, 2019, page 8.

‘licit’ versus ‘illicit’ – with explicit effects. In the field of peace mediation, these divisions are enduring in both discourses and practice, informing, shaping and constraining how inclusion issues are both perceived and addressed – as evidenced in the previous chapter. As a result of how the UN has evolved, businesses in the B4P discourse are constructed as economic actors, whose prime ‘peace’ role is through their agency in the ‘private’ sphere – contributing to peace through their so-called ‘licit’ business activities and an extension of their corporate social responsibility (CSR) agendas. Peace mediation, on the other hand, remains the prime domain of so-called ‘political’ actors whose goals are ‘public’ in nature; illicit business actors are constructed as an affront to both the ‘political’ and the ‘public’, which must be addressed through a ‘criminal’ lens and, predominantly, the sanctions regime: such issues cannot be subject to negotiation or mediation. As this chapter will reveal, there is nothing particularly ‘natural’ or ‘inevitable’ about these conceptualisations, especially when one takes into consideration the historical origins and evolution of business actors on the world stage.

These dichotomies, also referred to as binary oppositions, therefore, follow a Derridean logic: their formal function is to differentiate the political, the public, and the licit from the subordinate ‘other’, the economic, the private and the illicit - thereby drawing a boundary which implicitly states “*This* I am, and not *That*.”⁷ Through an analysis of how these dichotomies have informed the construction of a particular type of B4P discourse which does not envision a role for licit or illicit businesses in peace mediation, this chapter rejects the dichotomisations upon which the discourse is built. Such distinctions are not only socially-constructed, but based on the false idea that these different spheres of behaviour have their own “discrete rules and attributes, to be understood through very different concepts and axioms.”⁸

⁷ Der Derian, James; Shapiro, Michael J, *International/Intertextual Relations, Postmodern Readings of World Politics*, Macmillan, New York, 1989, foreword xv-xvi.

⁸ Gills, Barry K., ‘Re-orienting the new (international) political economy’, *New Political Economy*, Vol. 6, No. 2, 2001, page 234.

By rejecting these dichotomisations this chapter underscores the ‘social power’⁹ of both so-called ‘political’ and ‘economic’, ‘public’ and ‘private’, ‘licit’ and ‘illicit’ business actors and, therefore, the vital role they have to play in peace mediation. As will be demonstrated following a brief exploration of the B4P discourse, the construction of these binaries is the result of power dynamics in constant flux, “continuously challenged, subverted; negotiated and renegotiated over time, space and interaction.”¹⁰

B4P: In discourse and in practice

The origins of the B4P discourse on the international stage are often traced back to relatively recent beginnings: a speech made by the late former Secretary-General Kofi Annan in 1999 at Davos where he called for a “new partnership among governments, the private sector, and the international community.”¹¹ Others credit the then-Director of the World Bank, James Wolfensohn who, in a speech to CEO’s argued that the “stability of our planet depends surely on international institutions, but it also depends on the private sector and civil society.”¹² Since then, the number of B4P-related initiatives to have emerged is enough to fill a long ‘laundry list’: in 2000, the UN Global Compact was established and in 2002 launched the ‘Business Guide for Conflict Impact Assessment and Risk Management’;¹³ in 2004 the UNSC established a working group on ‘the role of business in conflict prevention, peacekeeping and post-conflict peacebuilding’¹⁴; at the World Summit held in Heiligendamm in 2007, the G8 discussed the

⁹ Ibid, page 234

¹⁰ Nordstrom, Carolyn, *Shadows of War, Violence: Power and International Profiteering in the Twenty-First Century*, University of California Press, 2004, page 73.

¹¹ Tesner, Sandrine with Kell, George, *The United Nations and Business, A Partnership Recovered*, Basingstoke, Macmillan, 2000, page xxii.

¹² Miklian and Schouten (2019), page 7.

¹³ United Nations Global Compact, ‘Global Compact business guide for conflict impact assessment and risk management’, UN Global Compact, June 2002.

¹⁴ Deitelhoff, Nicole and Wolf, Dieter Klaus, ‘Corporate social responsibility? Corporate governance contributions to peace and security in zones of conflict’, in Deitelhoff, Nicole and Wolf, Dieter Klaus, Eds., *Corporate Social Responsibility? Corporate Governance Contributions to Peace and Security in Zones of Conflict*, Global Issues Series, Palgrave Macmillan, Basingstoke, 2010, page 3.

role of business in global governance¹⁵; in 2010, John Ruggie's 'Protect, Respect, Remedy' framework focused almost exclusively on the role of businesses operating in conflict-affected and fragile states;¹⁶ and, in 2011 a private sector focal point was appointed to the UN Peacebuilding Office.¹⁷

Furthermore, in 2012, the UN Secretary-General's annual report on post-conflict peacebuilding explicitly underscored the need to engage business in the process of sustainable peace for the first time.¹⁸ In 2013, Ban Ki-Moon went onto launch the 'Business for Peace' platform - for businesses operating in countries in conflict¹⁹ - as part of the UN Global compact. In 2018, and demonstrating how far the UN has come in this domain, the private sector is mentioned five times in the UN Secretary-General's report on peacebuilding and sustaining peace; in the report, UN Secretary-General Guterres encourages the UN system "to further develop partnerships with the private sector and the investment community to strengthen the peacebuilding impact of companies, set conflict-sensitive investment guidelines and explore potential contributions to United Nations peacebuilding activities."²⁰ Later that year, Guterres convened a Private Sector Forum, *Building and Investing in Peace for all*²¹ in the wings of the 2018 General Assembly. The private sector is now often mentioned, alongside other UN stakeholders and partners ("civil society, youth, women and the private sector") in the context of realising Sustainable Development Goal (SDG) 16 on peace, justice and strong institutions.²²

¹⁵ Ibid.

¹⁶ Ford, Jolyon, *Regulating Business for Peace: The United Nations, the Private Sector and Post-Conflict Recovery*, Cambridge University Press, Cambridge, 2015, page 67-8.

¹⁷ Ibid, page ix.

¹⁸ Ibid.

¹⁹ <https://www.unglobalcompact.org/take-action/action/peace>, last accessed August, 2019.

²⁰ A/72/707-S/2018/43.

²¹ <https://www.unglobalcompact.org/take-action/events/1642-un-private-sector-forum-building-and-investing-in-peace-for-all>, last accessed August, 2019.

²² <https://sustainabledevelopment.un.org/sdg16>, last accessed August, 2019.

Underpinning these efforts are discourses designed to make the ‘business case for peace’ i.e. to articulate why the notion that the ‘business of business is business’²³ - as stated famously by Milton Friedman in 1970 – is false, misplaced or out-dated. The rationales have taken the form of economic consequentialism (economic development is good for peace), appeals to morality (it's the right or ‘ethical’ thing to do), and commercialism (peace is good for business), amongst others or combinations thereof. Often referred to as ‘corporate peace’ or ‘peace entrepreneurship’, the B4P paradigm envisions an expanded role for businesses at “the nexus between poverty, insecurity and economic growth.”²⁴ In support of this role, the Global Peace Index²⁵ at the Institute of Economics and Peace, ‘uncovered’ what was called “a strong statistical relationship between increasing per capita income and increasing peacefulness, as well as increases in the size of various consumer markets.”²⁶ Putting aside the issue that correlation does not equal causation²⁷, the notion that this linkage has been uncovered in the 21st century ignores centuries old theorising on the topic. Indeed, the notion of peace through commerce, or ‘capitalist peace’ can be traced back to Locke²⁸, Montesquieu, Paine, Bastia, Mill, Cobden, Angell, and several others who “saw in market forces the power to end war.”²⁹ B4P is, in many ways, simply the emperor in his latest clothes.

²³ Friedman, Milton, ‘The social responsibility of business is to increase its profit,’ *The New York Times Magazine*, September 13, 1970.

²⁴ Miklian (2014), p. 503.

²⁵ <http://www.visionofhumanity.org/#/page/our-gpi-findings> (accessed August 7th 2015).

²⁶ PRME, ‘The Corporate Peace framework, corporate peace is an idea whose time has come’, MGSM Macquarie Graduate School of Management, PRME, Institute for Economics & Peace, no date provided, page 4.

²⁷ Interestingly, the same authors insist that “countries rising on the index, that is, moving out of conflict toward a more peaceful reality, usually offer a good investment opportunity”; this sentence implies not that businesses have a role to play in helping countries move from conflict to peace, but that that they can benefit from it, once the country is already on that trajectory (thereby contradicting some of their earlier assertions).

²⁸ Miklian and Schouten (2014), page 4.

²⁹ Gartzke, Erik, ‘The capitalist peace’, *American Journal of Political Science*, Vol. 51, No.1, 2007, page 167.

The notion of ‘peace through commerce’³⁰ (or, liberal peace) has been conceptualized historically in a variety of ways.³¹ Many authors view the concept through the lens of *dependence*, suggesting that increasing levels of economic dependence make war less likely. The French philosopher Montesquieu, for example, in his dissertation on ‘The Spirit of the Laws’ wrote that the “natural effect of commerce is to bring about peace. Two nations which trade together render themselves reciprocally dependent; if the one has an interest in buying and the other has an interest in selling; as all unions are based on mutual needs.”³² Building upon the idea of dependence, other theorists have focused on *efficiency*: “industrial economies are increasingly dependent on inputs that are more easily and cheaply obtained through commerce than through coercion”³³, rendering warfare a more costly means to economic ends. Similarly, since financial interdependence “ensures that damage inflicted on one economy travels through the global system, afflicting even aggressors”³⁴ warfare is simply less logical. This emphasis on the pacific aspects of trade and globalization gave way to Friedman’s “golden arches theory of conflict prevention”³⁵, which argued that no two countries that both had McDonald’s had fought a war against each other since each got its McDonalds. Some authors, on the other hand, have paid more attention to the *virtues* associated with trade, such as promise-keeping and honesty, which promote more peaceful relations as these virtues become

³⁰ See also: Barbieri, Katherine and Schneider, Gerald, ‘Globalization and peace: Assessing new directions in the study of trade and conflict’, *Journal of Peace Research*, Vol. 36, No. 4, Jul., 1999; Forrer, John, ‘Locating peace through commerce in good global governance’, *Journal of Business Ethics*, Vol. 89, Supplement 4, March 2009; Hegre, Havard; Oneal, John R.; and, Russett, Bruce M, ‘Trade does promote peace: New simultaneous estimates of the reciprocal effects of trade and conflict’, *Journal of Peace Research*, Vol 47, Issue 6, 2010; Koerber, Charles, ‘Corporate responsibility standards: current implications and future possibilities for peace through commerce’, *Journal of Business Ethics*, Vol. 89, Supplement 4, March 2009.

³¹ The literature does not always classify the contributions of businesses to peacebuilding explicitly though the B4P ‘label’, and/or not predominantly; see, for example: Barbara, Julien, ‘Nation building and the role of the private sector as a political peace-builder’, *Conflict, Security and Development*, Volume 6, Issue 4, 2006; Penh, Borany, ‘New convergences in poverty reduction, conflict and state fragility, what business should know’, *Journal of Business Ethics*, Vol 89, Supplement 4, March 2009; and, Berdal, Mats and Mousavizadeh, Nader, ‘Investing for Peace: The Private Sector and the Challenges of Peacebuilding’, *Survival: Global Politics and Strategy*, Vol. 52, Issue 2, 2010.

³² Quoted in: Barbieri, Katherine, *The Liberal Illusion: Does Trade Promote Peace?* University of Michigan Press, Ann Arbor, 2002, page 2.

³³ A quote by Angell (1933) found in Gartzke (2007), page 170.

³⁴ Ibid.

³⁵ Friedman, Thomas L., ‘Foreign Affairs Big Mac I’, *The New York Times Opinion*, December 8., 1996.

normalized through expanded markets.³⁶ Lastly, others such as De Soto, have emphasized the linkage between good governance, legal infrastructure and the emancipatory nature of private property, arguing that the conditions required for business are the same as the conditions required for marginalized populations to achieve financial freedom.³⁷

Putting aside notions of what constitutes ‘peace’ in the contexts alluded to by these various theorists, the assertions concerning the benevolent and pacific consequences of commerce were not born out by the events of the early 20th century any more than they had been by the events that preceded it. Firstly, as colonialism continued to expand, it became evident that trading nations are not always *reciprocally* dependent, but dependent in hierarchical relations of power, which create patterns of subordination, lending themselves easily to resistance and to violence. The second significant blow to the ‘peace through commerce’ argument was dealt by not one but two World Wars that followed - between nations that had formally been trading and deeply embedded in relationships of market dependence - just as the “golden arches theory of conflict prevention” had to be amended in light of the 1999 conflict between NATO and Yugoslavia.³⁸

Despite these facts, the concept of ‘liberal peace’, bolstered by the Washington Consensus, has underpinned the field of international development for decades. Liberal peace rests on two ‘pillars’, one of which is particularly relevant to the B4P paradigm: the first is that democracy is inherently pacifying, and the second is that economic development and capital market integration prevents the outbreak of violence. Eric Gartzke, in his work on *The Capitalist Peace*, suggests that the second pillar is more important because “economic development,

³⁶ Fort, Timothy L. and Schipani, Cindy A., *The Role of Business in Fostering Peaceful Societies*, Cambridge University Press, Cambridge, 2004, page 20-21.

³⁷ De Soto, Hernando, *The Mystery of Capital, Why Capitalism Triumphs in the West and Fails Everywhere Else*, Basic Books, 2000.

³⁸ Fort and Schipani (2004), page 4.

capital market integration, and the compatibility of foreign policy preference supplant the effect of democracy in standard statistical tests of the democratic peace.”³⁹ The economic pillar gained particular force following the end of the Cold War, when an emphasis on a critical role for “both foreign and domestic private sector investment as the engine of growth and poverty reduction”⁴⁰ became one of the international community’s most important tools to promote stability – starting in the Eastern Europe, but spreading out across other regions.

Since September 11th 2001 (9/11), the liberal peace model has been adapted to suit the more security-conscious era, helping to create the conditions for the emergence of the latest iteration of the B4P paradigm, which focuses specifically on engagements in countries in conflict. The events of 9/11 paved the way for the securitization of development, and an increasing focus on fragile states within the international community. This discourse makes links between weak private sector growth, under-development, and insecurity; thus, what is required in fragile states is a combination of greater liberalization and international efforts to create the right conditions for such liberalization to take place. This was reflected in USAID’s paper on *Fragile States Strategy* and in DFID’s paper on *Why we need to work more effectively in fragile states* – both released in 2005,⁴¹ and both of which epitomize the move towards a conflation of “the neo-liberal economic and political projects of the Washington based institutions, with ‘peace’.”⁴²

Whilst diverse in scope, B4P-related initiatives can be grouped into two major ‘categories’.

Firstly, there are those initiatives that seek to curb the *negative impacts* of businesses operating

³⁹ Gartzke (2007), page 166.

⁴⁰ Banfield, Jessica; Gunduz, Canan; Killick, Nick, ‘Local business, local peace: The peacebuilding potential of the domestic private sector’, *International Alert*, 2006, page 17.

⁴¹ As referenced by Curtis, Mark, ‘Conflict-sensitive trade policy’, in Brown, Oli; Halle, Mark; Moreno, Sonia Pena; Winkler, Sebastian, Eds., *Trade, Aid and Security, An Agenda for Peace and Development*, Earthscan, London, 2007, page 34.

⁴² Willett, Susan, ‘New barbarians at the gate: Losing the liberal peace in Africa’, *Review of African Political Economy*, Vol. 32, Issue, 106, 2005, page 572.

in conflict contexts. ‘Peace’ in this sense is understood to mean the absence of violence,⁴³ and businesses are construed largely as actors with conflict potential requiring a degree of regulation – self- or imposed. The UN Global Compact’s *Business guide for conflict impact assessment and risk management*⁴⁴ launched in 2002 is a good example of efforts to help businesses better understand the relationship between their operations and the context in which they work, focused predominantly on socio-environmental impacts. And, in response to growing evidence of the need to limit the effects of the ‘resource curse’, the Extractive Industries Transparency Initiative (EITI)⁴⁵ was launched the same year at the World Summit on Sustainable Development in Johannesburg;⁴⁶ the Kimberly Process Certification Scheme⁴⁷ came into force just one year later in 2003; and, in 2006, the Organization for Economic Cooperation and Development (OECD) adopted the *Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones*.⁴⁸ This category can be referred to as the ‘do no harm’ approach⁴⁹ with an emphasis on enabling businesses to operate in countries in conflict as long as negative impacts are mitigated, or at the very least reduced.

The second category concerns the wide range of initiatives that acknowledge a *positive role* for businesses operating in countries in conflict by making a link between economic growth and peace. Through this lens, economic liberalization, the free market and wealth creation go hand in hand with poverty alleviation, sustainable development and peacebuilding. This paradigm implies that “a quick influx of capital and know-how is essential to serve as a

⁴³ Often this is conceptualized as ‘negative peace’ versus ‘positive peace’.

⁴⁴ United Nations Global Compact, ‘Global Compact business guide for conflict impact assessment and risk management’, UN Global Compact, June 2002.

⁴⁵ <https://eiti.org/history> (Last accessed August 2019).

⁴⁶ <https://sustainabledevelopment.un.org/milestones/wssd> (Last accessed August 2019).

⁴⁷ <https://www.kimberlyprocess.com/en/about> (Last accessed August 2019).

⁴⁸ The OECD developed this guidance for companies operating in contexts where there is weak governance in response to requests made by the 2005 G8 Summit, and to the UN Security Council’s ‘lead’ - following the 2002 UN Expert Panel’s report on illegal exploitation of natural resources in the Democratic Republic of Congo. See: S/2003/1027.

⁴⁹ Kolk, Ans. and Lenfant, Francois, ‘Business-NGO collaboration in a conflict setting: Partnership activities in the Democratic Republic of Congo’, *Business and Society*, Vol. 51, Issue 3, 2012, pages 482-3.

counterweight to recidivist violence.”⁵⁰ Consequently, ‘peace’ is made synonymous with meeting the economic needs of populations in countries in conflict, and businesses are economic actors most capable of meeting these needs. For example, in 2004, the UNSC established a working group on the ‘role of business in conflict prevention, peacekeeping and post-conflict peacebuilding’⁵¹, where much of the session focused on the “economic dimensions of armed conflict” and the need to provide “jobs and hope.”⁵² Similarly, the UNSC included the private sector in the drive to attain the Millennium Development Goals (MDGs), “calling for more investment in fragile and conflict areas to ‘stimulate development’ by supplanting the nexus between poverty and insecurity with economic growth.”⁵³ This can be referred to as the ‘economic peace’ category or lens.

What emerges from these two categories is an allusion to *socio-environmental* impacts that need to be minimized in volatile environments in order to enable businesses to stay, and of *economic* impacts that need to be maximized beyond the developed world which they have largely benefitted until now, and ideally used to create a ‘peace dividend’ for populations in countries in conflict. Interestingly, the political impacts of business actors in countries in conflict that may need to be minimized, the potential negative consequences of maximizing economic impacts, and a concomitant role for the political organizations who have a primary role in helping nations to secure peace and security objectives in countries in conflict - such as the UN, regional organizations and NGOs - are glaringly absent from this conceptualization of B4P. Implicitly excluded, moreover, from both categories are local business actors: businesses that can and should stay in countries in conflict are so-called ‘licit’ multi-nationals and

⁵⁰ Miklian, (2014), page 503.

⁵¹ Deitelhoff and Dieter Klaus in Deitelhoff and Dieter Klaus, Eds., (2010), page 3

⁵² SC/8058, 15 April 2004.

⁵³ Miklian (2014), page 503.

transnational companies willing to adhere to pre-defined socially responsible (and optional) codes of conduct in the private, economic sphere.

The UN Global Compact (UNGC), the main ‘vehicle’ through which the UN engages with businesses and the most important platform for the B4P approach, is emblematic of the non-approach of the UN to businesses in peace mediation. At its core, this strategic policy initiative is designed for business actors who pre-commit to ten principles in the fields of human rights, labour and environment – none of which explicitly mention peace. Rather than being a principle businesses commit to, the B4P work falls under an ‘engagement framework’ in seven key ‘action areas’.⁵⁴ The guidance notes produced by the UNGC that *do* related to conflict (under the B4P ‘banner’), furthermore, are all focused on how businesses can serve as responsible actors in conflict contexts; the guidelines tend not to target UN personnel and other peacebuilders/peacemakers by offering them guidance on how to better incorporate businesses into their strategies and programmes. Moreover, the UNGC is relatively ‘weak’ in form: it serves as a forum, rather than as a regulatory tool; it sits outside of the Secretariat and has no direct relationship with the principal organs; it is seen by some as ‘lacking teeth’ since it lacks any mechanism for ensuring compliance with its core principles;⁵⁵ and, many believe it does little more than serve as “blue-washing.”⁵⁶ The majority of the UNGC’s efforts to foster collaboration with the private sector are conducted through the UN specialized agencies, funds

⁵⁴ Infrastructure development projects; providing for basic needs, including water, shelter and food; training programmes to increase human capital, especially for ex-combatants and youth; promoting fair land rights and acquisition; natural resource management, including water; encouraging entrepreneurship and job creation; and, helping to foster inter-religious and inter-cultural understanding. See: https://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/B4P_Flyer.pdf (Last accessed August 2019).

⁵⁵ Utting, Peter and Zammit, Ann, ‘United Nations-business partnerships: Good intentions and contradictory agendas’, *Journal of Business Ethics*, Vol. 90, Issue 1, 2009, page 47.

⁵⁶ Ibid. These criticisms led some NGOs in 2003 to write a public letter to the UN Deputy Secretary-General outlining their concerns, including: weakening of certain accountability mechanisms, limited evidence of progress, and lack of criteria for dealing with companies alleged to be in breach of the principles. They convened their own Global Compact Counter Summit, complaining that: “Instead of bringing social values into the market, the Global Compact threatens to bring commercialism into the UN. It rewards rhetoric rather than deeds, and it undermines our efforts to bring a measure of corporate accountability, rather than purely voluntary responsibility, into the intergovernmental arena”. Ibid, page 48.

and programmes. After ten years of existence, the Compact was able to point to collaborative initiatives with the UN Children’s Fund (UNICEF), the UN Development Programme (UNDP), the UN High Commissioner for Refugees (UNHCR), the World Food Programme (WFP), and the UN Programme on HIV/AIDS (UNAIDS)⁵⁷ but none with entities with leading responsibilities for peacemaking or peacekeeping. Consequently, to the extent that those in the Secretariat – beyond the tokenistic statements of the Secretary-General - are aware of the UNGC and its work, it is not perceived as being linked in any meaningful way to their mandates or working methods, as will be explored in greater detail in Chapter Three

‘Political’ versus ‘economic’

How did we get here? What historical constellation of forces contributed to the creation of this form of B4P discourse which marginalises local business actors from its conceptualisation of ‘business’, and excludes peace mediation from its understanding of ‘peace’? The first binary opposition to have contributed to this particular conceptualisation concerns the ‘*political*’ versus ‘*economic*’. While it is evident that this separation did not originate in the UN System, the distinction between political and economic issues has had an enduring effect on the ways in which the B4P discourse has been conceptualised, understood and implemented. Both liberalism and neoliberalism, which underpin the B4P discourse, are anchored in political and economic theory of 19th century Europe: indeed, the “central liberal principles of individualism and the market (and more hesitantly, democracy) all come out of Western thinking and practice, yet are presented as universal truths that are applicable to, and whose application would be beneficial to, all human beings.”⁵⁸

⁵⁷ United Nations Global Compact, ‘Coming of age: UN-private sector collaboration since 2000’, United Nations Global Compact Office, 2010.

⁵⁸ Acharya, Amitav, and Buzan, Barry, ‘Why is there no non-Western international relations theory? An introduction’, in Acharya, Amitav and Buzan, Barry, Eds., *Non-Western International Relations Theory, Perspectives on and Beyond Asia*, Routledge, 2010, page 7.

This was the context in which the UN saw the light of day in the post-Second World War when fundamental decisions were being taken that would influence the way peace and security issues are framed and addressed for decades to come. The architects of the post-war order designed an international system that created and/or reinforced the artificial separation between political and economic spheres of activity, and significant efforts were made to reduce the effects of the former on the latter. President Roosevelt outlined the main contours of this new world order in his 1945 speech at San Francisco:

*The cornerstone for international political cooperation is the Dumbarton Oaks proposal for a permanent United Nations. The cornerstone for international economic cooperation is the Bretton Woods proposal for an International Monetary Fund and an International Bank for Reconstruction and Development.*⁵⁹

The functional division in the international architecture thus served to protect the neo-liberal approach to development and reconstruction from political interference. It also had the effect of isolating international peace and security actors from giving due consideration to the political impacts of markets and businesses. Consequently, the political realms of peace and security were effectively ‘ring-fenced’ as the privileged domains of nation-states, isolated by the international architecture from markets and businesses in the supposedly ‘technical’, apolitical realm of economics. It is important to recognise that the dominance of free-market economics, however, was not as clear-cut as some might have us believe: indeed, Eric Helleiner demonstrates the way in which the post-war architecture was designed to “reconcile liberal multilateralism with the state-led developmental goals of poorer countries”⁶⁰ which became dominant in the 1930s. Hence, while most scholars argue that the International Bank for

⁵⁹ Tesner, with Kell, (2000), page 7-8

⁶⁰ Helleiner, Eric, *Forgotten Foundations of Bretton Woods: International Development and the Making of the Postwar Order*, Cornell University Press, 2014.

Reconstruction and Development (IBRD) was designed solely with Europe's post-war economic interests in mind, Helleiner effectively ties the foundations of the Bank to the United States' 'Good Neighbour' Policy'⁶¹ and President Roosevelt's early belief that poverty and peace were inter-related.⁶² However, acceptance of some government intervention in the economic realms persisted only as long as there was political motivations for doing so: to fight the Nazi threat in the late 1930s, and to counter the threat posed by communism in the years that followed. This departure from free-market economics, therefore, was short-lived.

The artificiality of political-economic divide was reflected in the discussions and events during the founding of the UN. First, this functional division was the result of highly politicized discussions: the Soviets, for example, were adamant that the UN should only be concerned with peace and security, *not* economics⁶³; the United Kingdom, on the other hand, insisted that international peace and economy were interlinked, and proposed to give the UNSC a mandate over economic and social issues.⁶⁴ Second, one of the major motivations behind the pre-occupation with re-building post-war European economies was inherently political: as mentioned above, the "healthy European economies would provide the base against which the spread of communism would be halted."⁶⁵ Third, the post-war order prioritized the interests of the 'developed' world, over those of the least developed countries since the goal was to create a "non-discriminatory, multilateral system of trade and payments" which meant the "institution of the most-favoured nation principle, international supervision of tariff policy and the outlawing of quantitative restrictions in international trade and the imposition of fixed exchange rates and freely convertible currency in monetary relations."⁶⁶ This system worked

⁶¹ Ibid, page 10.

⁶² Ibid, page 14.

⁶³ Ibid, page 7.

⁶⁴ Ibid.

⁶⁵ Williams, Marc, *Third World Cooperation: The Group of 77 in UNCTAD*, Pinter Press, London, New York, 1991, page 20.

⁶⁶ Ibid.

against less competitive economies, and in favour of those who already wielded power⁶⁷; the ring-fencing of the economic sphere, therefore, equally served political ends.

At the heart of this ‘ring-fencing’ were core, ‘Western’ beliefs: the economic realm would ensure the expansion and entrenchment of a liberal economic order that would rebuild the economies of the post-war powers on the one hand; and, the political realm would foster cooperation to achieve specific peace and security ends on the other. The distinction went deeper than those laid out at Dumbarton Oaks. Even within the UN System, these fractures and power dynamics were evident: the Economic and Social Council (ECOSOC), for example, which is the only principal organ with an implicit mandate to interact with business, is also the only principal organ that has “neither legislative nor executive authority.”⁶⁸ ECOSOC can only make recommendations to the General Assembly, creating a relationship of hierarchy between the two organs. Interestingly, the International Chamber of Commerce (ICC) – founded in 1919 – is the only business entity to have been awarded consultative status with ECOSOC⁶⁹ in 1946; the UN Charter, however, states that ECOSOC “may make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence”, with no specific mention of business.⁷⁰ Within the UN Secretariat, these issues are also bifurcated: the UN Department of Economic and Social Affairs (UN-DESA) services ECOSOC, whereas the (former) Department of Political Affairs and Department of Peacekeeping Operations serve both the UNSC and General Assembly, both of which have legislative and executive authority. Similarly, entities such as the Universal Postal Union, the International Labour Organization and the International Telecommunication Union were

⁶⁷ Ibid. page 23

⁶⁸ Tesner, with Kell, (2000), page 9.

⁶⁹ Or with any other body, for that matter,

⁷⁰ Tesner, with Kell, (2000), page 9.

created as individual specialized agencies, functioning as “fragmented expert bodies minding their technical business away from the political wrangling of UN member states.”⁷¹

Similarly, within Bretton Woods Institutions (often now referred to as International Financial Institutions or ‘IFIs’), the ‘political’ was ring-fenced from the ‘economic’. The World Bank’s articles of agreement, for example, state that The Bank and its officers must “not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the members concerned; a similar “doctrine of economic neutrality” exists in the Articles of Agreement of the International Monetary Fund (IMF). Only economic considerations shall be relevant to their decisions.⁷² Everything of a so-called political nature was, from the inception of the Bank and at least in theory, considered ‘sovereign’ and, as such, beyond its purview. Interestingly, therefore, the Bank has not historically intervened in military and defence issues of Member States – issues it considers political in nature. However, as of 1996, the World Bank “embraced demining, public-expenditure realignment, demobilization and reintegration, reconstruction and helping to rebuild social capital as squarely within its development mission”⁷³ – all issues which evidently have a bearing on military and defense matters, demonstrating a reinterpretation of the political-economic divide on the part of the Bank. Since neo-liberal frameworks are global in nature, these dynamics also cumulatively signalled that what is required locally becomes secondary to what is expected globally.⁷⁴

The effects of these ‘divisions’ have been unfortunately ‘effective’ and enduring: ultimately, the basic assumption is that the ‘political’, Member State-driven side of the international

⁷¹ Ibid, page 11.

⁷² Stevenson, Jonathan, *Preventing conflict: The role of the Bretton Woods Institutions*, The International Institute for Strategic Studies, 2000, page 2.

⁷³ Ibid, page 60.

⁷⁴ Peterson, Jenny H., *Building a peace economy? Liberal Peacebuilding and the Development-Security Industry*, Manchester University Press, 2015, page 164.

system – embodied in the UN system and the governments supporting it – has little to no bearing on global or local economies; and, vice versa, that the ‘economic’, market-driven side of the international system – embodied in the IFIs and the trade/businesses supporting it – has little to no bearing on global or local political dynamics. Stated in this manner, it seems quite blatantly false. And yet, as lamented extensively by Alvaro de Soto and Graciana del Castillo, when the UN engaged in its first ever peace negotiations in El Salvador in the early 1990s, it did not think to consult the World Bank or the IMF - even on those parts of the peace agreement pertaining to economic issues. Similarly, the adjustment program and stabilisation plan were elaborated by the IFIs without coordinating with the UN System: “It was as if a patient lay on the operating table with the left and right sides of his body separated by a curtain and unrelated surgery being performed on each side.”⁷⁵

Efforts to overcome this structural bifurcation - as deeply embedded in both the international and UN system as it is - have been in vein. Even in 1992 Boutros Boutros Ghali underscored that fact that “political progress and economic development are inseparable: both are equally important and must be pursued simultaneously.”⁷⁶ As will be evidenced by the UN non-approach to businesses in Chapter Three, such statements, or aspirations have had limited effects, and the division remains as entrenched in the discourses and practices of UN staff as those of the first peacemaking mission. This reflects what Richard Ashley refers to as *economism* – or what some refer to as “economic determinism”⁷⁷: the notion “that the economic sphere invades, directs and exists independently of the political”, thereby inducing a perspective in which “political practice is devoid of all independent capacities to reflect upon or to check economic processes...an apology for the world-wide hegemony of a deadly logic

⁷⁵ De Soto, Alvaro and del Castillo, Graciana, ‘Obstacles to peacebuilding’, *Foreign Policy*, No. 94, (Spring, 1994), page 72-73.

⁷⁶ del Castillo, Graciana, *Obstacles to Peacebuilding*, Global Institutions, Routledge, London and New York, 2017, page 20.

⁷⁷ Pugh, Michael; Cooper, Neil and Turner, Mandy (Eds.), (2008), page 2.

of economy in determining social and political outcomes.”⁷⁸ The replication of the economic and political divide in the UN system allows for a wide-spread policy of treating the former “as a separate domain amenable to scientific analysis, and the latter as a residual that will largely be taken care of if the economy is run on sound liberal principles.”⁷⁹

The notion of politics and economics as separate ‘things’ is as anchored in our language as it is in academia. The Oxford English Dictionary (OED), for example, defines ‘political’ as “belonging to, or concerned with the form, organization, and administration of a state, and with the regulations of its relations with other states.”⁸⁰ And, similarly, ‘economy’, is defined as a sphere of knowledge dealing “with the production, distribution, consumption, and transfer of wealth”⁸¹, and associated popularly with the market, IFIs and monetary affairs. Prior to the 1960s, when the field of international political economy (IPE)⁸² began to emerge, economics and political science were also treated predominantly as entirely different disciplines, each with its own view of international affairs. Relatively few efforts were made to “bridge the gap between the two”⁸³, with the exception of a handful of marginalised scholars, often labelled

⁷⁸ Ibid.

⁷⁹ Acharya and Buzan in Acharya and Buzan, Eds., (2010) page 7.

⁸⁰ Oxford English Dictionary (OED). (Last accessed August 3rd 2019).

⁸¹ Ibid.

⁸² See, for example: Cohen, Benjamin, ‘The transatlantic Divide, why are American and British IPE so different’, *Review of International Political Economy*, 14:2, May 2007; Cohen, Benjamin J., *International Political Economy, an Intellectual History*, Princeton University Press, 2008; Cohen, Benjamin, ‘Striking a nerve’, *Review of International Political Economy*, Volume 16, Issue 1, 2009; Cox, Robert, W, ‘Social Forces, States and World Orders: Beyond International Relations Theory’, *Millennium: Journal of International Studies*, Vol. 10, No.2, 1981; Cox, Robert, *Production, Power and World Order, Social Forces in the Making of History*, Columbia University Press, 1989; Dickins, Amanda, ‘The evolution of international political economy’, *International Affairs*, Vol. 82, No. 3, May 2006; Gilpin, *Global Political Economy, Understanding the International Economic Order*, Princeton University Press, 2010; Jones, Barry R J, *Globalisation and Interdependence in the International Political Economy, Rhetoric and Reality*, Bloomsbury Academic Collections, 2013; Stopford, John; Strange, Susan; Henley, John, *Rival States, Rival Firms, Competition for World Market Shares*, Cambridge Studies in International Relations (No.18), 1991; Strange, Susan, ‘International Economic and International Relations: A Case of Mutual Neglect’, *International Affairs*, Vol.46, No.2, April 1970; Strange, Susan, ‘States, Firms and Diplomacy’, *International Affairs*, Vol. 68, No. 1, 1992; Tooze, Roger, ‘International Political Economy’ in Ed. Smith, Steve, *International Relations, British and American Perspectives*, Basil Blackwell, 1985; Underhill, Geoffrey R D, ‘State, market and global political economy: Genealogy of an (Inter?) Discipline’, *International Affairs*, Vol. 76, No. 4 (2000); Wade, Robert, ‘Be careful what you wish for: Lessons for International Political Economy from the Transformation of Economics’, *Review of International Political Economy*, Volume 16, Issue 1, 2009.

⁸³ Cohen, Benjamin, ‘The transatlantic divide, why are American and British IPE so different?’, *Review of International Political Economy*, Vol. 14, Issue 2, May 2007, age 197.

disparagingly as Marxists.⁸⁴ Ironically, whilst both schools of IPE – American and British – are built upon the very notion that politics and economics cannot be separated, the relationship is usually portrayed as one of “interdependent antagonism” i.e. the state *versus* the market.⁸⁵

The notion of complex *interdependences*⁸⁶, for example, maintains that the two spheres are ‘connected’, but this assumes that they were separate in the first place; indeed, most characterise the interaction “as a sort of tug-of-war between market forces and state attempts to control or direct them.”⁸⁷ Scholarly focus on interaction and interdependence, therefore, undermines assertions that the fields are inseparable, underscoring rather overcoming the dichotomy between politics and economics. Underhill, resting somewhat within the traditional characterisations, insists that we must rather conceive of a ‘state-market condominium’, whereby the “private interests of market agents are integrated into the state, asymmetrically in accordance with their structural power and organizational capacity, through their close relationship to state institutions in the policy decision-making process and in the continuing pattern of regulatory governance of market society.”⁸⁸ Hence, even within the field of IPE, the very discipline tasked with breaking down academic siloes, businesses are perceived as economic actors with private interests.

This dichotomisation is not only false, it is at best counter-productive and, at worst, destructive. As argued by Ian Bruff, it is vital to recognise that these two categories – political and economic - are in fact *internally* related, and built upon a common foundation: “perhaps we should

⁸⁴ Ibid.

⁸⁵ Underhill, Geoffrey R D, ‘State, market and global political economy: Genealogy of an (Inter?) Discipline’, *International Affairs*, Vol. 76, No. 4, 2000, page 818.

⁸⁶ Defined by three core characteristics: multiple channels of communications, an absence of hierarchy among issues and, a diminished role for military force. In, Keohane and Nye, ‘Transnational Relations and World Politics: An introduction’, *International Organization*, Vol.25, No.3, 1971, for example.

⁸⁷ Underhill (2000), page 819-820.

⁸⁸Ibid, page 821.

consider more seriously the possibility that ‘the state’ is comprised of the same social, that is, human, relations as the ‘market.’”⁸⁹ Indeed, what has been constructed by humans, can also be deconstructed and, therefore, changed by humans.⁹⁰ This becomes all the more apparent when one, ironically, considers the very origins of business actors themselves: the epitome of complex human relations – political and economic – merged into one, albeit too rich of a history to go into great detail here. Invented in the sixteenth century, corporations served as a tool for managing colonial trade,⁹¹ chartered “by a number of European governments to undertake activities that the governors determined to be in the interests of the state.”⁹² One of the best examples is arguably England’s *East India Company (EIC)*, described as the “mother of the modern corporation.”⁹³ Created in 1600, the EIC received a Royal Charter from Queen Elizabeth to carry out trade with colonies, most notably in the East Indies and the Indian sub-continent. Whilst, unlike the modern corporation the EIC had its own army and the “right to wage war”⁹⁴, much like the modern corporation its primary goal was maximizing returns. With this as its driving force, the EIC developed a monopoly on trade in basic commodities, simultaneously assuming administrative control over large parts of India and, therefore, responsibilities it was unable to meet;⁹⁵ this resulted in corruption, famine, destruction and open warfare⁹⁶, and ultimately led to the collapse of the company in 1858. What is notable is that the state took on some attributes of the corporation, by using economic power to serve the

⁸⁹ Bruff, Ian, ‘Overcoming the state/market dichotomy’ in Shields, Stuart; Bruff, Ian; and, Macartney, Huw, Eds., *Critical International Political Economy, Dialogue, Debate and Dissensus*, Palgrave Macmillan, 2011, page 87

⁹⁰ Such a reading can be considered related to a ‘constructivist view of international political economy’, which is an emerging field, see: Broome, Andre, ‘Constructivism in International Political Economy’, in Palan, Ronen (Ed.), *Global Political Economy, Contemporary theories*, Second Edition, Routledge, London and New York, 2013; Gills, Barry K., ‘Re-orienting the new (international) political economy’, *New Political Economy*, Vol. 6, No.2, 2001; Rawi, Abdelal, ‘Constructivism as an approach to international political economy’. In *Routledge Handbook of International Political Economy (IPE), IPE as a global conversation*, Ed. Mark Blyth, Routledge, London and New York, 2010.

⁹¹ Jem, ‘Barricades and boardrooms: a contemporary history of the corporate accountability movement’, United Nations Research Institute for Social Development, Technology, Business and Society Programme Paper, No. 13, Geneva, 2004, page 7.

⁹² Ibid.

⁹³ Robins, Nick, *The Corporation that Changed the World: How the East India Company Shaped the Modern Multinational*, London: Pluto Press, 2012, page 5.

⁹⁴ Ibid. Indeed, the company’s private army “evolved from a security service to defend its overseas warehouses to being the principal tool for territorial acquisition”, page 30-31.

⁹⁵ Ibid, page 4.

⁹⁶ Ibid, page 33

colonial enterprise, just as the corporation took on some attributes of a sovereign state by effectively ruling over large parts of India.⁹⁷ Both the colonial empire and the corporation were complicit in the establishment of the basis of the capitalist system, where economies of the colonies were restructured, and drawn into a complex relationship with that of the colonizer.⁹⁸

'Public' versus 'private'

The second dichotomy to have contributed to the construction of the B4P discourse is that of 'public' versus 'private', another enduring categorisation which is continually shifting, the one relying upon the other to differentiate itself. As argued by Joe Bailey, "private and public discourses are always locked in the same dance."⁹⁹ Again, this thesis does not in way suggest that the public/private distinction originated in the UN System, far from it; Hannah Arendt believes it dates back to ancient Greece¹⁰⁰ when the 'Polis' referred to the city-state: "a rather small entity, independently governed and composed of both rural and urban areas"¹⁰¹, as opposed to the 'private' realm of the family. However, the way such concepts have evolved in the UN System have had a pervasive effect on how the UN engages with business actors, and how it understands, constructs and responds to the B4P discourse, whilst simultaneously keeping it conceptually and practically distinct from the discourse on inclusion.

The Cold War was an important 'theatre' where discussions of what was public and what was private played out and, most importantly, what kind of rules applied to these key areas; these dynamics inherently overlapped with and fed into the previously discussed dichotomy between

⁹⁷ Ibid, page 205

⁹⁸ Loomba, Ania, *Colonialism/Postcolonialism*, 2nd Edition, The New Critical Idiom), Routledge, 2005, page 21.

⁹⁹ Bailey, Joe, 'From public to private: The development of the concept of the "private"', *Social Research*, Vol. 69, No.1, 2002, page 16.

¹⁰⁰ Ibid, page 17.

¹⁰¹ Pattberg, Philipp and Stripple, Johannes, 'Beyond the public and private divide: remapping transnational climate governance in the 21st century', *International Environment Agreements*, Volume 8, Issue 4, December 2008, page 370.

political and economic issues. During this period, as a result of global tensions and, ultimately, the prevailing power structures, the political became fused with the public, just as the economic became fused with the private. Indeed, the Cold War demonstrated that economic issues were not only bound up with ideological conflict between communism and capitalism in the East-West divide, but intimately linked with socio-political disparities between the rapidly emerging global 'North' and 'South' as a direct result of trade relations that favoured the most powerful. Consequently, in the decades following the birth of the UN, the international policy scene was infused with the debates between the pro-West, pro-Socialist and non-aligned countries; the Least Developed Countries (LDCs), especially, chose or were cajoled into one of these camps.

There were two significant developments that occurred within the UN during this period that underscored the artificiality of the public-private divide, while simultaneously entrenching it. The first was the establishment of the UN Conference on Trade and Development (UNCTAD), which convened in 1964; this coincided with the creation of the Group of 77 (G-77), a "coalition of developing countries mostly identified with the so-called Non-Aligned Movement that proposed to adopt unified positions in favor of their common interests."¹⁰² UNCTAD thus became the primary forum where countries gathered to discuss international trade, and the impacts of the global economy on less developed countries, especially. It was a forum where it became apparent that the rules of the private realm (i.e. "non-discriminatory, multilateral system of trade and payments") was having significant ramifications on the public realm(s). It appeared that the liberal international economic regime, only "served to exacerbate the difference between the north and south."¹⁰³ The manner in which the public-private distinction benefitted some at the expense of others was best summed up by Mwalimu Julius K Nyerere of Tanzania in his address to the Fourth Ministerial Meeting of the G-77 in 1979:

¹⁰²Tesner and Kell (2000), page 15.

¹⁰³Williams (1991), page 34.

What we have in common is that we are all, in relation to the developed world, dependent – not independent – nations. Each of our economies has developed as a by-product and a subsidiary of development in the industrialized North, and it is externally oriented. We are not the prime movers of our destiny. We are ashamed to admit it, but economically we are dependencies – semi-colonies at best – not sovereign States.¹⁰⁴

The second, related, significant development of the Cold War was the establishment by ECOSOC of the Commission on Transnational Corporations to negotiate the ‘Code of Conduct on Transnational Corporations’ (CoC) in the early 1970s. Under the CoC, it was proposed that the “state would pledge to ensure that foreign investors respected national and human rights, disclosed relevant information to host governments about their operations, refrained from transfer pricing and resolved other points of contention.”¹⁰⁵ The idea of ‘binding’ corporate regulation was at the heart of the debate, a debate entrenched by East-West, North-South divisions: capitalist countries favored less or no regulation, whilst communist countries envisioned a maximalist role for states in terms of regulating companies. Similarly, the Global South advocated for regulation that would account for unequal levels of development to create a ‘fairer’ economic playing field. Notably, the negotiation of the CoC coincided with demands from developing countries - led by the G77 - for a ‘New International Economic Order’ (NIEO), which included a “reduction in the tariff barriers of the developed countries on a nonreciprocal basis, improvements in the preference schemes already obtained from GATT, international commodity agreements”¹⁰⁶, amongst others. Both the CoC and NIEO were perceived as fundamentally interventionist ‘practices’ that went against the grain of the neoliberal economic order. Despite decades of work on the CoC, and wide support base of the G77, the reform agenda ultimately failed. By 1992, in spite of agreement on around 80 percent

¹⁰⁴ Quoted in, Sauvart, Karl, *The Group of 77, Evolution, Structure, Organization*, Oceana, 1981, page 3.

¹⁰⁵ Haufler, Virginia, *A Public Role for the Private Sector, Industry Self-Regulation in a Global Economy*, Carnegie Endowment for International Peace, Washington D.C, 2001, page 16.

¹⁰⁶ Tesner and Kell (2000), page 18.

of the code, the international negotiations ended.¹⁰⁷ The challenges around negotiating the CoC was an instructive lesson in difficulty of building a consensus that would be binding on companies around such a broad and contentious subject.¹⁰⁸

These two developments highlighted the emerging predominance of the ‘rules of the game’, otherwise known as the Washington Consensus, which dictated that the development trajectory of the Global South was dependent on the free market and minimal state involvement. But this was not an inevitable outcome: the rules that came to govern the private realm were a direct result of what occurred in the public one. As indicated above, the Bretton Woods architects - including Harry White, a senior economist at the US Treasury Department, amongst others – envisioned a global order that echoed many of the central tenets of the NIEO agenda, including: “long-term international development finance, short-term compensatory financing for commodity export shortfalls, an international debt-restructuring mechanism, backing for infancy industry trade protection, commodity price stabilization, the regulation of capital flows, and support for national autonomy in the pursuit of state-led development policies.”¹⁰⁹ However, by the end of the decade many of the positions of Western governments had hardened, in line with leading figures of the ‘polis’, including Margaret Thatcher in Britain (1979) and Ronald Reagan in the United States (1980), as support for the free market increased.¹¹⁰ This inherently marginalized the voices of those who advocated for reform of the global economic order. The blurring of the political and economic, public and private, furthermore, was underscored by the manner in which the Cold War created multiple ‘fault-lines’: as underscored by the Brazilian delegate at the Cairo Conference on the Problems of

¹⁰⁷ Haufler, Virginia, *A Public Role for the Private Sector, Industry Self-Regulation in a Global Economy*, Carnegie Endowment for International Peace, Washington D.C, 2001, page 16.

¹⁰⁸ Ballentine, Karen, ‘Promoting conflict-sensitive business in fragile states: Redressing skewed incentives’, in by Brown, Oli; Halle, Mark; Moreno, Sonia Pena; and, Winkler, Sebastian, Eds., *Trade, Aid and Security, An Agenda for Peace and Development*, Earthscan, 2007, page 149.

¹⁰⁹ Helleiner, (2014), page 274.

¹¹⁰ Ibid, page 275.

Economic Development in 1962, the “world is not divided merely into East and West. This ideological cleavage makes us forget the existence of yet another division, not ideological, but economic and social – that between the Northern and Southern hemispheres.”¹¹¹ Indeed, the ideological and economic could not be separated.

The consequences of this ‘false’ separation were profound. Whereas during the 1970s, the IMF was engaged in only around 10 stabilization programmes a year, by 1980 it was engaged in 28 and by 1985 there were 129 more.¹¹² The stabilization programmes¹¹³ were, in many respects, further evidence of the triumph of neo-liberalism that came with the end of the Cold War and a further display of the West’s power and its ability to impose global norms on the Global South. Stabilization programmes typically had three key components:

*...expenditure reduction; expenditure switching (exchange rate devaluation, reductions on subsidies, import controls and taxes); and institutional and policy reforms (trade liberalization, privatization, fiscal reform, and less state involvement in the economy). This approach became known as the ‘Washington Consensus’.*¹¹⁴

The effects of stabilization programmes have been destructive, augmenting debt and entrenching rather than resolving conflict. The policies “intensified horizontal inequalities (political, social, cultural and economic), weakened indigenous institutional capacities, increased indebtedness, and rendered countries more prone to the external shocks of currency and commodity price fluctuations.”¹¹⁵ Put frankly, Willett believes the macro-economic policies pursued by IFIs and major donors are “responsible for the pauperization and social

¹¹¹ Williams (1991), page 33.

¹¹² Smillie Ian, ‘Developing conflict-sensitive aid: the relationship between aid and conflict’. in Brown; Halle; Moreno; Pena; and, Winkler, Eds., (2007), page 47.

¹¹³ Willett, Susan, ‘New barbarians at the gate: Losing the liberal peace in Africa,’ *Review of African Political Economy*, Vol. 32, Issue 106 (2005), page 576.

¹¹⁴ Smillie in (Eds) Brown; Halle; Moreno; Pena; and, Winkler, (2007), page 47.

¹¹⁵ Willett (2005), page 576.

polarization of many African societies.”¹¹⁶ And yet, the ‘neo-liberalism in conflict contexts’ discourse continues to advocate for increased investment in societies emerging from conflict, believing it helps them “to reap the material rewards of peace, as well to strengthen the constituencies opposed to a return to war”¹¹⁷ because economic transactions promote cooperation and “consolidate shared interests and understanding between erstwhile enemies.”¹¹⁸ The neoclassical belief in the power of the ‘free market’ and the ‘invisible hand’, however, is based on questionable assumptions, even in countries not experiencing conflict. At the core of this approach is the notion that markets – devoid of government interference – will result in the greatest efficiency and stability¹¹⁹ (the belief in free market emerged as a result of Western thinking, but is presented very much as a “universal truth”¹²⁰). However, this assumes both perfect information and ‘rational actors’ – two assumptions which are only true in the world of abstraction, theory and 2x2 models. Experience has shown these assumptions to be blatantly false: rather than fostering stability, “competition in credit markets is inherently destabilizing, creating a boom-and-bust business cycle.”¹²¹ If competition in markets not experiencing conflict is inherently de-stabilizing, understanding the effects in countries without effective governments, rule of law and efficient institutions requires little imagination.

Regardless, in UN circles, the ‘public’ versus ‘private’ distinction clearly placed businesses in the realm of the ‘private’ - as economic actors; use of the term ‘private sector’ as opposed to ‘business’ or ‘corporation’ became the dominant term within UN circles.¹²² Liberalisation

¹¹⁶ Ibid, page 576-7.

¹¹⁷ Selby, Jan, ‘The political economy of peace processes’, in Pugh, Michael; Cooper, Neil and Turner, Mandy, Eds., *Whose Peace? Critical Perspectives on the Political Economy of Peacebuilding*, Palgrave, McMillan, 2008, page 19.

¹¹⁸ Ibid, page 19.

¹¹⁹ Nolt (2015), page 29.

¹²⁰ Amitav, Charya and Buzan, Barry, in Amitav and Buzan, Eds., 2010, page 7

¹²¹ Ibid, page 31.

¹²² UN documents almost exclusively refer to the term ‘private sector’ above and beyond other relevant terms. When interviewing UN officials, furthermore, whilst the questions referred to ‘business actors’ responses invariably referred to the ‘private sector’. See, for example, ‘2018 Private Sector Forum – Building and Investing in Peace for All’ (2018), found here: <https://www.unglobalcompact.org/take-action/events/1642-un-private-sector-forum-building-and-investing-in-peace-for-all>; ‘UN System Heads Consider Approach to Private Sector Partnerships (2018), accessed here:

required significantly ‘tighter’ ties between the UN and the ‘private sector’, “not only because the UN’s newly adopted liberalism was now compatible with the values of business, but also because the private sector was finally recognized as the best vehicle for economic development.”¹²³ During the 1990s, therefore, for the first time businesses were invited to participate in UN conferences, such as the Rio Conference for the Environment and Development, which prompted the founding of the World Business Council on Sustainable Development as part of the preparation.¹²⁴ This helped pave the way for the rise of the business on the world stage in the realm of peace and security, as long it was confined to both the ‘economic’ and the ‘private.’

As with notions of politics and economics, the concepts of public and private as being different and, indeed, distinct realms, is also anchored in our language but somewhat more contested in academia. The OED, for example, has a wide array of definitions for ‘public’; interestingly, it is associated with that which is “open to general observation, view or knowledge; existing, performed, or carried out without concealment, so that all may see or hear”¹²⁵, underscoring the more ‘secretive’ nature of its conceptual opposite. The ‘public’ is also defined as being “prominent, well-known”, “of or relating to the people as a whole; that which belongs to, affects, or concerns the community or the nation”; and, of course, “designating the business, government, or service of a community or nation” aimed at or “devoted to the promotion of the general welfare” or “best interests of the community or nation; patriotic.”¹²⁶ ‘Private’, on the other hand, is understood as being “restricted to or for the use or enjoyment of one particular person or group of people” and, indeed, “relating to a service provided on a paying basis, as

<https://www.unglobalcompact.org/take-action/events/1642-un-private-sector-forum-building-and-investing-in-peace-for-all>; or, ‘UNDP And the Private Sector’: https://www.undp.org/content/undp/en/home/partners/private_sector.html;

¹²³ Tesner with Kell, (2000), page 28.

¹²⁴ Ibid.

¹²⁵ Oxford English Dictionary (OED). (Last accessed August 3rd 2019).

¹²⁶ Ibid.

opposed to through the State”; it is associated with “belonging to or forming the exclusive property of a particular individual, company, etc.” or that which is “kept or removed from public view or knowledge; secret; concealed”, amongst others.¹²⁷

In academic circles, it is noted as one of the most ‘unstable’ ordering principles, and as both mutable and relative.¹²⁸ It’s a framing which is used, in this instance, to locate jurisdiction and authority: “Authority, that is legitimate power, has been understood to exist only inside the Polis and, hence, outside the territory/state/public power has been considered ‘illegitimate’.”¹²⁹ This helps explain the difficulty international relations as a field has had with non-state centric approaches - and, indeed, non-state actors – just as it sheds light on the difficulty for the UN to deal effectively with business and civil society; whilst civil society, however, can be both a social and, indeed, political actor, business can only be *economic*. Moreover, the notion that what is public is political, or indeed, state-based or political compared to the private which is economic and, of course, market-based is based on a Western, neoclassical understanding of the terms, which breaks down upon closer inspection. Implicit in this understanding, as made clear in analyses of corruption,¹³⁰ is the notion that while in the private sector “firms and individuals are expected to seek personal profit and enrichment, organizations and individuals in the public sector are expected selflessly to fulfil a duty to greater public good.”¹³¹ Alex De Waal’s Horn of Africa “political marketplace”¹³² provides just one, and certainly not the only example where this distinction becomes blurry: in the political marketplace, both political and

¹²⁷ Ibid.

¹²⁸ Bailey, (2002), page 15.

¹²⁹ Pattberg and Strippel (2008) page 370.

¹³⁰ See, for example: Brown, E. and Cloke, J., ‘Critical perspectives on corruption: an overview’, *Critical Perspective on International Business*, Vol. 7, No. 2, 2011; Le Billon, Philippe, ‘Corrupting peace? Peacebuilding and post-conflict corruption’, *International Peacekeeping*, Vol. 15, Issue 3, 2008; Mac Ginty, Roger, ‘Negotiating peace and confronting corruption’, *International Peacekeeping*, Vol. 19, Issue 5, 2012; Polzer, Tara, ‘Corruption: Deconstructing the World Bank discourse’, Working Paper Series, No. 01-18, Development Studies Institute, London School of Economics and Political Science, 2001.

¹³¹ Polzer, Tara, (2001), page 19

¹³² Elaborated upon in: De Waal, Alex, *The real politics of the Horn of Africa, Money, War and the Business of Power*, Polity Press, 2015.

business leaders exchange services and rewards according to principals of supply and demand. He suggests that these men “may have political motives and goals – protecting communities, pursuing beliefs about a better society, or building states – but their political fortunes depend on how well they operate in the political marketplace.”¹³³ In his conceptualization of ‘political’ we can also hear traces of ‘private’, since it is questionable whether all political leaders in countries in conflict serve the ‘public’ as a whole, or certain ethnic, religious, or ideologically-aligned groups of individuals within it.

Interestingly, the notions of ‘public’ and ‘private’ were similarly *blurry* if we go back in time to join some of the early pioneers of ethical business practice. In the early 19th century, for example, Edmund Burke led the quest “for external mechanisms to bring corporate malpractice to account”¹³⁴, insisting that power came with responsibility, regardless of whether this was governmental or corporate power.¹³⁵ Abroad, on the other hand, it was Roger Casement¹³⁶ who was enlisted by the British Government to carry the corporate accountability ‘torch’ by investigating accusations against King Leopold II regarding Belgium’s role in the Congo.¹³⁷ The Congo State had been divided into three trade zones: the first reserved specifically for the Crown; the second for the Concession Company, Abir Congo Company; and the third for general trade.¹³⁸ The investigation revealed trade between Belgium and Congo to be anything but peaceful, with evidence of “punitive expeditions, hostage-taking...shorting and beatings, maimings and other sadistic acts,”¹³⁹ forming part of a repressive system of control and exploitation.¹⁴⁰ Outrage aside, these examples are interesting since they demonstrate not only

¹³³ De Waal, (2015), page 2.

¹³⁴ Robins (2012), page 207

¹³⁵ Ibid. page 208.

¹³⁶ Roger Casement was an Irish-Anglo Irish diplomat and activist.

¹³⁷ O Siochain, Seamas and Sullivan, Michael, *The Eyes of Another Race, Roger Casement's Congo Report and 1903 Diary*, University College Dublin Press, Dublin, 2003, Preface.

¹³⁸ Ibid, page 12.

¹³⁹ Ibid, page 36.

¹⁴⁰ Roger Casement was sent by the British Foreign Office on a similar mission to the Amazon shortly after to investigate allegations of atrocities committed by the Anglo-Peruvian rubber company in the north-west Amazon region, and came to

the merging of the ‘political’ and ‘economic’ as illustrated in the previous EIC example, but also the de-coupling of the ‘political’ from the ‘public’, and of the ‘economic’ from the ‘private.’ In these examples, it is the state leading economic business activities, which are being brought into light by the state itself, as being relevant to the public domain. Quite simply, many at the time viewed the operations of such companies as a departure from the ‘civilizing’ mission they considered to be at the heart of the colonial enterprise, an enterprise in which the public and the private were inherently fused.

‘Illicit’ versus ‘licit’

The third binary to have contributed to a very specific construction of ‘businesses’ and ‘peace’ in the context of the B4P discourse is that of ‘licit’ versus ‘illicit’. The construction of this binary has evolved in the UN System through two different paradigms: the CSR agenda for licit businesses on the one hand, and the sanctions regime for illicit businesses on the other. Both paradigms are anchored in specific historical processes unique to the UN, but evidently grounded in the broader international system.

With the end of the Cold War, liberalization of the world economy began at unprecedented speeds, catalysing globalization processes. In many respects, business actors - and MNCs especially - were at the forefront of this process. MNCs reach, scale and economic weight propelled the process of globalization, helping them gain a reputation as the “most powerful social construct of the present era.”¹⁴¹ Under the weight of the Washington Consensus, those in the developing world – with the support of the UN - began advocating for ‘trade over aid’,

similar conclusions concerning the role the British state was playing in using international commerce to further brutal colonialism. See: Casement, Roger, *The Amazon Journal of Roger*, Ed. Mitchel, Angus, Anaconda, London, 1997.

¹⁴¹Jamali, Dima and Mirshak, Ramez, ‘Business-conflict linkages: Revisiting MNCs, CSR, and Conflict’, *Journal of Business Ethics*, Vol. 93, Issue 3, 2009, page 44.

thereby coupling development policy with the liberal, economic regime. As globalization failed to deliver on its promises, the effects of its nefarious face, however, created a backlash. It became increasingly evident that the “rhetoric of global free trade and the reality of large-scale industrial projects had not been able to reverse the widening overall gap between the financial rich and poor”¹⁴² and the consequences of “unfettered capitalism”¹⁴³ were being sorely felt. Building, in many ways, upon the efforts of the G-77 and the NIEO, the anti-globalization/counter globalization movement made its voices heard at the 1998 Group of Eight (G8) Summit in the United Kingdom¹⁴⁴, at the World Trade Organization in 1999 in Seattle, and in the context of high profile campaigns against MNCs such as Shell, Brent Spar, Monsanto, Mars, Cadbury, Hershey and Chiquita.¹⁴⁵ There was an increasing sense that the power of those entities operating “in a metanational space above borders, nations, and cultures”¹⁴⁶ needed to be reined in.

The combination of the failure to negotiate the UN CoC, the backlash against MNCs and the decreasing power of governments to control them helped nourish the CSR movement. For its supporters, CSR is “a way to balance the interests of business and society without expanding government intervention in the economy”¹⁴⁷; it is necessary *self*-regulation in light of the failure of international regulation and increasing awareness of the costs of *no* regulation. At the Rio Earth Summit in 1992, the (–then newly created) Business Council for Sustainable Development and the International Chamber of Commerce were invited to “offer concrete proposals on how private-sector resources, capabilities, technologies and innovation could be

¹⁴²Bendell, Jem, ‘Barricades and Boardrooms: A Contemporary History of the Corporate Accountability Movement’, United Nations Research Institute for Social Development, Technology, Business and Society Programme Paper, No. 13, Geneva, 2004, page 4

¹⁴³ Hocking, Brian and Kelly, Dominic, ‘Doing the business? The International Chamber of Commerce, the United Nations, and the Global Compact’, in Cooper, Andrew Fenton; English, John; Ramesh Chandra, Thakur, Eds., *Enhancing Global Governance: Towards a New Diplomacy*, United Nations University Press, Tokyo, 2002, page 215.

¹⁴⁴ Bendall (2004), page 5.

¹⁴⁵ Grayson, David and Nelson, Jane, *Corporate Responsibility Coalitions: The Past, Present and Future of Alliances for Sustainable Capitalism*, Stanford University Press, Stanford, 2013, page 36.

¹⁴⁶ Tesner and Kell (2000), page xxi

¹⁴⁷ Haufler (2001), page 4.

part of the solution to tackling environmental degradation and creating social value while at the same time delivering economic growth and shareholder value”¹⁴⁸ – a proposition viewed with great skepticism at the time.¹⁴⁹ The number of similar initiatives then exploded in the 1990s, with the creation of: the International Business Leaders Forum; the Maala-Business for Social Responsibility; Business for Social Responsibility; CSR Europe; and, Instituto Ethos, to mention only a few.¹⁵⁰ Individual companies also started to take action: in 1997, for example, Shell launched its ‘Statement of General Business Principles’, paving the way for many others to follow suit.¹⁵¹ By the time the Rio +20 Conference took place in 2012, over 2700 business people were invited to provide inputs for the first time into the official inter-governmental process.¹⁵² Despite this upsurge in popular support for the movement, many remain cynical about the impact¹⁵³, the modalities¹⁵⁴, and the consequences. For the most cynical, CSR – much like the B4P paradigm that it has helped inspire - is simply “an ideological movement designed to consolidate the power of large corporations.”¹⁵⁵

The CSR agenda falls in perfectly with the aforementioned ‘binaries’: it frames businesses as economic actors operating in the private sphere which, therefore, cannot be subject to regulation, law or – as the failed negotiations over the CoC demonstrated – any ‘formal’ codes.

¹⁴⁸ Grayson and Nelson (2013), page 1.

¹⁴⁹ Ibid.

¹⁵⁰ Ibid.

¹⁵¹ Watts, Michael J., ‘Righteous oil? Human rights, the oil complex, and corporation social responsibility’, *Annual Review of Environment and Resources*, Vol. 30, Issue 1, 2005, page 394.

¹⁵² Grayson and Nelson (2013), page 1.

¹⁵³ An Accenture Paper states that “Stripping it down to the brutal reality of the facts and figures of business impact on sustainability, although there is much to be optimistic about, the numbers tell us that inequality and poverty persist almost unabated around the world (excepting the incredible impact of China’s growth since the 1980s on global poverty statistics). Since 2005, according to the World Bank, the food crisis and the global financial crisis have sent at least another 1000 million people under the poverty line. So if business is the way we organize our economic to provide prosperity, and if we are serious about sustainable business, much remains to be done. In parallel, our environmental systems are declining at an alarming rate...So many of the social and environmental costs of doing business remain economic externalities – a cost or benefit that is not included in the market price of a product or service because it is not included in the supply price or the demand price (e.g. pollution, carbon emissions etc.) – so incentives and market signals remain too weak to create an imperative for business action at scale”. Taken from Grayson and Nelson (2013), page 154.

¹⁵⁴ De Colle, Simone; Henriques, Adrian; and Sarasvathy, Saras; ‘The Paradox of Corporate Social Responsibility Standards’, *Journal of Business Ethics*, Vol. 125, Issue 2, 2013.

¹⁵⁵ Banerjee, Subhabrata B., ‘Corporate Social Responsibility: The Good, the Bad and the Ugly’, *Critical Sociology*, Vol. 34, Issue 1, 2008, page 59.

The CSR agenda is therefore not *imposed* on businesses and nor does it require any significant changes in behavior on the part of UN actors or states themselves. It is voluntary: businesses are *invited* to change their practices and behavior in line with the ‘court of public opinion’. Power dynamics are also not far removed from the CSR debate, since both the NGOs and the companies who gained greater access to the UN as part of, and as a result of, this process tend to be from the ‘global North’ – dynamics perceived by developing nations “as a strategy by the industrialized world to increase its influence by other means.”¹⁵⁶ The reasons for the ever closer union between the UN and the private sector in these particular realms were made perfectly clear during the then-recently appointed Secretary-General Kofi Annan’s speech at the economic forum at Davos, where he laid out the rationale for a ‘new partnership’: “Today”, he argued, “market capitalism has no rival...In today’s world, the private sector is the dominant engine of growth; the principle creator of value and wealth...”¹⁵⁷ Similarly, for some corporations, the CSR agenda offered a more palatable alternative to mandatory regulation, where penalties for non-compliance would become a reality. In parallel to the increasing demands placed on business actors to behave in a ‘socially responsible manner’ whilst entrenching the neo-liberal economic system, the UN was exploring the creation of an Office for Development Financing “to remedy the deep decrease in ODA financing of development activity through corporate fund-raising and access to private capital assets.”¹⁵⁸ Licit businesses were best placed to stimulate the economic realm, and to provide funding for the UN to continue its work, a theme echoed by UN practitioners as will be explored in the next chapter.

‘Illicit’, or what are sometimes also referred to as ‘criminal’ economic actors, have spurred an entirely different process within the UN and international system, a process rarely, if ever,

¹⁵⁶ Tesner with Kell, (2000), page 33-34.

¹⁵⁷ Ibid, page xxii.

¹⁵⁸ Ibid, page 34.

connected explicitly to the one surrounding so-called ‘licit’ businesses. A broad set of international conventions and standards have been put in place to combat actors operating in the financial markets illegally, including through ‘illicit financial flows’ and ‘illegal trade’. These include: universal legal obligations, such as the Vienna convention and the Palermo Convention; international standards, including the OECD Anti-Bribery Convention and a wide range of legal instruments within the UN system, such as: UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988); International Convention for the Suppression of the Financing of Terrorism (1999); UN Convention against Transnational Organized Crime (2003); UN Convention against Corruption (2005); and a wide range of UNSCRs, to name only a few.¹⁵⁹ According to the World Economic Forum, this international framework against illicit trade, organized crime and transitional criminal networks has vast benefits for the global economy: whilst difficult to state with any precision, counterfeiting and piracy, for example, is said to cost around USD 1.77 trillion in 2015 alone, whilst tackling the illicit trade in tobacco could generate an annual income of around USD 31 billion.¹⁶⁰ And, the figures are not financial alone: illegal trade leads to sub-standard medicines for life-threatening diseases and includes 21 million victims of forced labour.¹⁶¹

In the context of countries in conflict, these ‘financial flows’, ‘criminal activities’ and trade in ‘illicit goods’ has given rise to the concept of ‘war economies.’¹⁶² According to Kaysie Brown, this link was first articulated in the context of a 2000 UNSCR entitled ‘Maintenance of Peace

¹⁵⁹ See: Organisation for Economic Cooperation and Development(OECD), ‘Policy coherence in combating illicit financial flows’, PCSD thematic module, Draft, OECD, 2015; and, World Economic Forum (WEF), ‘State of the illicit economy’, Briefing Papers, Global Agenda, October 2015.

¹⁶⁰ Ibid.

¹⁶¹ Ibid.

¹⁶² See for example: Broodryk, Amelia and Solomon, Hussein, ‘From war economies to peace economies in Africa’, *South African Journal of Military Studies*, Vol. 38, No.1, 2010; Brown, Kaysie, ‘War economies and post-conflict peacebuilding: identifying a weak link’, *Journal of Peacebuilding and Development*, Vol. 3., Issue 1, April 2012; Newman, Edward and Keller, Miklas, ‘Criminal legacies of war economies’, *Journal of Peacebuilding and Development*, Vol. 3, Issue 3, 49-62, 2007; Pugh, Michael and Cooper, Neil, with Goodhand, Jonathan, ‘Controlling war economies, A critique of the liberal peace’ in, Pugh, Michael and Cooper, Neil, with Goodhand, Jonathan, Eds., *War Economies in a Regional Context. Challenges of Transformation*, A project of the International Peace Academy, Lynne Rienner Publishers, Boulder, London, 2004

and Security, particularly in Africa’, which offered to “take resolute action in areas where the illegal exploitation and trafficking of high-value commodities contribute to the escalation or continuation of conflict” (UN Resolution S/RES/1318).¹⁶³ The resolution arose, in part, against the backdrop of the establishment of the first ‘Panel of Experts’ in 1999, under UNSC 1237, tasked with analyzing the linkages between war economies, trade, commerce and conflict dynamics.¹⁶⁴ In parallel and as part of this discourse, there has been an increased focus on sanctions as part of UNSC tools for addressing dynamics of peace and security, particularly concerning the exploitation of natural resources and the financing of armed groups.

The sanctions regime has evolved considerably since the end of the Cold War. Whilst sanctions were originally ‘comprehensive’ – for Iraq, Haiti and the former Yugoslavia, for example, and meaning they were against states and/or the economies of specific states¹⁶⁵– with time they have become increasingly targeted. Targeted sanctions¹⁶⁶ evolved as a response to the ineffectiveness of comprehensive sanctions, thereby institutionalizing the practice of holding non-state actors, including individuals, “accountable before the international community.”¹⁶⁷ Supposedly underpinning the rationale behind this approach is the belief that “a state (or a political group) will change as a consequence of the pressure imposed on key individuals and non-state entities in the decision-making process.”¹⁶⁸ Interestingly, the majority of sanctions are ‘sectoral’ and predominantly target arms and commodities, such as petroleum, timber,

¹⁶³ Brown, Kaysie, ‘War economies and post-conflict peacebuilding: Identifying a weak link’, *Journal of Peacebuilding and Development*, Vol. 3, Issue 1, April, 2012, page 9.

¹⁶⁴ Ibid.

¹⁶⁵ Giumelli, Francesco, ‘Understanding United Nations targeted sanctions: An empirical analysis’, *International Affairs*, Vol. 91, Issue 6, 2015, page 1352.

¹⁶⁶ The UN defines targeted sanctions as: an arms embargo, including technical assistance, training, financial and other assistance related to military activities, and provision of armed mercenary personnel, on individuals and entities; a travel ban on individuals; and an assets freeze on individuals and entities, as designated by the Committee. <https://www.un.org/securitycouncil/sanctions/2127/sanctions-list-materials>

¹⁶⁷ Giumelli, Francesco, Understanding United Nations targeted sanctions: an empirical analysis, *International Affairs*, Vol. 91, Issue 6, 2015, page 1352.

¹⁶⁸ Ibid, page 1353.

charcoal and luxury goods.¹⁶⁹ Research published in 2015 demonstrated that 63 ‘asset freeze’ sanctions had been applied to individuals or corporate entities, compared to 30 for political entities, 16 for governments, and 13 for rebel fractions. This narrative is revealing on several levels: first, it seems to imply that only certain goods can be used to support war, when in fact any commodity can be used to support armed groups; second, and related to the first, the prominence of ‘sectors’ (extractives, weapons, luxury goods and banking/financial services) can easily obscure the interconnection between these sectors and others, since extractives and weapons cannot exist without transportation, communications, and other key service industries; third, the individualization inherent to the targeted approach lays the ‘blame’ for conflict on key actors – often framed as being either ‘rogue locals’ or ‘transnational’ in nature - conveniently diverting attention away from the (economic and political) systems in which they operate; lastly, it is interesting that business actors are made visible through the sanctions regime, whilst remaining glaringly invisible in the discourse on inclusion and the practice of peace mediation.

In the absence of a ‘local business lens in peace mediation’ which promotes engagement with licit and illicit business actors in the same manner mediators engage with a wide range of other (political, public) stakeholders, the current bifurcated response to licit and illicit businesses has unhelpful and, even, perverse effects. It leads to a de-politicisation of the causes of conflict and its potential remedies since the ‘good-bad model’ (or the ‘CSR versus sanctions model’) assumes that, since conflict brings underdevelopment then development will bring peace, and development must involve expanding economies, investment, and market liberalisation. This dangerously assumes that poverty, rather than the distribution of wealth, inequality and power¹⁷⁰ is a cause of conflict; indeed, “the task of rebuilding war-affected states is portrayed

¹⁶⁹ Ibid, page 1361.

¹⁷⁰ Peterson (2015), pages 10-11.

as a largely apolitical, neutral and thus unobjectionable project” and the “wider political project of spreading a particular ideological project – namely liberalism – is made to disappear.”¹⁷¹ The notion that there could be “a liberal war economy”¹⁷², or that free market policies and practices may have negative or counter-productive impacts – is almost never considered. Indeed, ‘good’ businesses should, according to this discourse, be entrenched and enabled. According to Pugh, Cooper and Turner, this discourse suggests increased foreign and domestic private sector investment is vital for societies emerging from conflict, helping them “to reap the material rewards of peace, as well to strengthen the constituencies opposed to a return to war”¹⁷³ because business transactions promote cooperation and “consolidates shared interests and understanding between erstwhile enemies.”¹⁷⁴

Again, language with respect to this binary matters, and is revealing. ‘Licit’ is defined as that which is “allowable, permitted, lawful” whereas ‘illicit’ is that which is “not authorized, or allowed; improper; irregular; *esp.* not sanctioned by law, rule or custom.”¹⁷⁵ The allusion to permissibility, rules and customs sheds light on the extent to which the construction of these terms is inherently tied to concepts of *legitimacy* within a given context, which evolve with time. Those activities deemed illegal or criminal – as demonstrated effectively by Foucault throughout his work¹⁷⁶ – are intricately related, therefore, to power: the power both to decide what is accepted and what is not, but also to hide the linkages between what is accepted and what is not, to veil, mask, deflect. The terms associated with ‘illicit’ serve the purpose of isolating that which is not allowed, demonstrating its separateness; as Moises Naim suggested,

¹⁷¹ Ibid, page 51.

¹⁷² Herring, Eric, ‘Neoliberalism versus peacebuilding in Iraq’, in in Pugh, Michael; Cooper, Neil and Turner, Mandy, Eds., *Whose peace? Critical Perspectives on the Political Economy of Peacebuilding*, Palgrave, McMillan, 2008, page 60.

¹⁷³ Selby, Jan in Pugh, Cooper and Turner, Eds., (2008), page 19.

¹⁷⁴ Ibid, page 19.

¹⁷⁵ Oxford English Dictionary (OED). (Last accessed August 3rd 2019).

¹⁷⁶ See, for example: Foucault, Michel, *L’histoire de la folie à l’âge classique*, Gallimard, Paris, 1972; Foucault, Michel, *Naissance de la clinique*, Presses universitaires de France, Paris, 1963; Foucault, Michel, *L’archéologie du savoir*, Gallimard, Paris, 1969; Foucault, Michel, *L’ordre du discours*, Paris: Gallimard, 1971; Foucault, Michel, *Surveiller et punir*, Paris: Gallimard, 1975.

terms such as *offshore*, *black market* and *dirty money* seek to demonstrate “an ability to draw moral and economic lines and patrol their boundaries that is confounded in practices.”¹⁷⁷ Like the three binaries at the heart of this chapter, the practices of the ‘illicit’, along with the actors involved in them – the “syndicates, cartels, gangs, triads, secret societies, mafias, guerrilla outfits, terrorist networks”¹⁷⁸ – do not exist in isolation. The discourse implies that the sphere of social order, that sanctioned by the nation-state, is the legitimate one, whilst everything outside of it is *illegitimate*. Indeed, such language “constructs conceptual barriers between illicit bad-guy activities (trafficking, smuggling) and state-authorized good-guy activities (trade, migration) that obscure how these are often part of a single spectrum.”¹⁷⁹

The ‘single spectrum’ arguments presents a very different reality to the one advocates of the licit/illicit binary would have us believe, for several reasons. The notion that illicit economic actors are not political, since they seek profit not power, ignores the fact that profit can also be political just as it can also provide power. Furthermore, while such individuals, groups and entities may not seek ‘formal power’, they depend upon the state for their existence: paradoxically, their strategy “involves the development of clandestine advantage in political relations with and in the upperworld, even if the rents and power accrued lie primarily in the underworld.”¹⁸⁰ Interestingly, as underscored by James Cockayne, the distinction between criminal economic actors and states, in some cases, becomes blurry since some criminal groups can behave like states, whilst some states behave like organized criminals.¹⁸¹ Even the distinction between a so-called ‘upperworld’ and ‘underworld’ is questionable when one

¹⁷⁷ Naim, Moises, *‘Illicit’, How Smugglers, Traffickers and Copycats Are Hijacking the Global Economy*, Arrow books, London, 2005, page 6.

¹⁷⁸ Abraham, Itty and van Schendel, Willem, ‘Introduction, The making of illicitness’, in Abraham, Itty and van Schendel, Willem, Eds., *Illicit Flows and Criminal Things; States, Borders, and the Other Side of Globalization*, Indiana University Press, 2005, page 9.

¹⁷⁹ Ibid, page 7.

¹⁸⁰ Cockayne, James, *Hidden power, the strategic logic of organized crime*, Hurst and Company, London, 2016, page 21.

¹⁸¹ Ibid.

considers that the lines between black, gray and white markets¹⁸² are conceptual rather than factual: “the same individuals participate in both, a commodity may pass between the two in the course of successive transactions, unofficial and official modes of importation may be combined at all stages of the journey.”¹⁸³ Indeed, Carolyn Nordstrom suggests that 90 percent of Angola’s economy; 50 percent of economies of Kenya, Italy and Peru; 40 to 60 per cent of Russia’s economy; and between 10 and 30 percent of the United States economy enters into extra-state transactions.¹⁸⁴ She describes the shielding of these facts from mainstream policy and research as the ‘politics of invisibility’ i.e. a deliberate effort to hide the extent to which modern states depend upon warzone profits.¹⁸⁵ Moreover, she argues, “[e]xtra-state phenomena are not marginal to the world’s economies and politics, but central to them.”¹⁸⁶

A body of rich work on this topic by Nordstrom¹⁸⁷, Naylor¹⁸⁸, MacGaffrey¹⁸⁹ and Jung¹⁹⁰, for example, underscores the relationships between illicit and licit markets and actors and, in particular, the relationship between so-called war economies and broader economies of which they are a part. Naylor describes black markets as “institutionally embedded in the legal economy”¹⁹¹; Nordstrom argues the “modern state is configured around both the formalization and informalization of economic and political power”¹⁹²; and, MacGaffey and Currey argue that illicit phenomena “are as much political and social as they are economic.”¹⁹³ The exclusion

¹⁸² Trabulsi, Andrew, ‘Warlords, Inc. = A Portrait’, in Radford, Noah and Trabulsi, Andrew, Eds., *Warlords, inc. Black Markets, Broken States and the Rise of the Warlord Entrepreneur*, North Atlantic Books, 2015, page xviii.

¹⁸³ MacGaffey and co., *The Real economy of Zaire, The Contribution of Smuggling and Other Unofficial Activities to National Wealth*, London, University of Pennsylvania Press, Philadelphia, 1991, page 2.

¹⁸⁴ Nordstrom (2004), Page 11.

¹⁸⁵ Ibid, page 34.

¹⁸⁶ Ibid, page 106.

¹⁸⁷ Ibid.

¹⁸⁸ Naylor, R. T., *Wages of Crime, Black Markets, Illegal Finance, and the Underworld Economy*, Cornell University Press, Cornell University, 2004.

¹⁸⁹ MacGaffrey (1991).

¹⁹⁰ Jung, Dietrich, Ed., *Shadow globalisation, Ethnic Conflicts and New Wars, A Political Economy of Intra-State War*, Routledge, London and New York, 2003.

¹⁹¹ Naylor, (2002), page 3-4.

¹⁹² Nordstrom, (2004), page 115-6

¹⁹³ MacGaffey, (1991), page 2.

of illicit actors from the B4P discourse, therefore, forms part of the ‘politics of invisibility’¹⁹⁴, and yet, they are central to war to peace transitions and, therefore, to peace mediation. Whilst controversial, rather than looking at some such actors as ‘criminal’, they can also be viewed as resilient and creative: actors able to survive and indeed prosper in contexts where conflict, violence and insecurity are endemic. Indeed, rather than an aberration, illicit economic groups “might better be conceived as a way for the globally excluded to find a space to be innovative, a space in which the rules of the game have not already been stacked against them.”¹⁹⁵ This conceptualization begs the questions as to whether mediation professionals are able to view and engage with illicit economic actors with the same level of understanding and compassion that has often been extended to armed groups on the basis of their ‘legitimate grievances’¹⁹⁶ despite the violence they espouse. Are political grievances more legitimate than economic ones? Are public aspirations so distinct from private ones? And, to what extent can licit actors be considered more ‘legitimate’ than illicit ones?

Conclusion

The B4P discourse is deeply entrenched in the history of the UN System and the dynamics of the international system. As a result of enduring dichotomies, B4P helped to solidify a definition of businesses as economic actors, whose contribution to peace *writ large* can be made in the private sphere, by ensuring licit businesses behave in a responsible manner, defined according to the principles of corporate social responsibility; simultaneously, peace – in this

¹⁹⁴ Nordstrom (2004), page 34.

¹⁹⁵ Gilman, Nils, ‘Innovation, deviation and development’ in, Radford and Trabulsi, Eds., (2015), page 17.

¹⁹⁶ The greed and grievance framework of Collier and Hoeffler has been particularly instructive at implicitly contributing to a binary in which grievances are considered political and legitimate, whereas ‘greed’ is considered to be economic and *less* legitimate. The framework has been critique extensively elsewhere and is not treated in particular detail here to avoid going over well-trodden ground and because other binaries are considered more pertinent to this discussion, but its relevance is noted. Collier, Paul and Hoeffler, Anke, ‘Greed and grievance in civil war’, *Oxford Economic Papers*, 56, 2004.

sense – is conceptually distinct from the ‘peace’ of peace mediation, a political realm of actors behaving in the public interest. In this construction of peace, the ‘public’ and the ‘political’ seek to be distinguished from the ‘illicit’ through a discourse of criminalisation upheld through the sanctions regime: “*Political* I am; economic, private, illicit, I am not.” The effect of these binary oppositions is to entrench the role of international business actors in countries in conflict, while simultaneously marginalising local business actors from peace mediation. Deconstructing these terms – political/economic, public/private, licit/illicit - and how they have been used in historical practice, in language and in academia demonstrates the manner in which they are not only socially constructed but infused with power dynamics; at the heart of these dichotomies and power dynamics, after all are human relations.¹⁹⁷ So, how pervasive is the exclusion of local businesses from the practice of peace mediation? And how do mediators themselves perceive, understand and articulate this exclusion?

¹⁹⁷ Bruff (2011), page 87.

3

Chapter Three The Practice of Peace and the Exclusion of Business Actors

“Why on earth would someone putting up bombs have more legitimacy to be included than someone who provides livelihoods to everybody, basically? It’s a bias, nothing less and nothing more.”¹

Introduction

“You are definitely onto something”, exclaimed Jeffrey Feltman, former UN Under Secretary-General for Political and Peacebuilding Affairs (DPPA)² in the context of a side conversation at the Dialogue Advisory Group’s ‘Amsterdam Dialogue’ conference on mediation in Spring 2019; “the exclusion of business actors is an issue for DPPA in peace processes, but also more broadly for the UN Secretariat, and the UN system as a whole.”³ But to what extent is this exclusion the norm rather than the exception? To what extent is the exclusion of business actors from peace mediation unique to the UN system? Do other mediation entities, often responsible for supporting Track 1 efforts - through initiatives across Tracks 1.5 and 2 in particular - also exclude business actors from peace mediation efforts? Are so-called ‘formal’ and ‘licit’ businesses excluded to a greater or lesser extent than so-called ‘informal’ and ‘illicit’ businesses? To the extent that such actors are included at all, how and to what level of detail? What does this tell us about power, where it lies and its effects?⁴

¹ Pachoud, Gerald, Former Special Advisor to SRSR Ruggie and independent expert on business and human rights, in-person (Switzerland) and phone interviews, 10 and 18 September, 2018 (7).

² Feltman was in this position from 2012 to 2018 (DPPA, formerly DPA – Department of Political Affairs).

³ Feltman, Jeffrey, Former Under Secretary-General for Political Affairs, United Nations, phone interview, 3 June 2019.

⁴ Foucault, M., ‘Questions of Method’ in Burchell, G., Gordon, C., and Miller, P., Eds., *The Foucault Effect: Studies in Governmentality*. University of Chicago Press, 1991; Lukes, Steven, *Power – A Radical View*, Second Edition, Palgrave Macmillan, 2005.

To answer these complex and overlapping questions, this chapter seeks to bring together the discourses on the politics of inclusion and the business of peace, to explore how these discourses play out – in reality - in the political practice of peace mediation. While the chapter on the politics of inclusion demonstrates the endemic exclusion of business actors from the ‘local turn’ in peacebuilding broadly speaking and the discourse on inclusion in peace mediation specifically, this chapter seeks to explore the extent to which that discourse matches with practice, how, to what extent and under what guise. Similarly, while the B4P discourse marginalises local business actors from the understanding of business, and peace mediation from the understanding of peace, this chapter seeks to understand whether the reality of local contexts and mediators’ understanding of peace mediation reinforces or diverges from these discursive dynamics. Indeed, how do mediators perceive, interpret and articulate the inclusion and exclusion of business actors from mediation, and to what extent does it reinforce and overlap with the historical configurations of the B4P discourse?⁵

This chapter argues that UN mediators and mediation professionals exhibit a blind spot when it comes local business actors, and that such a blind spot is evidenced by the absence of a local business lens in the political practice of peace mediation. Indeed, as will be demonstrated in the next three sections of this chapter, in the political practice of mediation local business actors are consistently excluded and/or marginalised from: mediation strategies and processes; peace agreements and settlements; and, considerations of the way mediation processes are structured and/or the ‘form’ they take. Evidently, in practice, these categories overlap and intertwine, but this conceptual framework allows for a comprehensive

⁵ Thus the views of the mediators engaged with for the purposes of this research are considered indicative rather than representative.

consideration of these different aspects of peace mediation. Moreover, to demonstrate this exclusion, the following sections on mediation *process*, *content* and *structure* will each draw upon three complementary modes of analysis.

The first is an assessment of all the peace agreements signed since 1990, undertaken using the University of Edinburgh's Peace Agreements Database (PA-X Version 2).⁶ The analysis is based on a two-pronged approach which looks first at the pre-negotiation phase of a peace agreement, and, second, at settlements. Analysis of agreements in the pre-negotiation phase (total of 505) covers all types of agreements, including those related to process, principles, confidence-building measures and 'other' agreements; analysis of settlements (total of 889) includes: framework/substantive and partial agreements; framework/substantive comprehensive agreements (excluding constitutions), and ceasefire agreements.⁷ Since this thesis maintains that local business actors tend only to become the focus of international actors' attention during the peace implementation phase, this analysis excludes implementation agreements and/or renegotiations and renewals of agreements. So as to cast as wide a net as possible, the analysis includes intra-, inter- and regional level conflicts.

Rather than focusing on economic or business-related provisions within a peace agreement – research already undertaken to various degrees by other actors, as will be discussed below – this assessment focuses on local business entities as *actors* i.e. stakeholders with agency. Since this thesis also maintains that businesses are not only economic actors but also political and social actors, an analysis of economic or business-relevant provisions would only serve to reinforce the predominant view of businesses as economic actors in the private sphere.

⁶ The Peace Agreements Database can be accessed here: <https://www.peaceagreements.org/search> (Last accessed July 2019).

⁷ These are the search categories available in the PA-X database.

Research within the PA-X database, therefore, was undertaken around key concepts associated with businesses *as actors*, including typically ‘formal’ terms: ‘business’, ‘corporation’, ‘company’, and, ‘private sector’; and, concepts typically associated with ‘informal’ business actors: ‘informal’; ‘illicit’, ‘traffickers/smugglers’⁸, ‘cartels’ and ‘criminal groups’. While the PA-X database allows for a ‘key term’ search, out of context it is impossible to ascertain whether these words refer explicitly or not to business actors. In peace agreements, the word ‘business’, for example, is often used in non-economic contexts to discuss ‘the business of government’; ‘corporation’ often appears in ‘re-incorporation’, predominantly referring to the reintegration of armed actors; similarly, the word ‘company’ is often used to refer to battalions and, ‘informal’ refers predominantly to the common concept of ‘informal meetings.’

Consequently, a contextualised analysis⁹ – within the peace agreements – provides a more accurate picture of business inclusion and exclusion. It also allows for a deeper analysis according to both *scope* and *frequency*. Scope is measured on a scale of 1 to 3 whereby: ‘1’ indicates that the actor is mentioned, but only in passing; more often than not, this indicates that a business actor was referred to once, either in isolation, or as part of a longer list of other stakeholders; ‘2’ indicates that the actor is mentioned *in context* i.e. some understanding of the demands or expectations being placed on the actor, or the commitments made is provided; ‘3’ indicates a greater level of detail i.e. specific references to the actor in question are made, normally with some reference to a timeframe and/or location and/or level of granularity which went above and beyond merely putting the actor in context. Frequency is measured in terms of the number of provisions per agreement that are relevant to the actor in

⁸ ‘Traffickers’ featured in peace agreements associated with the pre-negotiation phase, whereas ‘smugglers’, as a term, was more prominent in comprehensive peace agreements; both were therefore used in order to take a ‘maximalist’ approach.

⁹ For contextualised and non-contextualised comparison, see Appendix Two: Contextualised and non-contextualised text analysis for ‘licit’ and ‘illicit’ business terms.

question; ‘provisions’, as a concept, is not consistent across peace agreements, so this analysis – as with the analysis of scope – required some degree of subjectivity. ‘Provisions’ were considered as either numbered articles, or separated by paragraphs; if an actor is mentioned more than once in the same provision or sub-provision, for example, it still only constituted one ‘mention’.¹⁰

The second mode of analysis draws upon interviews with 22 mediators and mediation professionals conducted via phone (with professionals stationed globally) and in person in The Netherlands, Lebanon, Switzerland, the United Kingdom and the United States of America in the context of semi-structured interviews - some conducted over the course of several meetings/calls. These experts consisted of: nine senior figures from the UN System, in particular current and former Special Envoys, Directors¹¹ (HQ and field) and other official representatives; four academic-practitioners; two government mediators/representatives; representatives from swisspeace in Berne and the Folke Bernadotte Institute in Stockholm; and, the Executive Directors of five of the leading European peace mediation entities: Tuija Talvitie (one of the few leading senior women mediators), Executive Director of the Crisis Management Initiative (CMI) in Helsinki, Finland; David Harland, Executive Director of the Centre for Humanitarian Dialogue (HD Centre) in Geneva, Switzerland; Jonathan Powell, CEO and Founder of Inter-Mediate in London, United Kingdom; Michael Keating, former Special Representative of the Secretary-General for Somalia and current Executive Director of the European Institute of Peace (EIP) in Brussels, Belgium; and, Laurent Goetschel, Head of swisspeace in Berne¹², Switzerland. Where relevant and not duplicative of previous

¹⁰ Full analysis available upon request.

¹¹ D1 and D2 levels (senior level professionals in the UN System).

¹² In the process of moving to Basel, Switzerland.

chapters, this second mode of analysis is substantiated or nuanced with relevant secondary research.

The third mode of analysis consists of an illustrative case study focused on the UN-supported peace process in Yemen 2011-2016,¹³ which included a Transition Agreement (2011), a National Dialogue Conference (2014), and two attempts at mediation following the Houthi takeover of Sanaa in 2015, including in Geneva in mid-2015, and Kuwait in 2016 – with few meaningful or sustainable results (more details on the conflict and mediation process in Yemen are provided in Chapter Five). This case study allows us to shine the light on the UN approach to business actors specifically through a focused analysis of how the Office of the Special Envoy (OSE) went about engaging (or not) with formal and informal business actors in a particular context, their views towards such actors and the strategies used to engage them. This aspect of the case study is based on twelve phone interviews conducted over the course of 2017 and 2018, consisting of: nine current and former UN officials who worked as part of the OSE in Yemen, indirectly in support of the mediation team from New York and/or more broadly as part of the UN System in Yemen during that period; and, four practitioners, all of whom were involved with the work of the Special Envoy and/or aspects of the peace mediation process (particularly Tracks 1.5 and 2). This part of the chapter and this aspect of the case study is in no way meant to represent a critique of the UN engagement in Yemen more broadly, not least since such an analysis has been covered extensively elsewhere;¹⁴ the

¹³ For more background information on the conflict in Yemen and the peace mediation efforts, please see Chapter Five: Business actors in Yemen (2011-2016). A deep understanding of the conflict in Yemen is not required for the purposes of this chapter, however.

¹⁴ See: Al-Dawsari, Nadwa, 'Breaking the cycle of failed negotiations in Yemen', Project on Middle East Democracy (POMED), May 2017; Bollinger, Sarah, 'Navigating Yemen to safe shores: Prospects for national dialogue and reconciliation', Oxford Research Group, 17 April 2015; Day, Stephen W., 'The 'non-conclusion' of Yemen's National Dialogue', The Middle East Channel, January 27, 2014; Gaston, Erica, 'Process lessons learned in Yemen's national dialogue', Special Report 342, United States Institute of Peace, February 2014; Governance and Peace-building Center, 'The role of the United Nations and its Special Envoys in the current Yemeni war: Floundering in a tragic reality', GPBC and CIDIN Radboud University, Sana'a, March 1, 2018; Lackner, Helen, Ed., 'Why Yemen Matters, A society in transition', SOAS Middle East Issues, 2014; Mancini, Francesco and Vericat, Jose, 'Lost in transition: Mediation in Libya, Syria, and Yemen', International Peace Institute (IPI), November 2016; Murray, Christina, 'Yemen's National Dialogue Conference',

case study focuses on the extent to which local businesses actors informed: the strategy of the Special Envoy and his team; the content of the peace settlement; and, the structure/format of the process.

Mediation process and strategy: What role for local business actors?

As summarised by David Harland, Executive Director of the Centre for Humanitarian Dialogue, in response to the question “what role do local business actors play in mediation process and strategy”, the short answer was: “Not enough and not very much.”¹⁵ Indeed, the majority of experts made evident that local business actors are not engaged consistently in official or unofficial peace mediation processes at Track 1, 1.5 or Track 2 levels in any shape or form; whilst there were exceptions – three to be precise, as will be discussed shortly – the predominant view is that local business actors, quite simply, do not appear on the radar of mediation professionals – whether UN or non-UN. As Marc Jacquand, a former senior UN official exclaimed: “businesses do not feature prominently in policies, programmes or strategies, it’s simply not a natural constituency for the UN.”¹⁶ And, the problem is not UN-specific; whilst Jonathan Powell has personally engaged extensively with business actors in the context of his own work, he noted: “how to engage with licit and illicit actors strikes me as a really important issue that people in the mediation field haven’t addressed adequately and, unfortunately, there are no magic answers as to how to go about it.”¹⁷

October 2013; Paffenholz, Thania and Ross, Nick, ‘Inclusive political settlements, new insights from Yemen’s National Dialogue’, Prism 6, No. 1, March 1, 2016; Salisbury, Peter, ‘Yemen, National chaos, local order’, Middle East and North Africa Programme, Chatham House, December 2017; Thiel, Tobias, ‘Yemen’s negotiated transition between the elite and the street’, LSE Blog, March 3, 2014; Zyck, Steven A., ‘Mediating transitions in Yemen: Achievements and lessons’, International Peace Institute, October 2014.

¹⁵ Harland, David, Executive Director of the Centre for Humanitarian Dialogue, in-person interview, Geneva, 25 September, 2018 (9).

¹⁶ Jacquand, Marc, Former Senior UN Official, phone interview, 23 November, 2018 (16).

¹⁷ Powell, Jonathan, CEO and Founder, Inter Mediate, phone interview, 22 November, 2018 (12).

While reflective of the formal, rather than the informal aspects of mediation processes, this conclusion is substantiated by an analysis of pre-negotiation/process-related agreements (see Figure One, below).¹⁸ An analysis of 505 peace agreements in the PA-X database indicate that only 6.93 per cent of peace agreements (or 35 peace agreements) during the pre-negotiation phase reference either one licit or illicit business actor, whilst 4.75 per cent reference at least one business actor, and 2.77 per cent reference at least one illicit business actor. The averages are also revealing: an average¹⁹ of 1.34 per cent of peace agreements (or 6.75 peace agreements) include a reference to at least one formal business actor (business, corporation, company, or private sector), while only 0.63% (or 3.20 peace agreements) include a reference to at least one informal business actor (informal actor, illicit actor, trafficker/smuggler, cartel or criminal group). We can break this down further in order to find that, for example: only 13 peace agreements include the term ‘business’;²⁰ 5 refer to ‘corporation’²¹ and ‘private sector’²² respectively, and only four refer to ‘company’²³. On the

¹⁸ There is no systematic, verifiable way to demonstrate the extent to which mediators engage with local business actors in peace processes: much of what happens during peace processes is informal and/or ‘off the radar’ and, short of interviewing each and every mediator who has mediated since the 1990s, the best we can hope to achieve is a ‘proxy’ figure i.e. an indicative sense of their inclusion, which is how this form of analysis is used.

¹⁹ Averaged out across the different business-related terms used in each of the ‘licit’ and ‘illicit’ categories.

²⁰ Conclusions of the Conference on Afghanistan and the International Community: From Transition to the Transformation Decade (Bonn Conference), 2011; Accord bilatéral pour le développement et le renforcement des relations entre Soudan et Tchad, 2007; Acuerdo sobre Reglamento para la Zona de Encuentro, Gobierno Nacional-ELN, 2000; Comunicado FARC-Gobierno del viaje a Europa, 23 de febrero de 2000; Comunicado FARC-Gobierno del viaje a Europa, 19 de febrero de 2000; Acta de Resumen, Reuniones entre el Gobierno de Colombia y la CGSB, 1991; Athens Meeting of the Georgian and Abkhaz sides on confidence-building measures, 1998; Basic Agreement for the Search for Peace by Political Means (‘Oslo Agreement’) (Guatemala, 1990); Protocol on Economic Relations, Israel-Palestine (1994); Kenyan National Dialogue and Reconciliation: Public Statement on Agenda Item One, 2008; Declaration of Intent (by the Fulani Dialogue Steering Committee), Nigeria, 2013; National Peace Accord, South Africa, 1991; The LTTE’s Proposal for an Agreement to Establish an Interim Self-Governing Authority for the Northeast, Sri Lanka, 2003

²¹ Agreed Basic Principles signed 8 September 1995 at Geneva, Bosnia-Herzegovina, 1995; Declaración del Gobierno y la CGSB, Primera Ronda de Conversaciones, Colombia, 1991; Protocol on Economic Relations, Israel-Palestine, 1994; Joint Declaration (Paris), Libya, 2017; Peace Agreement between the Republic of the Philippines and the Rebolusyonaryong Partido NG Manggagawa – Pilipinas/Revolutionary Proletarian Army/Alex Boncayao Brigade, Philippines, 2000.

²² Conclusions of the Conference on Afghanistan and the International Community: From Transition to the Transformation Decade (Bonn Conference, 2011); Joint Announcement by the National Government and the National Liberation Army (ELN), 2017; A Performance Based Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian conflict, 2013; Government of Sri Lanka’s Proposal to the LTTE Regarding a Provisional Administrative Council, (2003); Government of Sri Lanka’s Proposal to the LTTE Regarding Creation of an Apex Body, (2003).

²³ Acuerdo sobre Reglamento para la Zona de Encuentro, Gobierno Nacional-ELN, Colombia, 2000; Joint Statement, Philippines/Mindanao, 1999; Joint Statement, GRP-MILF Technical Committee, Philippines/Mindanao, 1998; Joint Press Statement, Philippines/Mindanao, 1998.

Business actors in peace negotiations and peace settlements		Pre-negotiation - 505 peace agreements (PA)				
		Contextualised term analysis				
		No. PA	% PA	Total no. of prov	Av. no prov/PA	Av. Scope of prov
Licit actors	Business	13.00	2.57	17.00	1.31	1.38
	Corporation	5.00	0.99	6.00	1.20	1.60
	Company	4.00	0.79	4.00	1.00	2.00
	Private sector	5.00	0.99	4.00	0.80	1.40
Illicit actors	Informal actor	0.00	0.00	0.00	0.00	0.00
	Illicit	2.00	0.40	2.00	1.00	2.00
	Trafficker/smuggler	11.00	2.18	11.00	1.00	1.64
	Cartel	0.00	0.00	0.00	0.00	0.00
AGs	Criminal group	3.00	0.59	2.00	0.67	1.67
	Armed Group	24.00	4.75	21.00	0.88	1.79
	Militia	10.00	1.98	16.00	1.60	1.70
Average	Average licit references	6.75	1.34	31.00	1.08	1.60
	Average illicit references	3.20	0.63	15.00	0.53	1.06
	Average armed actors	17.00	3.37	37.00	1.24	1.75
TOTALS	Peace agreements with < one licit/illicit	35.00	6.93			
	Peace agreements with < one licit reference	24.00	4.75			
	Peace agreements with < one illicit reference	14.00	2.77			
	Peace agreements with licit & illicit references	4.00	0.79			
	Peace agreements with < one armed group	33.00	6.53			
	Peace agreements with armed group & militia	1.00	0.20			

Figure one: Inclusion of business actors in pre-negotiation phase of peace mediation – scope (S) and frequency (F)²⁴

illicit side, 11 refer to ‘traffickers’;²⁵ and only 2 mention the word ‘illicit’ (Afghanistan, Colombia)²⁶, and no peace agreements in this phase include the terms, ‘informal’ (to refer to a business/sector), nor ‘cartel’. Interestingly, however, 11 peace agreements referenced ‘trafficking’, particularly in relation to Afghanistan and Colombia. Within those peace agreements that *do* include a reference to businesses, there are an average of only 1.08 provisions per peace agreement that relate to licit business actors, and 0.53 provisions per peace agreement that relate to illicit businesses. In terms of specificity, the scope of these

²⁴ ‘PA’ is short for peace agreement; ‘AG’ for armed groups.

²⁵ Conclusions of the Conference on Afghanistan and the International Community: From Transition to the Transformation Decade (Bonn Conference), 2011; Tashkent Declaration on Fundamental Principles for a Peaceful Settlement of the Conflict in Afghanistan (1999); Acuerdo de 'Agenda Comun por el Cambio hacia una Nueva Colombia', Gobierno Nacional-FARC-EP (1999); Declaración de la Habana, Gobierno Nacional-ELN, (2001); Comunicado FARC-Gobierno del viaje a Europa, 23 de febrero de 2000, (2000); Acuerdo de Conformación del Frente Común por la Paz y Contra la Violencia, (2000); Sante Fe de Ralito Accord to contribute to peace in Colombia (July 2003); Declaración de Países y Organismos Internacionales, Audiencia Pública Internacional sobre Medio2000); Metodología y Temática para las Discusiones, Comunicado No. 8, Mesa Nacional de Diálogos y Negociación, Colombia (2001); Joint Declaration (Paris), Libya (2017); Palermo Conference for and with Libya, Conclusions (2018);

²⁶ Tashkent Declaration on Fundamental Principles for a Peaceful Settlement of the Conflict in Afghanistan (1999); Acuerdo de 'Agenda Comun por el Cambio hacia una Nueva Colombia', Gobierno Nacional-FARC-EP, 1991.

provisions has an average of 1.60 for licit businesses, and a scope of 1.06 for illicit references, indicating that the majority of licit references are provided with some context but no detail, whilst illicit actors tend to be mentioned mainly in passing. It is also important to note that Afghanistan, Colombia, and Philippines-Mindanao are over-represented in the data: if these outliers were removed, the figures would be even lower.

Despite these low figures, there was, however, a strong awareness amongst mediation practitioners that they *should* be engaging business actors in the context of peace negotiations, underscoring that their role remains a potential one: when pressed to consider what kind of roles business actors *could* play, many echoed the findings of one of the few policy guidance pieces on the topic: “Business actors can contribute to peace processes by influencing the parties, mobilizing the wider community, providing financial or logistical support to the process, acting as experts by bringing knowledge to the process, monitoring the implementation of the peace agreement, and exploring ways to create jobs.”²⁷ Despite not engaging with local business actors, many sought to turn the question on its head to ask, as Julian Hottinger - one of the world’s leading mediators – who certainly fell into the ‘exception’ category - suggested: “If you are talking to everyone else, why not talk to businessmen?”²⁸ Due to the fact that local business actors do not play an active role in peace mediation, exploring the rationales for their exclusion – as articulated and understood by the practitioners themselves - is imperative. Several key reasons emerged: first, what can be termed as an ‘analysis problem’; second, insufficient or poorly aligned skills, capacities and resources; third, issues related to cultural bias’s and (mis)-perceptions of ‘self’ and ‘other’; and lastly, a strong case of ‘double standards.’

²⁷ Sguaitamatti, Damiano; Iff, Andrea; Alluri, Rina M., Mason, Simon J. A., ‘Business actors in mediation processes’, Peace Mediation Essentials, CSS ETH Zurich, swisspeace, December 2010.

²⁸ Julian Hottinger, Senior mediator, Swiss Federal Department of Foreign Affairs, phone interview, 2 November, 2018 (13).

The ‘analysis mantra’ i.e. the notion that engagements should be preceded by context/conflict analysis, has gained traction within the UN System. The analysis used, however, does not tend to promote the inclusion of business actors. Whilst staff-demand led to the creation of Political Economy Analysis (PEA) course at the UN DPPA’s Policy and Mediation Team (PMD),²⁹ PEA as a tool of analysis is not consistently used as a baseline for engagement in conflict contexts, undermining the possibility of capturing public-private dynamics of power. When PEA³⁰ is used, it is generally understood through the lens of politics and stability i.e. looking at the economic factors that drive conflict. As Scott Smith, a senior UN Official stated, “that lens of analysis is almost never reversed: an understanding of the political factors that can drive the economy is almost only ever considered in superficial ways.”³¹ Moreover, the analysis-strategy gap is endemic: conflict analysis is generally delegated to expert consultants and perceived as a ‘box-ticking exercise’ which gets largely forgotten as the peace process runs on.³² On the rare occasions that analysis includes a section on PEA, as the process evolves analysis becomes narrowly focused on “party dynamics at the table, intransigence of certain groups, fragmentation of others...and any pre-existing PEA angle simply disappears.”³³ Moreover, whether PEA or another conflict analysis tool is used, these tools rarely acknowledge businesses as *actors* rather than *dynamics*: i.e. “as a separate entity that may either have legitimate claims or which may be seen as a spoiler, businesses almost never appear in analytical frameworks.”³⁴ To the extent

²⁹ Feltman, Jeffrey, Former United Nations Under Secretary-General for Political Affairs, United Nations, phone interview, 3 June 2019 (11).

³⁰ Political economy analysis from this ‘angle’ can be understood through the lens of these authors, for example: Berdal, Mats and Zaum, Dominki, *The Political Economy of Statebuilding, Power after Peace*, Routledge, London, 2013; Berdal, Mats and Wennmann, Achim, *Ending Wars, Consolidating Peace: Economic Perspectives*, Routledge, New York, 2013; Brassett, James and Holmes, Christopher, ‘International Political Economy and the Question of Ethics’, *Review of International Political Economy*, Vol. 17, Issue 3, August 2010.

³¹ Smith, Scott, Senior UN Official, phone interview, 1 December, 2018 (18).

³² Anonymous, Senior Government Representative, phone interview, 16 October 2018 (17).

³³ Ibid.

³⁴ Ibid.

that business actors are considered at all, it is through the lens of corruption, injustice, or lack of jobs. The notion that business actors could actively contribute to peace mediation is almost never considered.³⁵ Lastly, any degree of ‘digging’ to understand illicit business actors is perceived as insufficiently relevant to justify the risk; as Christopher Coleman, current Deputy Special Representative of the Secretary-General (DSRSG) and former UN Chief of Planning and Mediation at the (former) Department of Political Affairs noted: “the UN is not very good at understanding the underworld. We kind of have an understanding of where the fault-lines are, and we *kind of* get that. But not with the granularity that would help us to formulate strategies that would be most effective.”³⁶ Analysis, it seems, can only take us to far.

Do mediators and mediation support professionals simply not have the right skill-set or resources to engage with businesses? Graciana del Castillo has argued that peace mediators rarely “have much experience in economic and financial issues that would allow them to analyse how those factors affect conflict and could affect the post-conflict environment”³⁷, and rarely do they compensate for this fact by adding such ‘experts’ to their teams.³⁸ This argument pre-supposes that a particular skill-set is required to *see* and *engage* with businesses; it's a slippery slope argument, however. Does one need to be a woman or have a degree in gender studies to be able to see and engage with women? Does one need to have a degree in security studies to recognise that armed groups have an important role to play in peace mediation? And yet, many of those engaged with considered that business engagement

³⁵ Smith, Scott, Senior UN Official, phone interview, 1 December, 2018 (18).

³⁶ Coleman, Christopher, Former Chief of Policy Planning and Mediation, Department of Political Affairs, Deputy Special Representative of the Secretary-General, Kosovo (UNMIK) and leading the Transition Team on Reform of the UN Peace and Security Pillar (temporary assignment, New York), phone interview, 11 October 2018 (21).

³⁷ Del Castillo, Graciana, *Obstacles to peacebuilding*, Global Institutions, Routledge, London & New York, 2017, page 21.

³⁸ *Ibid*, page 46.

required “a particular kind of know-how”³⁹ and a particular kind of “inclination or instinct”⁴⁰ – knowledge and knack that Special Representatives of the Secretary-General (SRSGs) and their teams simply do not tend to have. Certainly experience and knowledge always helps and, therefore, private sector/business experience may assist mediators to better understand and speak the ‘language’ of business, but mediators are expected to engage with a wide range of stakeholders without any specific qualifications. Others suggested that the skills required have less to do with business or economy *per se*, but rather a deeper understanding of local power dynamics - and the UN tends not to hire on the basis of local knowledge.⁴¹ More to the point, it seems that ‘comfort’ rather than skill-set matters; as Tuija Talvitie underscored: “we have a status quo bias: we tend to swim in a small pool, in our zone of familiarity or our ‘comfort zone’, you might say.”⁴²

Accounting for the failure to engage with business actors in peace mediation processes, therefore, requires an understanding of more deeply-seated cultural factors i.e. inter-subjective understandings of the world that cannot be easily overcome by a skills-training or guidance notes. So why do mediation professionals believe, as David Harland suggested, that international mediators are “considerably more comfortable and adept at dealing with political and military actors than business ones”⁴³? The first cultural aspects concern what mediators understand a peace process to look like: as David Lanz suggested, “we have a template in mind, and in that template peace negotiations take place between a government, one rebel group or at most a small number of groups contending for power”⁴⁴ – a template

³⁹ Coleman, Christopher, Former Chief of Policy Planning and Mediation, Department of Political Affairs, Deputy Special Representative of the Secretary-General, Kosovo (UNMIK) and leading the Transition Team on Reform of the UN Peace and Security Pillar (temporary assignment, New York), Phone Interview, 11 October 2018 (21).

⁴⁰ Anonymous, former Senior UN Official, phone interview, November 2018 (specific quote anonymised upon request).

⁴¹ Anonymous, academic-practitioner, in-person interview, Switzerland, 10 September 2018 (1).

⁴² Talvitie, Tuija, Executive Director of CMI, phone interview, 18 October 2018 (4).

⁴³ Harland, David, Executive Director of the Centre for Humanitarian Dialogue, in-person interview, Switzerland, 25 September, 2018 (9).

⁴⁴ Lanz, David (Dr.), Co-head of the mediation programme, swisspeace, and lecturer, University of Basel, in-person interview, Switzerland, 11 September 2018 (19).

summed up by the liberal peacebuilding model.⁴⁵ Business engagement is not seen as a priority within that model and mediators, according to former SRSG Keating, do not necessarily want to be seen “wandering off to have rich discussions with the private sector and the IMF” in the midst of urgent political and humanitarian crises.⁴⁶ But since the notion of engaging with civil society, women and, increasingly, youth has been able to chip away – at least on the periphery – of that template/model in a way that local business leaders have not, other dynamics must be at work.

Many interviewees suggested implicitly or explicitly that the self-perceptions of mediators, and their pre-conception of business actors is the principle ‘culprit’. Having served as UN Special Advisor to SRSG John Ruggie, on human rights and transnational corporations, and then as private sector focal point at the UN Peacebuilding Support Office (PSBO) for several years, Gerald Pachoud was the most vocal proponent of the notion that the UN in particular, and the mediation and peacebuilding community more broadly, has a cultural ‘problem’ with business actors. His insights are too rich and insightful not to include in full here:

Many in the UN by and large think that they are the white knights and that businesses are bad. And so they don't want to lower themselves to work with businesses. People working on conflict or peacebuilding understand that you can only make peace with your enemies, but those same people won't engage with business because they are for-profit. What struck me most was that even younger people have this same mentality...You end up in this sector because you are not commercially-minded; people that do business are from far away, this 'other' world. Armed groups are in the comfort zone, its group A and group B, state or non-state, that is in the algorithm, business is not...It is comes partly from being isolated from new actors: how long did it take for the UN to accept NGOs? So business is a couple of bridges further down...And worst of all is that with the SDGs now the UN is all over the private sector, but it's not really strategic: it's not really engagement, its fundraising. At the

⁴⁵ For liberal peace ‘critiques’, see, for example: Paris, Roland, ‘Peacebuilding and the limits of liberal internationalism’, *International Security*, Vol. 22, No. 2, Fall 1997; Heathershaw, John, ‘Unpacking the liberal peace: the dividing and merging of peacebuilding discourses’, *Millennium – Journal of International Studies*, Vol. 36, Issue 3, May 2008.

⁴⁶ Keating, Michael, Former United Nations Special Representative of the Secretary-General, Somalia, Executive Director of EIP, phone interview, 9 November 2018 (14).

policy level, business is still seen as a ‘cash-cow’, not as an actor. Why on earth would someone putting up bombs have more legitimacy to be included than someone who provides livelihoods to everybody, basically? Again, it is a bias, nothing less and nothing more. It doesn't make any sense otherwise. In informal discussions with colleagues, I would push them on this issue and they would eventually say, “yes, but they are for-profit actors”: my response was always, “so what?” It is the perception that the peacebuilding community is there to save the world, and the business community is there to exploit it, and therefore they are bad. Even if we accept that notion, it still wouldn't make any sense not to engage with them because they are powerful, because they have access and most importantly because they can be leveraged to reach our goals.⁴⁷

The cultural bias issue is closely tied to the notion of ‘double standards’ i.e. standards for engagement applied to local business actors, which are not applied to civil society, women, youth or NSAGs as explored in Chapter One. The first concerns the ‘difficulty argument’: we do not engage with business actors because engagement with them will increase the complexity of an already complex mediation process⁴⁸ on the one hand, and because they are difficult to engage with on the other. Since there are collectively many more civil society actors, women and youth than there are local business actors, this argument comes across as an excuse: it is fundamentally (and numerically) more difficult to engage women, civil society and youth in a meaningful manner than business actors. Similarly, terrorist or ‘pariah groups’ are not exactly the easiest groups to have tea with, but the mediation community has expended considerable effort to do so. Second, business actors, it has been suggested may not be engaged with by other UN actors since they perceived as “not good at, do not have the skills and are not comfortable at mediating, being mediators or being involved in mediation”;⁴⁹ this argument pre-supposes that the most important role a business can play is

⁴⁷ Pachoud, Gerald, Former Special Advisor to SRSR Ruggie and independent expert on business and human rights, in person interview, Switzerland, and phone interview, 10 and 18 September 2018 (7).

⁴⁸ Anonymous, Academic-practitioner, in-person interview (details removed to protect anonymity).

⁴⁹ Keating, Michael, Former United Nations Special Representative of the Secretary-General, Somalia, Executive Director of the European Institute of Peace (EIP), phone interview, 9 November 2018 (14). Here Mr. Keating is reflecting on reasons that other UN actors may give or have for not engaging with business actors rather than expressing his own view of business leaders.

as a mediator, rather than a wide range of other roles businesses can play (women and youth are also not engaged in peace mediation processes because the international community is expecting them to ‘mediate’ the crises they are a part of *per se*). Even in cases where stakeholders are expected to play roles over and above their skill and knowledge level, the international community is generally very ready to provide ‘capacity-building’ expertise to them. Fourth, the legitimacy argument – generally applied to ‘illicit’ business leaders – that “you don’t want to reward people for bad behaviour”⁵⁰; again, this same logic is not consistently applied to armed or terrorist groups. Fifth, the interesting notion that “any association with a for-profit entity casts a shadow over the impartiality of the third party”;⁵¹ besides the fact that the impartiality of any mediator is politically- and culturally-relative, the idea that ‘speaking’ equals endorsement seems highly dubious from a mediation perspective and brings the whole mediation endeavour into question. Lastly, the common argument that if business actors are not engaged, it’s ‘their fault’: “if UN guys don’t know something about the private sector, then it’s because the private sector isn’t reaching out.”⁵² This presents a picture of the world’s leading peace actors in which they are sitting in their compounds waiting for local conflict and peace actors to come and explain themselves; much energy has been expended thinking through how to develop entry-points, sensitise, incentivise and gain trust with a wide range of stakeholders: “What prevent us from having a similarly sophisticated approach to business?”⁵³

Whilst the mediation community *generally* does not consistently reach out to local business actors, there are exceptions, and these provide considerable insights into what forms local

⁵⁰ Powell, Jonathan, CEO and Founder, Inter Mediate, phone interview, 22 November 2018 (12).

⁵¹ Harland, David, Executive Director of the Centre for Humanitarian Dialogue, in-person interview, Switzerland, 25 September 2018 (9).

⁵² Anonymous, Academic-Practitioner, phone interview, 2018 (quote and details anonymised at request of interviewee).

⁵³ Jacquand, Marc, Former Senior UN Official, phone interview, 23 November 2018 (16).

business engagement could take in practice.⁵⁴ Jonathan Powell, for example, spoke extensively about the engagement of ‘legitimate’ businesses in both Northern Ireland and Colombia, whereby business played the role of “supporting the peace process, giving jobs to the demobilised” and playing an “active, positive role.”⁵⁵ Other mediation professionals also pointed to Colombia as a case where businesses were engaged with in a structured manner.⁵⁶ Similarly, Julian Hottinger provided many examples where he has personally engaged with international and local business actors. While international businesses are not the focus of this research, he provided several insights of occasions where international businesses have helped get difficult actors to the table, or move negotiations out of deadlock by explaining the benefits of peace to wavering signees. In the case of local business actors, Swiss/Switzerland-based diaspora have provided vital contacts to business leaders in countries in conflict, or have shed light on the dynamics that may influence both formal and informal business leaders, and how the parties to the conflict could be influenced by them. In one example, a series of workshops were held in an unspecified location in the Middle East with ‘informal’ business actors who were profiting from the conflict; according to Hottinger, many attended with the goal of understanding the extent of the threat that the peace process posed to them. The workshops were designed to understand the war economy, and to help actors think through how to transition out of it. In other examples, he has engaged with business actors funding armed groups, with the goal of influencing them: “We are trained to the talk to the devil”, he said, “as long as the devil will talk to us: my job isn’t to judge, my job is to get peace.”⁵⁷ Lastly, former SRSK Keating provided numerous examples of his time in Somalia: he engaged the business community to respond to the humanitarian

⁵⁴ Other, more *ad hoc* examples were provided in the course of the interviews, but these were the ones that stood out as providing solid examples of how to go about engaging formal and informal business leaders.

⁵⁵ Powell, Jonathan, CEO and Founder, Inter Mediate, phone interview, 22 November 2018 (12).

⁵⁶ Anonymous, Mediation practitioner, in-person interview, Lebanon, 9 April 2019 (5).

⁵⁷ Hottinger, Julian, Senior mediator, Swiss Federal Department of Foreign Affairs, phone interview, 2 November 2018 (13).

crisis and to help keep market prices stable, and supported government efforts to engage the private sector in helping Somalia to qualify for debt relief by encouraging businesses to pay taxes and import duties, for example. As advice to mediators he suggested: “You ignore the role of the business community at your peril.”⁵⁸

Mediation process and strategy: Yemen in focus

The UN officials and experts interviewed for the purposes of this research paint a bleak picture of the UN approach to business actors in Yemen during the 2011-2016 period, echoing many dynamics outlined above. Indeed, despite diverse (and often Yemen-specific)⁵⁹ policy-oriented literature advocating for political economy approaches to better understand the informal power and patronage structures, the UN Office of the Special Envoy (OSE) not only lacked PEA: it was not “guided by any structured analysis of the various stakeholder groups involved in the transition and their underlying interests”⁶⁰ at all. UN Special Envoy Jamal Benomar did not lead or request any formal, dedicated analysis⁶¹, and stands accused of refusing to even look at draft analysis produced by members of his own team.⁶² UN officials involved in the mediation efforts, furthermore, lamented the fact that PEA analysis commissioned by US and UK governments, as well as relevant analysis from other parts of the UN system⁶³, did “not percolate up to where the decisions were being made”⁶⁴ - both because there was a tendency for the team to revert to pre-conceived ideas of

⁵⁸ Keating, Michael, Former United Nations Special Representative of the Secretary-General, Somalia, Executive Director of the European Institute of Peace (EIP), phone interview, 9 November 2018 (14).

⁵⁹ See, for example: Zyck; Healy, Sally and Hill, Ginny, ‘Yemen and Somalia: Terrorism, shadow networks and the limitations of statebuilding’, Middle East and North Africa Programme/Africa Programme, October 2010; Hill, Ginny; Salisbury, Peter; Northedge, Leonie; and, Kinninmont, Jane, ‘Yemen, Corruption, Capital Flight and Global Drivers of Conflict’, A Chatham House Report, September 2013.

⁶⁰ Zyck, Steven A., ‘Mediating transitions in Yemen: Achievements and lessons’, International Peace Institute, October 2014, page 10.

⁶¹ De la Haye, Jos, Team Leader, Governance and Peacebuilding Cluster, United Nations Development Programme, Phone Interview, 22 June 2018 (30). He noted that analysis was based on conversations with stakeholders, but that there was no structured mechanism for doing analysis.

⁶² Anonymous, UN Official, phone interview, 17 July 2018.

⁶³ UNDP conducted a study on informal and governance structures: United Nations Development Programme, ‘Assessment on Formal and Informal Governance in Yemen’, UNDP in Yemen, 2015.

⁶⁴ Anonymous, UN Official, phone interview, 1 November 2018 (34).

what the process should look like, and because PEA is often perceived as difficult to ‘implement’.⁶⁵ As one member of the team acknowledged, even if they had completed or requested PEA, “we would not necessarily have known what to do with it.”⁶⁶ As a result, many interviewees felt the team was “unprepared”⁶⁷, “out of its depth”⁶⁸ and almost entirely lacking any understanding of informal power structures, or economic perspectives.⁶⁹

It is not surprising, therefore, that business actors were excluded from contributing – formally or informally - to the transition agreement of 2011, the planning of the National Dialogue Conference (NDC) of 2014, and the negotiations held in Geneva and Kuwait in 2015 and 2016 respectively. Whilst Benomar is commended for “going out of his way to be inclusive and to reach out to a wide range of stakeholders”⁷⁰ - where ‘being inclusive’ is defined as not excluding parties that could disrupt an agreement from the outside or include parties that could prevent an agreement internally⁷¹ - it is evident that ‘inclusion’ here referred to political parties, the Houthis, the southerners, civil society, women and youth – but *not* to business actors. In this spirit, experts were brought in to advise on gender, process design, and constitutional reform but business actors, and what is often referred to by UN officials as being the ‘socio-economic side’ of the conflict, was “not taken seriously”⁷² and external experts on these issues were not hired. UN officials believe their approach to conflict contexts was engrained “almost like muscle memory”; one official compared the UN’s approach to a flight operating at 30,000 ft. from where it is easy focus only on the two most visible parties, losing sight of the sub-national and local dynamics.⁷³ With hindsight, this blind spot seemed

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Anonymous, UN Official, phone interview, 29 October 2019 (24).

⁶⁹ Ibid.

⁷⁰ Mancini and Vericat (2016), page 11.

⁷¹ Ibid.

⁷² Anonymous, UN official, phone interview, 29 June 2019 (27).

⁷³ Anonymous, UN official, phone interview, 1 November 2018 (34).

baffling even to those who worked closely with Benomar:

Business leaders are super important. It's been one of the huge gaps in our engagement and approach [...]. I fail to understand why we haven't spoken to Chamber of Commerce and business leaders. On the humanitarian side, [UN counterparts] are better at doing that. On the political side, I have not seen sufficient engagement, but there could be good ideas that come out of the business community. I haven't seen it happen. It is the traditional approach, we are doing mediation, we talk to the diplomats and the ministers and those from foreign affairs.⁷⁴

Much broader than the confines of UN mediation strategy, the NDC presented a unique opportunity to bring all parts of Yemeni society together, including local business actors. The UN played a significant role during the preparations for the NDC: it was responsible for setting up forums to discuss issues concerning political and social reform outside of the conference, and to assist national stakeholders in the design and management of the dialogue process, the organisation of the NDC, and coordination mechanisms with stakeholder groups.⁷⁵ In particular, the UN was mandated to “ensure the active and meaningful participation of all Yemenis, in line with UNSCRs 2014 (2011) and 2051 (2012)”⁷⁶; these mandates were also in line with the Gulf Cooperation Council (GCC) agreement, which was explicit about a role in the transition for youth, Southern Movement, Houthis, other political parties, civil society representatives and women.

The issue of representation had several facets and, therefore, a myriad of ways in which the business community could have been engaged.⁷⁷ First, there was representation in the NDC itself; second, participation in the diverse Working Groups where preliminary decisions were

⁷⁴ Ibid.

⁷⁵ United Nations, ‘Joint United Nations framework to support the transition in Yemen 2012-2014, A multi-dimensional framework to support a peaceful and inclusive transition’, United Nations, 30 March 2012.

⁷⁶ A/HRC/24/34.

⁷⁷ The issue of establishing local dialogues was discussed extensively as being a manner in which to ensure local voices could be channelled to inform the elite process at the Movenpick, but these dialogues did not materialise. Van Veen, Erwin, Senior Research Fellow, Conflict and Research Unit, Clingendael, phone interview, 13 July 2018.

made; and, third, engagement in the bodies set up to manage the process (the Presidium and the Consensus Committee).⁷⁸ Representation in the NDC itself was based on a formula which *a priori* did not explicitly include local business actors; despite references to the need to reflect “all segments of Yemeni society”, the 11 segments considered ‘worthy’ of representation included: the Southern Movement; Al Islah (Islamist party); independent youth groups (included in this constituency were civil society groups and women’s organisations); the Yemeni Socialist Party; the Houthis; the Unionist Popular Nasserite Organisation; and five other smaller parties, including the Arab Nationalist Al Baath party.⁷⁹ As a result, only 3 out of 565 seats at the NDC were allocated specifically to the private sector compared to 40 seats allocated for women, youth and civil society each (a total of 120 seats).⁸⁰ In addition to these allocated seats, the President appointed an additional 62 seats to tribal dignitaries, religious leaders and representatives of religious minorities, including representatives of the Jewish community.⁸¹ Participation in the working groups was drawn from the broader NDC population, but the UN had a significant role to play in facilitating the selection of members of the bodies set up to manage the process; UNDP, for example, facilitated the selection of the youth constituency (who would serve on the preparatory committee); and, UN-Women led a similar process for the selection of women.⁸² No similar process was held for engagement with local business actors⁸³: “it was not a category to be involved in the NDC; Benomar did not pay a lot of attention to business interests – it wasn’t

⁷⁸ Murray, Christina, ‘Yemen’s National Dialogue Conference’, (full citation not provided), October 2013, page 6.

⁷⁹ The National, ‘Yemen National Dialogue Conference participants’, Agency France-President, March 18, 2013.

⁸⁰ This figure was provided by various businessmen themselves; UN counterparts were unable to confirm whether the business actors were given any seats at all.

⁸¹ The National (March 18 2013).

⁸² De la Haye, Jos, Team Leader, Governance and Peacebuilding Cluster, United Nations Development Programme, Phone Interview, 22 June 2018 (30). The UN was responsible for helping to select around 20 people to serve on the preparatory committee from each of the major selected constituencies; on the basis of those selected, the President would then select five who would be responsible for sitting in the drafting of design committee. The process created considerable tensions as it was understood that they were being selected to participate in the NDC itself.

⁸³ This is not to say that local business leaders were not involved, of course; many business actors may have participated as members of political parties, or as youth and women. The point here is that there were not selected to participate on the basis of what they might contribute to the process as business actors, unlike other constituencies.

on the agenda, and it wasn't something he considered important.”⁸⁴

In April 2015, Jamal Benomar was replaced as Special Envoy by Mauritanian diplomat, Ismail Ould Cheikh Ahmed, who held talks between Houthi and Yemeni Government representatives, in both Kuwait and Geneva, to foster agreement on cessation of hostilities, de-escalation of military activities and a road map for future dialogue. These new modalities and new conflict dynamics did not, however, usher in a new approach to business. Other important stakeholders in the ‘inclusion discourse’ were present: as Dr. Bilqis AbuOsba noted, “I was one of seven women appointed to take part in the Kuwait negotiations in 2016, and to deliver message about women” (her work also continued under Special Envoy Martin Griffiths).⁸⁵ During the period of 2011-2015, when business actors *were* engaged in the peace process, either formally or informally, it was in their capacity as political figures: as one UN official said, “business people were at the table anyway.”⁸⁶ Given that they are referring here to members of the Saleh and Al-Ahmar family⁸⁷ – leaders of the major political ‘camps’/families, as will be demonstrated in the Chapter Five - this represents a rather narrow concept of local business actors.

Despite this evident ‘blind spot’, at the country level, there is strong evidence that issues related to ‘political economy’ were appreciated by some UN actors⁸⁸ and often incorporated into analyses; but this knowledge did not translate into a different way of doing peacemaking and often failed to make its way from the development side of ‘the house’ to the political.⁸⁹

⁸⁴ Anonymous, Mediation practitioner, phone interview, 31 October, 2018 (25).

⁸⁵ Head of Awam Foundation for Development and Culture, expert in anti-corruption; Dr. Bilqis AbuOsba, Professor, Political Science, University of Sana’a, phone interview, 2 November (39).

⁸⁶ Anonymous, UN Official, phone interview, 11 July 2018 (32).

⁸⁷ Ibid.

⁸⁸ Anonymous, UN Official, phone interview, 16 July 2018 (23). The issue was, according to this official, also appreciated by many donors who signed a mutual accountability framework in 2013, which included many relevant issues.

⁸⁹ Ibid. The person was able to reference several non-public documents that may have assisted the OSE but which were not used; beyond analysis, however, this person stated that the development side of the house (predominantly UNDP), “only gets involved in dialogue with businesses on livelihoods issues.” This person also described a “Champions of Peace’ steering

The UN Common Country Assessment of 2011⁹⁰, for example, discusses patronage networks and the links between political leadership and prominent business families but, in programmatic terms, the UN Development Assistance Framework (UNDAF) only mentions the private sector once in the Results and Resources Framework⁹¹; similarly, the Joint UN Framework to support the transition in Yemen 2012-2014⁹² analyses the root causes of the conflict through a lens of unequal access to power and resources, and goes on to envision a role for the private sector in the transitional process - albeit as a single reference and in terms of ‘partnerships’ amongst a long list of other stakeholders.⁹³ Several UN officials interviewed lamented the management style of Special Envoy Benomar, which they maintain undermined the possibility for greater cross-pollination between the work being undertaken by UNDP, for example, on such issues, and the OSE. As Steven Zyck suggested, animosity between the UN Special Envoy and senior UN development figures “ultimately prevented the OSE from drawing fully upon other UN agencies in country”, and especially from providing “more robust and frequent technical inputs” for the NDC.⁹⁴ It is questionable, however, whether with different personalities at the helm whether business actors would have made it into the core of the political realm of peace mediation.

Peace agreements and settlements: What role for local business actors?

According to Mikael Eriksson and Roland Kostic the provisions of a peace agreement “determine the conditions for post-conflict peace.”⁹⁵ Whilst there is no such thing as a perfect

committee, dedicated to local governance issues which included business people who “both sponsored and created job opportunities.”

⁹⁰ United Nations, ‘United Nations Common Country Assessment’, (UNCCA), Republic of Yemen, UN, 2011.

⁹¹ A result-based management tool used by the UN programmatically.

⁹² United Nations, ‘Joint United Nations framework to support the transition in Yemen 2012-2014, A multi-dimensional framework to support a peaceful and inclusive transition’, United Nations, 30 March 2012.

⁹³ Ibid.

⁹⁴ Zyck (2014), page 9.

⁹⁵ Eriksson, Mikael and Kostic, Roland, ‘Peacemaking and peacebuilding, two ends of a tail’, in Eriksson, Mikael and Kostic, Roland, Eds., *Mediation and Liberal Peacebuilding, Peace from the Ashes of War?* Routledge, 2013, page 13-14.

agreement – every agreement has some *intrinsic inadequacy*⁹⁶ - a ‘good’ agreement should be both backward and forward looking: seeking to resolve conflicts of the past and prevent those of the future. This chapter argues, therefore, that if formal or informal, licit or illicit business actors are driving the conflict and/or have the potential to promote or undermine the peace that emerges, then one would expect businesses to appear in peace agreements and settlements as actors with agency to effect change.

The issue of business inclusion has been addressed partially and indirectly in the literature. For the last 15 years, Susan Woodward has underscored the endemic, and highly problematic, exclusion of economic issues from peace agreements; the exclusion is nonsensical, she argues, since the first phase of peace implementation is dependent on three economic factors: “sufficiently rapid economic revival to generate confidence in the peace process; adequate funding to implement key aspects of the peace agreement; and, [...], sufficient funding to enable the establishment of government institutions and the transition to a peace-time economy.”⁹⁷ Similarly, Hugo De Vries et al. have emphasised the interconnection between political and economic power; powerbrokers, fighters and the general population are all dependent on the structuring of the post-conflict economy and, as such, they argue, “brokering a deal on political power-sharing alone will simply be incomplete.”⁹⁸ Achim Wennmann, moreover – who has also published extensively on this issue - argues that “peace processes are a long neglected development opportunity”⁹⁹ and that, whilst addressing economic issues can be challenging, including economic issues in peace agreements – at the

⁹⁶ Randle, Robert F., *The Origins of Peace: A study of Peacemaking and the Structure of Peace Settlements*, The Free Press, New York, London, 1973, page 481.

⁹⁷ Woodward, Susan L, ‘Economic priorities for peace implementation’, International Peace Academy, Center for International security and Cooperation Stanford University, New York, October 2002, page 2.

⁹⁸ De Vries, Hugo; Lange, Paul; Specker, Leontine, ‘Economic provisions in peace agreements’, Institut Clingendael, 2009, page 9.

⁹⁹ International Alert, by Achim Wennmann, ‘Practice note 5: Supporting the economic dimensions of peace processes, strengthening the economic dimensions of peacebuilding, Practice Note Series, 2010, page 138.

right time and in the right way - creates a much-needed framework for post-conflict economic governance.¹⁰⁰

Despite these insights and, in some cases, *pleas* for more attention to economic and economy-related issues in peace agreements, the record in this regard remains bleak; indeed, as Graciana del Castillo has lamented, “failure at addressing the economics of conflict resolution during peace negotiations, and the economics of peace during the post-conflict period, effectively continue to be a major obstacle to peacebuilding”.¹⁰¹ A study conducted in 2007 by the Chr. Michelsen Institute (CMI) on the economic and institutional provisions of peace agreements found, unsurprisingly, that peace agreements “emphasize issues of security and political power” to the detriment of economic issues.¹⁰² A similar study conducted by Christine Bell at the University of Edinburgh almost eleven years later echoed these findings, and recommended that, in order to address this deficit, those involved in mediation efforts should “have access to technical economic expertise.”¹⁰³ Another study by Sean Molloy – also at the University of Edinburgh – focused more specifically on business provisions. His review of peace agreements from 1990 to 2016 found that there are three main types of business-related provisions; those that: reference the potential contributions that businesses can make to peace/post-conflict reconstruction; address the broader business environment; and, delineate responsibilities for business environment reform.¹⁰⁴ Interestingly, the report notes that despite “the identification of potential roles that business

¹⁰⁰ Wennmann, Achim, ‘Economic provisions in peace agreements and sustainable peacebuilding’, *De Boeck Superieur*, “Negotiations”, 2009/1, no.11, 2009, page 44.

¹⁰¹ Del Castillo, Graciana, *Obstacles to peacebuilding*, Global Institutions, Routledge, London & New York, 2017, page 1.

¹⁰² Chr. Michelsen Institute (CMI), ‘Peace Processes and Statebuilding: Economic and Institutional Provisions of Peace Agreements’, prepared for the World Bank and UNDP, March 2007, page 17.

¹⁰³ Bell, Christine, ‘Economic power-sharing, conflict resolution and development in peace negotiations and agreements’, *Economic Series*, Political Settlements Research Team, PA-X Report: Power-sharing series, University of Edinburgh, 2018, page 7.

¹⁰⁴ Molloy, Sean, ‘Business and Peace Agreements’, *Economic Series*, PA-X, University of Edinburgh, 2018, page 6-7.

can play [in peacebuilding], there is comparatively little discussion regarding how best to engage business to undertake these roles.”¹⁰⁵

While the aforementioned research provides important contextual information regarding the broader peace mediation space in which business actors may be included and excluded, it tells us little about the level and scope of inclusion itself. Since a central claim of this thesis is that businesses are not *only* economic actors (but also socio-political actors), using the existence of economic provisions as a proxy for measuring business inclusion is simultaneously reductive and misleading: the power of local business actors extends well beyond the economic realm on the one hand, and not all economic provisions relate to local business actors on the other. Similarly, whilst Molloy’s work – as the only one identified which looks specifically at businesses and peace settlements – provides useful insights on business provisions, since the level and scope of business provisions is not quantified it is not easy to put this information in context; furthermore, the existence of business provisions does not necessarily imply that businesses as an *actor with agency* have necessarily been acknowledged/included in the context of the agreement or settlement. A corollary would be the controversial notion of identifying ‘women-relevant’ provisions, without including women anywhere in the text.

An analysis of 889 peace agreements from the PA-X database, including ceasefires, partial and comprehensive agreements (see Figure Two, below), demonstrates that 15.30 per cent of peace agreements include at least one reference to a licit or illicit business actor, which is higher than expected but lower than might be warranted upon closer analysis. Of those agreements, 13.27 per cent are references to licit business actors, whilst only 4.39 per cent of

¹⁰⁵ Ibid, page 16.

peace agreements include a reference to at least one illicit actor. The averages here are also revealing: an average of 8.77 per cent of peace agreements include a reference to one licit actor, a significantly lower number than above due to the large range: the term ‘business’ for

Business actors in peace negotiations and peace settlements		Ceasefires, partial and comprehensive agreements - 889 peace agreements				
		Contextualised term analysis				
		No.PA	% PA	Total no. prov	Av. no prov/A	Av. Scope of prov
Licit actors	Business	88.00	9.90	203.00	2.31	1.41
	Corporation	26.00	2.92	30.00	1.15	1.38
	Company	21.00	2.36	44.00	2.10	1.76
	Private sector	34.00	3.82	55.00	1.62	1.32
Illicit actors	Informal actor	3.00	0.34	1.00	0.33	1.33
	Illicit	25.00	2.81	127.00	5.08	1.52
	Trafficker/smuggler	13.00	1.46	19.00	1.46	1.62
	Cartel	1.00	0.11	1.00	1.00	2.00
AGs	Criminal group	4.00	0.45	1.00	0.25	1.25
	Armed Group	78.00	8.77	216.00	2.77	1.96
Average	Militia	71.00	7.99	167.00	2.35	1.61
	Average licit references	42.25	4.75	83.00	1.79	1.47
	Average illicit references	9.20	1.03	29.80	1.62	1.54
TOTALS	Average armed actors	74.50	8.38	191.50	2.56	1.78
	Peace agreements with < one licit/illicit	136.00	15.30			
	Peace agreements with < one licit reference	118.00	13.27			
	Peace agreements with < one illicit reference	39.00	4.39			
	Peace agreements with licit & illicit references	22.00	2.47			
	Peace agreements with < one armed group	131.00	14.74			
	Peace agreements with armed group & militia	20.00	2.25			

Figure two: Inclusion of business actors in ceasefires, partial and comprehensive peace agreements – scope (S) and frequency (F)

example, appears in 9.90 per cent of peace agreements (88 peace agreements)¹⁰⁶, followed – after a large jump – by 3.82 per cent of agreements (34 peace agreements) for the term ‘private sector’, 26 for ‘corporation’ and 21 for ‘company’. The averages for illicit businesses are even lower: only 1.03 per cent of peace agreements include one reference to an illicit business actor, again with high range: 2.81 per cent (25 peace agreements) reference an ‘illicit’ actor; only four peace agreements reference criminal groups (Great Lakes, Colombia, two for Georgia-Russia-Ossetia)¹⁰⁷; and, only one peace agreement includes a reference to

¹⁰⁶ Too numerous to list in full here; complete analysis available upon request.

¹⁰⁷ Protocol of Non-aggression and Mutual Defence in the Great Lakes Region (November 2006); Final Agreement to End the Armed Conflict and Build a Stable and Lasting Peace, November 2016; Protocol on Interaction of Law-Enforcement

cartels (Kenya).¹⁰⁸ Even the highest reference to ‘businesses’ is low compared to the percentage of agreements that reference women (20%, or 181 peace agreements), civil society (14% or 126 peace agreements) and youth (12.6% or 112 peace agreements).¹⁰⁹ When business actors *are* referenced, the average number of provisions is 1.79 per peace agreements for licit actors, and 1.62 for illicit actors, making them a peripheral concern given that most peace agreements contain dozens, if not hundreds of provisions. The average scope of these provisions is 1.47 for licit actors, and 1.54 for illicit actors, indicating that the majority of provisions either only mention businesses in passing, or at least provide some degree of context; but very few go into specific levels of detail.

Mediators and mediation experts agree with the above analysis: “business actors are not part of peace agreements: they are simply left out.”¹¹⁰ While at the global level businesses have garnered increased attention, this has tended to be in fields perceived as ‘less political’, such as human rights and the environment; but as far as peace and conflict issues is concerned, engagement is still very limited.¹¹¹ And, yet, there is also agreement that the absence of issues related to both licit and illicit business actors on the agenda of peace talks is, quite frankly, “totally silly.”¹¹² Most mediators and mediation professions argue that: “we need to have dialogue on inclusive economies” in which businesses are included;¹¹³ “we absolutely should be engaging with licit and illicit businesses in peace settlements”¹¹⁴; and that there is a need

Bodies in the Zone of the Georgian-Ossetian Conflict, September 1997; and Protocol ‘On the activities of the sides’ Law Enforcement Bodies against Criminality in the Zone of the Georgian-Ossetian Conflict (2000).

¹⁰⁸ Sotik and Borabu Social Contract, November, November 2008.

¹⁰⁹ Analysis undertaken in PA-X.

¹¹⁰ Iff, Andrea, Mediation practitioner and academic, phone interview, 21 November 2018 (2)

¹¹¹ Goetschel, Laurent, Director of swisspeace, phone interview, 19 October 2018 (15).

¹¹² Talvitie, Tuija, Executive Director of CMI, phone interview 18 October 2018 (4).

¹¹³ Iff, Andrea, Mediation practitioner and academic, phone interview, 21 November 2018 (2).

¹¹⁴ Talvitie, Tuija, Executive Director of CMI, phone interview 18 October 2018 (4).

for greater awareness amongst practitioners and policy makers alike that “business can and should play a role” in peace talks.¹¹⁵

Despite this awareness, most practitioners view businesses in their traditional role as economic actors. Consequently, the justification for their inclusion in the elaboration of peace settlements takes an economic form, and their roles as political and social actors is largely unacknowledged. Many practitioners spoke of the need to build economic dynamics into peace agreements, and the imperative of engaging business actors in discussions around economic growth.¹¹⁶ The most common justification for including local business actors in peace agreements revolves around the “Jobs! Jobs! Jobs!” argument; but, as Gerald Pachoud argues, the blind spot *even* extends to the jobs argument: in countless UN documents referring to peacebuilding, economic recovery and job growth, business, companies and the private sector are still missing.¹¹⁷ In the rare dialogues concerning business involvement for job growth (Scott Smith gave Afghanistan as one example where private sector-led growth was discussed “on the margins of conferences”¹¹⁸) considerations of the incentives and disincentives has, too often, been lacking. This means that the formal and informal dynamics of power around businesses and their relationship with other societal actors remains in the shadows. There are simply no attempts to put these issues on the table.

The reasons for the failure to include local business actors consistently in the elaboration of peace settlements, and in the text of peace settlements themselves, are numerous – and evidently overlap with the reasons provided for the exclusion of local business actors from

¹¹⁵ Gloor, Anne, Founder of PeaceNexus Foundation and Director of NexusVesting, phone interview, 20 November 2018 (3).

¹¹⁶ Smith, Scott, Senior UN Official, phone interview, phone interview, 1 December, 2018 (18).

¹¹⁷ Pachoud, Gerald, Former Special Advisor to SRSR Ruggie and independent expert on business and human rights, in person interview, Switzerland, and phone interview, 10 and 18 September 2018 (7).

¹¹⁸ Smith, Scott, Senior UN Official, phone interview, 1 December, 2018 (18).

peace negotiations and mediator strategies. For example, many practitioners point to the skill-set of the mediator: as Anne Gloor, founder of the PeaceNexus Foundation and director of NexusVesting, stated: “mediators know about constitutions, power-sharing, elections, security and many other issues; they know, however, little about business. Mediators hardly suggest to put economics on the agenda. It doesn't come to their minds because it is a world they don't know enough.”¹¹⁹ Another common reason put forward is the view of business, as suggested above, as being there “to pay for things” (i.e. ‘cash cow’), whereas the majority of business actors are not inclined to put money into UN projects. This view of business, furthermore, somewhat misses the point of what they bring to the table.¹²⁰ Other arguments advanced also resounded with those made in the previous section: UN staff are out of their comfort zone; businesses don't want to be involved/shy away from actively being involved; businesses are reflected through their political counterparts, etc.

Three interesting arguments not previously raised with regards the inclusion of local business actors in the process of mediation were advanced. The first concerns the belief, as articulated by Graciana del Castillo, that problems with peace settlements arise due to the UN's conflation of economics with development; “development”, she argues, “is a broad concept that involves a million things, so the UN has development experts, but no experts on the budget, or fiscal or financial issues.”¹²¹ The conflation of these issues may explain, in part, the exclusion of businesses, since such experts would undoubtedly be more open to acknowledging businesses as key actors. However, again, this would ‘pigeon-hole’

¹¹⁹ Gloor, Anne, Founder of PeaceNexus Foundation and Director of NexusVesting, phone interview, 20 November 2018 (3).

¹²⁰ Pachoud, Gerald, Former Special Advisor to SRSR Ruggie and independent expert on business and human rights, in person interview, Switzerland, and phone interviews, 10 and 18 September 2018 (7).

¹²¹ Del Castillo, Graciana, Academic-practitioner and economist, in person interview, New York, 14 November 2018 (8).

businesses as economic rather political actors. The second, more political argument, is advanced by Jeff Feltman; “many states”, he suggests, “would say that this is not an issue for the Security Council to discuss.”¹²² He argued that one way to overcome such resistance would be to provide Special Envoys and other senior representatives with a similar ‘letter of instruction’ from the Secretary-General to the one Ambassador’s tend to receive from the Head of State. Such a letter could outline requirements to involve businesses in the elaboration of peace agreements, amongst other key stakeholders, such as women and youth. While this would make the idea more explicit and perhaps help overcome exclusion, it is questionable whether Security Council resistance explains business exclusion in full since most SRSGs are required to *interpret* mandates in ways that fulfil the requirements of achieving peace and security, which gives them some degrees of ‘manoeuvre’. Lastly, several experts suggested the exclusion of local business actors was further evidence of the failure of the international community to ensure the peace settlement serves as a bridge to the peace implementation phase: “Everything that happens in the peace implementation phase is a direct result of whatever happened in the mediation process”,¹²³ Del Castillo stated. And this point, quite simply, is difficult to argue with; this thesis goes one step further and argues that their exclusion represents not only a failure to connect the two, integral phases of peacebuilding, but a failure to recognise and engage meaningfully with local power dynamics more broadly.

Peace agreements and settlements: Yemen in focus

Interestingly, the agreement that emerged from Yemen’s NDC is an outlier in terms of business inclusion. Indeed, whilst - as previously mentioned - only 3 out of the 565 seats at

¹²² Feltman, Jeffrey, Former United Nations Under Secretary-General for Political Affairs, United Nations, phone interview, 3 June 2019 (11).

¹²³ Del Castillo, Graciana Academic-practitioner and economist, in-person interview, New York, 14 November 2018 (8).

the NDC were officially allocated to the private sector, Yemen's NDC Outcome document features a total of 54 provisions (the average is 13) - in which businesses are mentioned as an actor, with an average level of specificity of 2 – which means that some level of context for these business actors is provided. Out of these 54 'mentions', 12 relate to 'business', 9 relate to 'company', and 33 relate to the 'private sector.' It is paradoxical, therefore, that such actors were barely invited to participate in the conference (again, an analogy would be extensive discussions on issues related to women without inviting them – which happened frequently prior to UNSCR 1325 and the mainstreaming of women's inclusion in peace mediation¹²⁴). This is particularly striking when compared to other, more 'elite' peace agreements in Yemen: the agreement on the implementation mechanism for the transition process in Yemen (GCC agreement) made no mention of business actors; the Peace and National Partnership Agreement of 2014, mentions one and only in passing ('private sector'); the agreement on a ceasefire one month later between the Tihami Movement in Harah al-Yamin and Ansar Allah mentions none at all; and, business actors are also conspicuously missing from the 2016 Dhahran al-Janoub Agreements on the cessation of hostilities signed in 2016¹²⁵ - especially surprising since the agreement concerned the 'business capital', Ta'iz, and some of the 'oil provinces'.

These findings are telling on two, inter-related counts. First, this demonstrates a significant disconnection between local realities and the NDC: the 565 participants of the dialogue considered business actors significant enough to include 33 business-relevant provisions, whereas the organisers of the conference (political elites and UN actors) did not view business actors as significant enough to include them in a meaningful way as actors in the conference. Second, it is quite striking that, even though this was an extensive and wide-

¹²⁴ Smith, Scott, Senior UN Official, phone interview, 24 September 2018 (18).

¹²⁵ For Shadwah, al-Dhali', al-Bayhad, al-Jawf, Ma'rib, Ta'iz.

ranging dialogue that deliberated for ten months, it did not include one single reference to an informal or illicit business actor (no mentions of ‘informal’, ‘illicit’, ‘smugglers’, ‘cartels’ or ‘criminal groups’). This suggests that a discussion of power was largely marginalised from the conference; indeed, as one observer at the time stated: “renegotiation of the formal and informal ‘rules of the game’ during the transition are not happening at the [NDC].”¹²⁶ Whether at the local or international level, how to meaningfully alter the distribution of power in line with the demands of those who took to the streets in 2011 did not occur. It is questionable, therefore, to what extent the outcomes of the dialogue sought to fundamentally challenge the economic models and socio-economic structures at the national level on the one hand, and there was “little in the way of international debate about alternative ways of approaching global economic integration and more inclusive models of capitalism” on the other.¹²⁷

A closer look at the dynamics of the NDC demonstrates the marginalisation of business actors and local power considerations from the content of the peace agreements i.e. what was discussed and how. The UN Joint Framework to support the transition in Yemen 2012-2014, for example, describes quite extensively the challenges posed to local livelihoods by food price shocks, economic inequalities, unemployment and access to services and even mentions – albeit in passing – the need to elaborate a broad-based partnership with a wide range of actors, including the private sector.¹²⁸ Subsequently, one of the four pillars of the strategy referred to: “Sustainable livelihoods and basic social services: accelerating pro-poor and inclusive economic growth, creating immediate jobs and income generating opportunities for groups at risk (youth, women and poorer segments of society), and re-establishing and

¹²⁶ Hill; Salisbury; Northedge, and Kinninmont (2013), page 27.

¹²⁷ Ibid, page 43.

¹²⁸ United Nations, ‘Joint United Nations Framework to Support the Transition in Yemen 2012-2014, A multi-dimensional framework to support a peaceful and inclusive transition’, United Nations, 30 March 2012.

boosting basic social services and other social protection mechanisms.”¹²⁹ But this part of the strategy remained very much on the ‘development side of the house’ and did not make it way over to the OSE or the substance of their priorities. The OSE did not have any experts on political economy (whilst they hired experts on gender, process and constitutions), nor business-related issues, or even economic issues: “We were so ignorant as a team about those issues: you would think it would be important for us to know about how wealth was managed, and who it was owned by, but we didn't know anything like that”¹³⁰, stated one expert assigned to the team.

While the linkage between what the OSE knew and what was discussed in the NDC and subsequently featured in the NDC Outcome Document is not a direct one – it was a Yemeni-led process after all – significant effort was expended to ensure other actors were included, and this was not lost on local actors. In 2014, while the NDC was still underway, the UN Economic and Social Commission for Western Asia (UN-ESCWA) organised a High-Level meeting on the NDC¹³¹ at which (mostly Yemeni) participants noted the strong focus on political issues to the detriment of socio-economic and development ones. One participant stressed the need to discuss “social equity in the distribution of income and wealth; balance between different sectors: public, private cooperatives and mixed ownership and civil sector; the foundations and the pillars of the economy, including free economic activity, balance between sectors and encouraging innovation and competitiveness; the social responsibility of the state”¹³², amongst others. Another participant lamented the fact that the Yemen Workers Trade Union Federation, representing employees through the affiliated Trade Union

¹²⁹ Ibid.

¹³⁰ Anonymous, Mediation practitioner, phone interview, 24 July 2018 (29).

¹³¹ United Nations Economic and Social Council, Report, High Level meeting of the Yemen National Dialogue Beirut, 11-12 June 2014 E/ESCWA/ECRI/2014/WG.1/Report.

¹³² Ibid, page 84.

and Tripartite Negotiation Arbitration Commissions did not have a strong voice at the NDC.¹³³ Another attendee discussed the role the private sector had played in recent years:¹³⁴

*...[the private sector] had continually met with political fractions, parties and ambassadors of 10 countries and suggested, in 2011, an initiative that had not been taken into consideration due to the tense situation. Even in the worst circumstances, [the private sector] had been able to provide all goods and services falling within its responsibility while goods and services falling within the State's responsibility had been suspended. He highlighted that the private sector had suggested economic reforms in coordination with all actors. Some accused it of being out of touch, daring or exploitative, which was untrue even if it included, like other sectors, some corrupt groups.*¹³⁵

The international community, however, continued to focus on political groups on the one hand, and on traditionally 'excluded groups' (women, youth, minorities) on the other; whether in the field or at headquarters, these dynamics undoubtedly influenced who was included in the elaboration of the settlements. UN Headquarters-based entities reporting on Yemen during the period from 2011 to 2016 – including the Human Rights Council, the Security Council, and the Secretary-General, for example – feature a long list of stakeholders in their resolutions and reports – 'stakeholders' being actors with a stake in the conflict i.e. those who are assumed to have agency. These include: the Government of Yemen, armed opposition groups, al Hirak, Southern leaders, youth, al Houthi movement, Salafists, the Islah party, political parties, armed tribesman, Yemeni armed forces, al-Qaida, assailants, diplomats, Ministers, security officers, Gulf Cooperation Council, the League of Arab states, civil society representatives, sheikhs, notables, battalions, armoured brigades, Yemeni coast guard, Revolutionary committee (in no particular order).¹³⁶ These are all what one might –

¹³³ Ibid, point 85.

¹³⁴ Covered more extensively in Chapter five.

¹³⁵ Ibid, point 88.

¹³⁶ See for example: See for example: S/PRST/2012/8S/PRST/2013/3; S/PRST/2014/18; S/PRST/2015/8; S/PRST/2016/5; S/PRST/2017/14; S/2016/73; S/RES/2051 (2012); S/RES/2140 (2014); S/RES/2201 (2015); S/RES/2204 (2015); S/2015/125 (2015); S/2015/965 (2015); S/RES/2266 (2016); S/RES/2342 (2017); S/RES/2402 (2018); A/HRC/RES/19/29 (2012); A/HRC/RES/2012 (2012); A/HRC/24/34 (2013); A/HRC/26/8 (2014); A/HRC/27/44 (2014); A/HRC/RES/27/19 (2014); A/HRC/30/31 (2015).

through a narrow reading – term as ‘political actors’, in one shape or form. Generally speaking, the business actors, and the economy – licit/illicit – go largely unmentioned.

Second, on the rare occasions when businesses *are* included by HQ entities it is generally through two lenses. The first is largely humanitarian, whereby economic- and business-related dynamics are discursively tied to humanitarian rather than political dynamics. For example, in 2013, the Human Rights Council discussed the increasing food prices, decreased access to water, and the doubling of transportation costs as making “health care and other basic services even more difficult to access”¹³⁷; similarly, the President of the Security Council notes the need to expedite economic reforms to achieve “macroeconomic stability, fight poverty, and address the chronic humanitarian consequences in a sustainable manner.”¹³⁸ The second lens through which the economy and business actors are viewed is through the sanctions regime (as will be discussed in greater detail in the next section). The report of the Panel of Experts, responsible for overseeing the sanctions measures imposed in resolution 2140 (2014) extensively discusses Yemen’s economy, and focuses predominantly on the illicit economy, arms dealers, and the financing of terrorist groups such as Al-Qaeda in the Arabian Peninsula (AQAP) and business actors responsible for helping former President Saleh hide his assets. The three individuals who were subjected to targeted sanctions can all be considered political and/or security actors: (i) Abd al-Khaliq al-Huthi; (ii) Abdullah Yahya al Hakim; (iii) Ali Abdullah Saleh (the first two being rebel leaders, and the last the former President).

Where Benomar’s lack of sensitivity to political economy dynamics was felt most was with regards to federalisation. He played a particularly important role in supporting the ‘eight-

¹³⁷ A/HRC/27/44.

¹³⁸ S/PV.7255.

plus-eight' discussions, and, more specifically, in mediating the Regions Defining Committee – a structure formed “when it became apparent that Yemen’s future state structure would not be resolved within the NDC.”¹³⁹ The Regions Defining Committee was responsible for putting forward the plan for a six-part federal state, considered as one of the defining turning points in the conflict: “[t]he decision to have six regions in the federal state and the borders they were given marked the final break between the Houthi movement and the transitional process”¹⁴⁰ - and the opposition of Saleh and the Houthis to the federal constitution can be considered one of the most important reasons for war that followed. Both the Houthis and the Hiraak¹⁴¹ rejected the plan: for the Houthis, the plan meant they lost access to the Red Sea and to extractive resources, whilst they gained territories populated by people that did not support them; the Hiraak, on the other hand, wanted one region for the whole of the South Yemen.¹⁴² According to one advisor on Benomar’s team, the international community entirely “missed the boat” with regards to this issue.¹⁴³ While far from being a ‘silver bullet’, the explicit inclusion of licit and illicit local business actors would have gone a long way to ensuring such issues were put squarely on the table and, potentially, into the peace settlements that ensued.

Mediation structure and form: What role for local business actors?

The structure of the mediation process forms the often invisible, normative aspects that underpin what gets mediated, how and by whom, and with whom. The structure of the mediation explains, in part, the multiple issues so many mediation practitioners and scholars

¹³⁹ Zyck, IPI, (2014), page 9.

¹⁴⁰ Lackner, Helen, *Yemen in Crisis. Autocracy, Neo-Liberalism and the Disintegration of State*, SAQI, 2017, page 43

¹⁴¹ Also known as the Southern Movement.

¹⁴² Lackner (2017), page 43.

¹⁴³ Anonymous, UN Official, phone interview, 17 July 2018.

struggled to ‘pin down’ when exploring why something so obvious as including local business actors is so consistently marginalised from the practice of mediation. The structure that guides the mediation process is, as explored in the previous chapter, anchored in history and has evolved to produce deeply entrenched binary oppositions: political versus economic; public versus private; and, licit versus illicit. The peace process is, therefore, biased towards actors that are deemed ‘political’, ‘public’ and which are perceived as being ‘licit/formal’ for the peacemaking phase – terms which are constructed to include certain actors and exclude others, including businesses. Actors that are deemed economic, ‘private’, illicit/informal and more relevant to the post-conflict peacebuilding phase are excluded from peace mediation. And yet, these terms are socially constructed and depend intrinsically on their ‘oppositional other’.

Some, but not all, of these binary oppositions can be expressed in quantitative terms. The political-economic dichotomy becomes evident in a comparison between the inclusion of business actors on the one hand, and armed groups on the other. Armed groups, for example, can be considered illicit groups but of the political rather than economic kind in ‘UN speak’. In the PA-X database (see Figures One and Two above) in the pre-negotiation phase, only 2.77 per cent of peace agreements reference at least one illicit (so-called) economic actor (14 peace agreements), compared with 6.53 per cent which mention ‘armed groups’ (14 peace agreements); in ceasefires, partial and comprehensive peace agreements, 4.39 per cent reference at least one illicit actor (39 peace agreements), whereas 14.74 per cent reference armed groups (131 PAs) - a difference of 10.35 and 19 per cent respectively between illicit economic and illicit political actors. The frequency and scope of illicit versus armed groups confirms the bias: whereas there is an average of 1.62 provisions per peace agreement that relate to illicit actors, 2.56 relate to armed groups. Similarly, the scope for illicit economic

actors is 1.54, but rises to 1.78 for illicit political actors, or armed actors.

This ‘binary’ was reflected extensively in interviews with mediation professionals. Underpinning the exclusion of business actors, suggested Laurent Goetschel, Head of swisspeace, is the notion that “politics and economics are two different spheres: this notion is still so widespread.”¹⁴⁴ And, what determines whether an actor is an economic or political one is their *motivations*, not their *effects* – and mediators and mediation experts make multiple assumptions about what those motivations are. For example, one mediation professional insisted that the agenda of the groups engaged by mediators matters and it determines whether the group is labelled ‘political’ or ‘economic’: “when groups are killing people for money, it is different to when the motivation is an injustice, or because the political system is wrongly configured: we cannot legitimise profit-seeking motives”, he stated.¹⁴⁵ A Government Official elaborated further, explicitly noting himself the social construction of these binaries, and the role played by *empathy* regarding the motivation of actors - rather than the extent to which they can positively or negatively contribute to or detract from peacemaking dynamics:

Would we engage in Mexico City with one of the mafia gangs? The answer [when posed to the Ministry] was then ‘no’. We don't engage with criminal groups, because they don't have a political agenda. We are at ease dealing with actors that rightly or seemingly or pretend to have a political agenda and some legitimate claims that motivate their actions, even though they might exhibit extremely criminal behaviour. Those actors have a political claim on the dispute and this is central – many people in the Ministry would quickly dismiss the notion that business actors have a political aim or any kind of stakes in a conflict. I find the notion of “after all, don't they just want to make money?” – which delegitimises them from being sincerely taking into account – being used to brush them off the table: They fall off the table as they don't have political claims to be included in peace negotiations. Take the example of Northern Nigeria and Boko Haram: people would think “well, after all, isn't true that

¹⁴⁴ Goetschel, Laurent, Director of swisspeace, phone interview, 19 October 2018 (15).

¹⁴⁵ Anonymous, Mediation practitioner, in-person interview, Lebanon, 9 April 2019 (5).

the region has been neglected for so many decades, and isn't it understandable and in some ways legitimate that the majority of the population stand up against this unfair system that has forgotten them? I have empathy for them eventually picking up arms and then starting the rebellion." At the core, many policy-makers would think that they understand how grievances of the past have resulted in armed struggle. This can be contrasted to groups like AQIM¹⁴⁶: many of our policy-makers would have a problem. This is a transnational banditry organisation which goes and terrorises for no reason other than greed and making money off the poor population. It's the same reason we engage with armed groups: they are criminals, but still we come to the conclusion, because they are part of the problem they must be part of the solution. When it comes to illicit business actors one could use the same reasoning for reaching out; but for [our] policy-maker brains there is a clear-cut barrier between these two fields for no obvious reasons.¹⁴⁷

Evidently, therefore, many of these so-called economic groups have political effects and emerge from lapses or 'gaps' in political power i.e. they have *political* origins; it is only (sometimes) the *explicitly* political motivation that is lacking. The line between so-called political and economic actors begins to break down when one considers that armed groups are often dependent on illicit activities to support their goals just as many illicit economic actors may be armed in order to achieve theirs. It is ultimately a question of *legitimacy* as perceived and defined by the international actors in the conflict.¹⁴⁸ As senior UN Official, Scott Smith, pondered: "If a cartel wanted to be perceived as a legitimate actor on the world stage, could it just hire some Harvard graduate to help it come up with a political manifesto even if its purpose was not a political project at all? Would this give it more space to operate? Would dressing up their motivations in political veneer lead them be treated differently?"¹⁴⁹ Indeed, should it be the motivations or the effects that matter?

The issue of motivation is intrinsically tied to the public/private 'divide'. In this

¹⁴⁶ Al-Qaeda in the Islamic Maghreb.

¹⁴⁷ Anonymous, Government Representative, phone interview, 16 October 2018 (17).

¹⁴⁸ See, for example: Schlichte, Klaus and Schneckener, Ulrich, 'Armed groups and the politics of legitimacy', *Civil Wars*, Vol. 17, Issue 4, 2015.

¹⁴⁹ Smith, Scott, Senior UN Official, phone interview, 1 December 2018 (18).

conceptualisation, political actors are interested in providing public goods, whereas businesses are geared towards private goods. As David Harland underscored, public perception plays an important role here since “the actions of armed actors produce negative externalities (refugees and terrorism) that can’t be produced without guns”¹⁵⁰ i.e. armed groups are perceived as both negatively impacting the public good and as having a legitimate claim to represent the public good – “even when the basic motivations [of armed groups] are so obviously mercantile, even when its business interests in political clothing.”¹⁵¹ The arbitrary nature of this distinction is brought into sharp focus by the fact that many conflicts are fought between actors who perceive, and intend to treat, the state as a public good for private ends. And yet, the distinction is enduring: “it has something to do with values and ideology: businesses are perceived as being here to establish private goods, they are selfish, self-loving and only interested in themselves,”¹⁵² Business actors are the conceptual ‘other’ to the more principled, public-facing actor. According to UN actors, the distinction between public and private manifests itself very much as a division within the UN System, since “we, in the international public sector, don’t understand what motivates their investment decisions; ideologically, we are highly suspicious of business motives, and there is not a huge amount or any real dialogue of how they can be involved in contributing to ‘sustaining peace.’”¹⁵³

Similarly, mediators, on the rare occasions they do engage with business actors, exhibit a strong preference for engaging with licit over illicit business actors (see Figures One and Two, above). In the pre-negotiation phase, the average number of peace agreements in which there are formal/licit business actors mentioned in the pre-negotiation phase is 1.34 per cent,

¹⁵⁰ Harland, David, Executive Director of the Centre for Humanitarian Dialogue, in-person interview, Switzerland, 25 September 2018 (9).

¹⁵¹ Ibid.

¹⁵² Iff, Andrea, Mediation practitioner and academic, phone interview, 21 November 2018 (2).

¹⁵³ Smith, Scott, Senior UN Official, phone interview, 1 December 2018 (18).

but drops to 0.63 per cent for informal/illicit actors. The average number of provisions is also comparably stark: an average of 1.08 provisions/peace agreement for formal business actors, and only 0.53 for informal/illicit actors, with a scope of 1.60 and 1.06 respectively. The figures for ceasefires, partial and comprehensive peace agreements are also telling: a formal/licit business actor is mentioned in an average of 4.75 per cent of peace agreements, compared to 1.03 per cent for informal/illicit actors. Even if we compare absolute rather than averages the difference is striking: in the pre-negotiation process, the percentage of peace agreements with at least one formal/licit business actor is 4.75 per cent (24 peace agreements) compared to 2.77 per cent (14 peace agreements) for informal/illicit actors; whereas, for ceasefires, partial and comprehensive agreements, the total percentage of agreements which mention one formal actor is 13.27 per cent (118 peace agreements) compared to 4.39% (39 peace agreements) for informal/illicit actors. Moreover, what is fascinating is the fact that so few agreements reference *both* licit and illicit actors: a stunning 0.79 per cent of agreements in the pre-negotiation phase (four peace agreements: one in Colombia, two in Afghanistan, and one in Libya)¹⁵⁴, and 2.47 per cent for ceasefires, partial and comprehensive agreements (22 PAs).¹⁵⁵

¹⁵⁴ Conclusions of the Conference on Afghanistan and the International Community: From Transition to the Transformation Decade (Bonn Conference), Afghanistan 2011; Comunicado FARC-Gobierno del viaje a Europa, 23 de febrero de 2000, Colombia 2000; Acta de Resumen, Reuniones entre el Gobierno de Colombia y la CGSB, Colombia 1991; and, Joint Declaration (Paris), 2017.

¹⁵⁵ Afghanistan Compact Building on Success (London Conference), 2006; Joint Declaration adopted by Pak-Afghan Joint Peace Jirga, 2007; Dar-Es-Salaam Declaration on Peace, Security, Democracy and Development in the Great Lakes Region, 2004; Memorandum of Peace and Understanding in Cabinda Province, Angola 2006; Framework Agreement for the Federation (Washington Agreement or Contact Group Plan), Bosnia-Herzegovina, 1994; Final Agreement to End the Armed Conflict and Build a Stable and Lasting Peace, 2016; Agreement on security guarantees and the fight against criminal organisations responsible for killings and massacres, or that infringe against defenders of human rights, social movements or political movements (etc.), Colombia, 2016; Agreement on the Victims of Conflict, 'Comprehensive System for Truth, Justice, Reparation and Non-repetition, including the Special Jurisdiction for Peace; and Commitment on Human Rights, Colombia, 2015; Intercongolese Negotiations: The Final Act ('The Sun City Agreement'), Democratic Republic of Congo, 2003; Acuerdo Amplio Peruano Ecuatoriano de Integración Fronteriza, Desarrollo y Vecindad, Ecuador/Peru, 1998; Accord de Paris, Gabon, 1994; Treaty of Peace between the State of Israel and the Hashemite Kingdom of Jordan, Israel-Jordan-Palestine, 1994; Agreement on the Gaza Strip and the Jericho Area ('Cairo Agreement'), Israel/Palestine, 1994; Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip ('Oslo II'), 1994; Appendix VI, Protocol Concerning Israeli Palestinian Cooperation Programs, Israeli Palestinian Interim Agreement on The West Bank and the Gaza Strip (Oslo II), 1995; Interim Agreement for Peace and Self-Government in Kosovo (Rambouillet Accord), Kosovo-Serbia, 1999; Shan State Army-South (SSA-S), Government 11-Point Peace Agreement, Myanmar, 2012; Kafachan Peace Declaration, The Southern Kaduna State Inter-communal Dialogue, Nigeria, 2016; Agreement on Trade and Trade Related Issues between Sudan and South Sudan, 2012; Comprehensive Peace Agreement between the Government of the Republic of the Sudan and the Sudan People's Liberation Army/Sudan People's Liberation Movement (Naivasha Agreement), 2005; Protocol

This is a result, in part, of the fact that informal and/or illicit actors are often subject to the sanctions regime, as discussed in Chapter Two, which complicates engagement. As underscored by Jonathan Powell: “You are trying to get around problems of the war economy, but it is almost impossible to find similar benefits from peace, and it is questionable whether it would be moral to do so. But you have to find some way to persuade [illicit actors] that's it in their interests.”¹⁵⁶ These difficulties can create a situation in which, either the ‘sanctions approach’ dominates or mediators refrain from engaging directly with illicit business actors in the context of mediation processes at all. In war contexts, differentiating between such actors can be tricky in any case; as discussed in Chapter Two, in war to peace transitions the “big businessmen of today may be the warlords of yesterday [...]; it is never black and white, some actors may have started selling arms or collecting taxes and, with time, they invested into something that may be legal, and they are benefiting from both. Even when there is a good percentage of legal business in a conflict context, where they got the money from to buy into the legal business maybe another story.”¹⁵⁷ The sanctions approach is problematic from a ‘peace dividends perspective’ since many local populations depend upon local informal/illicit business actors for their survival. As Graciana del Castillo underscored, “sanctions are the worst for local populations: you are taking livelihoods from people that are desperate.”¹⁵⁸ Lastly, the marginalisation of local informal/illicit business actors from peace mediation belies the principle that in working for peace the UN should be able to speak to whoever is necessary: as Feltman suggested, “Member States will complain that the UN is giving legitimacy to a certain actor when it engages with a group that is on the UN sanctions

between the Government of Sudan and the Sudan People's Liberation Movement on the Resolution of Conflict in Southern Kordofan/Nuba Mountains and the Blue Nile States, 2004; Charte d'Honneur des Partis Politiques, des Coalitions et des Candidats Indépendants pour les élections et les référendums de la République Tunisienne, Tunisia, 2014.

¹⁵⁶ Powell, Jonathan, CEO and Founder, Inter Mediate, phone interview, 22 November 2018 (12).

¹⁵⁷ Hottinger, Julian, Senior mediator, Swiss Federal Department of Foreign Affairs, phone interview, 2 November 2018 (13).

¹⁵⁸ Del Castillo, Graciana, Academic-practitioner and economist, in-person interview, New York, 14 November 2018 (8).

list; but”, he argued, “if that actor is essential to preventing or resolving conflict that person needs to be accessible to the UN, sanctions or no sanctions.”¹⁵⁹

Mediation structure and form: Yemen in focus

These binaries manifested themselves on multiple occasions during the Yemen transition 2011-2016. The absence of a political economy approach to understanding the context in Yemen – not just on the part of the OSE but the international community as a whole – was underscored by the fiasco around reforming the fuel subsidies. The World Bank and the IMF were pushing for this issue to be undertaken in a speedy manner, based on the notion that fuel subsidies “privileged a few political leaders, and was considered unjust and something that the Yemeni State budget could not afford.”¹⁶⁰ Despite some efforts on the part of the OSE to ensure that removing the subsidies would be undertaken in a conflict-sensitive manner, President Hadi ended up issuing a circular to cut all subsidies over-night – a decision which sparked extensive demonstrations and gave significant ‘ammunition’ to the Houthis, who used the event to insist that the political elite were out of touch with the needs of real people. There was some acknowledgement that this issue could be politically-sensitive, and so the goal was to issue a 10% cut, and then roll-out a phased approach “so that over the course of several months, the recommended cut would be achieved.”¹⁶¹ Given how sensitive the implementation phase of the NDC outcomes was, it is questionable whether – from a political standpoint – it made any sense at all to be reducing a subsidy so many depended upon in a context where so few peace dividends – if any – had been delivered. As one

¹⁵⁹ Feltman, Jeffrey, Former United Nations Under Secretary-General for Political Affairs, United Nations, phone interview, 3 June 2019 (11).

¹⁶⁰ Anonymous, Mediation practitioner, phone interview, 31 October, 2018 (25).

¹⁶¹ Anonymous, Senior UN Official, phone interview, 1 November 2018 (34).

practitioner stated, “it was brutal: it had a direct impact on normal people’s lives, it was just such bad timing.”¹⁶²

The separation of the ‘political’ and ‘economic’ was also made evident by the rather unique secondment of an economist from the World Bank to the OSE: this underscored the absence of economist/experts on the economy within Benomar’s own team. Indeed, the deployment was motivated by the recognition that the core mandate of the Special Envoy was to push the political transition, but it lacked capacity on the economic and development track.¹⁶³ The deployment was considered quite unique and innovative¹⁶⁴ and there were high expectations that she would serve as a pivotal focal point for coordination between the OSE and the World Bank, while also ensuring the work of the OSE was infused with an understanding of the required broader economic reforms.¹⁶⁵ She was hired to be a senior subject matter expert to the team but, within a short period of time, her work became focused on a finance mechanism to bring the UN and the IFIs together under one joint funding facility.¹⁶⁶ And, given that one person can only do so much, “she didn’t work on economic analysis, but focused on designing the trust fund mechanism”¹⁶⁷ – a mechanism which ultimately never functioned due to lack of funds and due to the eruption of the conflict in 2015. Perhaps it was unrealistic to expect one person to be able to overcome the deeply entrenched divisions between what are perceived as economic and political issues.

The sanctions approach in Yemen provides further evidence of the division between so-called ‘licit’ and ‘illicit’ issues. The UN Panel of Experts, established in resolution 2140 on 26

¹⁶² Anonymous, Mediation practitioner, phone interview, 31 October, 2018 (25).

¹⁶³ Anonymous, Senior UN Official, phone interview, 1 November 2018 (34).

¹⁶⁴ Ibid.

¹⁶⁵ Ibid.

¹⁶⁶ Anonymous, mediation practitioner, phone interview, 31 October 2018 (25).

¹⁶⁷ Anonymous, UN Official, phone interview, 17 July 2018 (33).

February 2014 provided the UNSC with extensive analysis of informal and illicit business activities – even when it was evident that sanctions against individuals accused of illicit activities would prove useless. The Panel, for example, undertook extensive research into Yemen’s financial legislative and regulatory environment and its ability to enact an assets freeze, coming to the conclusion that, since Yemen’s economy is characterised by widespread cash-based financial transactions, “there are very few money trails available to follow the movement of cash or other assets located within Yemen.”¹⁶⁸ Travel bans were also imposed on individuals who do not travel outside of Yemen, further undermining the usefulness of such sanctions, especially when they only increased the difficulty of engaging in dialogue with key individuals. One UN Official insisted that illicit business actors should have been engaged with through Track 2 initiatives: “naming and shaming them”, he argued, “only puts them on the defensive if they know they are going to be accused of something.”¹⁶⁹ Indeed, what incentives does this give them to enter into dialogue and/or provide information that maybe useful to the mediation process? Such actors are “better engaged constructively, and that is the job of the politically-savvy mediator.”¹⁷⁰ The exclusion of such actors from the mediation process was lamented by UN Officials; one suggested that it was an “open secret” that illicit business dynamics were significant factors driving the conflict, “but not enough attention was paid to [such issues] during the dialogue and post-dialogue period as everyone so focused on the political transition” – and this was despite the warnings of political economy experts like Ginny Hill and Peter Salisbury.¹⁷¹ It is perhaps not surprising, therefore, that local business actors – formal/licit or informal/illicit - were not invited to the UN-led negotiations underway in Kuwait or Geneva, led by Special Envoy Ismail Ould

¹⁶⁸ S/2015/125.

¹⁶⁹ Anonymous, UN Official, phone interview, 29 October 2018 (24).

¹⁷⁰ Ibid.

¹⁷¹ Anonymous, Senior UN Official, phone interview, 1 November 2018 (34).

Cheikh Ahmed – a continuation of the focus on so-called ‘political issues’ of his predecessor.

As Yemeni Ambassador Noman stated:

*[Business actors] should have been engaged: they would have helped bring to [Benomar’s] attention more than we politicians – they know the real impact of the political crisis on the economy and if the economy fails, everything falls with it. It is logical. Unfortunately, they did not – they let everything go. They were concentrated on politics. Benomar came in a period where the political crisis was much more important and he thought that if the country stabilised politically then things will fall into place, which was not correct.*¹⁷²

The OSE can, however, be credited with “trying to develop an economic strategy” in 2016¹⁷³, in partnership with the World Bank, the IMF and the Berghof Foundation, although many would argue that – with the conflict then underway - it was too little too late. The strategy was designed to ensure basic state functioning through the preservation of the functions of the Central Bank of Yemen (CBY). In this capacity, the OSE engaged with the leaders of the main commercial families in Yemen – aligned with different ‘factions’ of the conflict – with a view to seeking consensus on what was required on the part of the CBY in order for businesses to continue their import and export activities, and to, therefore, to ensure “basic economic survival.”¹⁷⁴ This involved direct negotiations with political and business figures, as well as representatives from the CBY, as well as a Track 2 process. As one UN Official stated this was, unfortunately, an exception: “I’ve never heard of something like this in a UN process.”¹⁷⁵ It is interesting, moreover, that the strategy was largely ‘standalone’ i.e. focused on the CBY, but one not thoroughly integrated into the broader mediation strategy - underscoring the pervasiveness division between issues considered ‘public’ and ‘private’.

¹⁷² Noman, Mustapha, Former Deputy Foreign Minister at Ministry of Foreign Affairs, Yemen, Former Ambassador of Yemen to Spain, phone interview 26 September, 2018 (47).

¹⁷³ Anonymous, UN Official, phone interview, 17 July 2018 (33)

¹⁷⁴ Ibid.

¹⁷⁵ Ibid.

Conclusion

The exclusion of local business actors from the discourse on inclusion in peace mediation and the marginalisation of local business actors from the discourse on B4P is reflected in and, indeed, entrenched by mediation practice; local business actors are not included in a meaningful way in mediation strategies; peace settlements; or in the way that peace processes are structured – neither in the context of UN-led processes nor in those led by other leading actors in the mediation field. Furthermore, whilst both so-called ‘licit’ and ‘illicit’ are marginalised, illicit business actors are made almost invisible by the political practice of mediation, as a result of the sanctions regime and the discourse of criminalisation. And yet, many of the exceptions to this ‘rule’ shed light both on how to go about engaging with local business actors and the potential they have to contribute meaningfully to such processes, settlements and structures. By making visible the rarely articulated and deeply entrenched normative aspects of mediation, this chapter calls into question the rationale for such exclusion, laying bare the extent to which the exclusion of these business actors creates a dissonance between the well-intentioned efforts of international mediators on the one hand, and the power realities on the ground on the other – thereby excluding a significant constituency which not only has the power to undermine any emerging peace settlement, but which could help make peace significantly more sustainable. Rather than being inevitable¹⁷⁶, the exclusion of local business actors begs the question as to whether this entrenched yet socially-constructed practice may indeed be actively contributing to the “establishment of post-war systems and structures in which violence, insecurity, and instability are pervasive.”¹⁷⁷

¹⁷⁶ Hacking, Ian, *The Social Construction of What?* Harvard University Press, Cambridge, Massachusetts and London, England, 1999, page 12.

¹⁷⁷ Westendorf (2015), page 3.

4

Chapter Four Business actors in Somaliland (1990-1997)

“The businessmen supported the peace processes a lot, and nobody can deny it: if we didn’t have the support of the businessmen, we couldn’t do anything.”¹

Introduction

The Somaliland case study is as instructive for this thesis as it is atypical for political science; whilst the discipline has focused on ‘measuring’ war to peace transitions against ideal notions of the state “as a monopolist of legitimate physical violence, as an autonomous, bureaucratic apparatus, as the embodiment of popular sovereignty, and as a spatially and territorially coherent entity enjoying global prominence”², Somaliland represents a non-recognized de-facto state³ based on a hybrid political order⁴ - a sort of accommodation between “the discursive politics of tradition and a representative system more suited to the Westphalian state.”⁵ States that do not meet the Euro-centric definitions of the ideal state are typically defined and approached as ‘a failed state’; Somaliland, however, can be viewed as an interesting example “not of spontaneous self-destruction – which is commonly studied – but of spontaneous *stability* in the midst of political chaos.”⁶ Indeed, as will be explored in this

¹ Sheikh Abdilahi Sheikh Ali Jawhar, Sheikh Borama, former mayor of Borama and mediator of Borama and Sheikh conference, Borama, Somaliland, 16 July, 2017 (69).

² Haggmann, Tobias, and Peclard, Didier, Eds., *Negotiating Statehood, Dynamics of Power and Domination in Africa*, Wiley-Blackwell, 2011, page 2.

³ Renders, M. and U. Terlinden, ‘Negotiating Statehood in a Hybrid Political Order: The Case of Somaliland’. *Development and Change, Volume 41*, Issue 4, 2010, page 723.

⁴ Ibid, page 726.

⁵ Walls, Michael, *A Somali Nation-state: History, Culture and Somaliland’s Political Transition*, Ponte Invisible, August 2014, page 27

⁶ Nordstrom, *Shadows of War, Violence, Power and International Profiteering in the Twenty-First Century*, University of California Press, 2004, page 171.

chapter, it is impossible to study Somaliland without reference, implicitly or explicitly to its ever-present ‘other’, Somalia, which has suffered from comparatively high levels of violence, dysfunction and, indeed, what some might label as ‘failure’. As underscored by Michael Walls in his book *A Somali Nation-State*, Somalilanders, in comparison, “have succeeded in establishing a degree of stability and a functional state precisely by incorporating elements of clan structure and tradition”⁷ in ways that a modern reading of the state would eschew as being ‘regressive’ or even counter-productive to the emergence of peace.

This chapter argues that local business actors were instrumental and, in many ways, central to Somaliland’s peace process – defined here as being a set of national and sub-regional/local-level conferences that took place between 1990 and 1997⁸ – and to the type of ‘peace’ that emerged, in both positive and negative ways. Somaliland, therefore, provides an opportunity to study what are often referred to as ‘bottom-up peacebuilding’⁹ approaches, but which are referred to here quite simply as local approaches. Somaliland is a rare example of a modern state which mediated an end to its conflicts *without* the aid of the international community. Indeed, there were no elite-level pacts made with regional organisations; no global powers pulling strings in the shadows; no international financial institutions promising conditional loans;¹⁰ and, no UN political missions parachuting into the capital armed with a team of mediation experts. Somaliland mediated its own peace, in fascinating and often surprising ways. It therefore provides an opportunity to view local business actors in a *local* peace mediation. Local here is, in line with Chapter One, fully understood in a nuanced manner, which neither romanticises nor demonizes its ‘essence’, recognising indeed that

⁷ Walls (2014), page 27.

⁸ More information provided below.

⁹ Musa, Ahmed M and Horst, Cindy, ‘State formation and economic development in post-war Somaliland: The impact of the private sector in an unrecognised state’, *Conflict, Security and Development*, Vol. 19, Issue 1, 2019, page 35.

¹⁰ As a non-recognised state, Somaliland could not access such aid. Whilst this does not mean that Somaliland received *no* aid, such aid could not be given directly to the Government but had go through local NGOs.

local actors can be “partisan, discriminatory, exclusive and violent (as can international actors)” and that local contexts “also contain power relations and hierarchies that favour some above others (as do international frameworks”).¹¹ While far from suggesting that the inclusion of business actors is a ‘magic bullet’, Somaliland provides an opportunity to explore whether the exclusion of local business actors from peace mediation is symptomatic of – and unique to – international approaches, ‘binary’ forms of thinking and ‘being’, and technocratic models divorced from local power dynamics, while simultaneously providing insights on the forms that inclusion could take.

Too rich to cover here in any significant detail, this chapter does not aim to provide an analysis of Somaliland’s intricate history¹², nor its unique experience with local approaches to peacemaking broadly speaking: others have done this topic far better justice than this short chapter could hope to achieve.¹³ After briefly putting Somaliland’s war to peace transition in

¹¹ Mac Ginty, Roger and Richmond, Oliver, ‘The local turn in peace building: A critical agenda for peace’, *Third World Quarterly*, Vol. 34, Issue 5, 763-783, 2013, page 770.

¹² For more historical accounts see: Bradbury, Mark, *Becoming Somaliland*, African Issues, Progressio, 2008; Hall, Douglas, ‘Somaliland’s last year as a protectorate’, *African Affairs*, Vol. 60, No. 238, Jan 1961; Lewis, I. M., ‘Modern political movements in Somaliland’, *Africa: Journal of International Africa Institute*, Vol.28, No.3, July 1958; Spears, Ian S., ‘Reflections on Somaliland and Africa’s territorial order’, *Review of African Political Economy*, Vol 30, No 95, March 2003; The ITPCM, International Commentary, ‘Somalia, Clan and State Politics,’ December 2013; Bereketeab, Redie, Ed., ‘Self-determination and secession in Africa, The post-colonial state’, Routledge, Taylor and Francis Group, London and New York, 2015; Bereketeab, Redie, ‘Self-determination and secessionism in Somaliland and South Sudan. Challenges to postcolonial state-building’, Discussion paper 75, Nordiska Afrikainstitutet, Uppsala 2012; Walls, Michael, *A Somali Nation-state: History, Culture and Somaliland’s Political Transition*, Ponte Invisible, August 2014;

¹³ See, for example: Hersi, Mohamed Farah, ‘State fragility in Somaliland and Somalia: A contrast in peace and state building’, by the Commission on State Fragility, Growth and Development, LSE, Blavatnik School of Government, University of Oxford, International Growth Centre, 2017; Pham, Pter J, ‘The Somaliland exception, lessons on post-conflict state-building from the part of the former Somalia that works’, Marine Corps University Journal, Vol 3, No. 1, 2012; Eubank, Nicholas, ‘Peace-Building without external assistance: Lessons from Somaliland’, Working Paper 198, Center for Global Development, January 2010; Habane, Abdillahi Ibrahim, ‘Traditional diplomacy in the making of Somaliland: Sheikh Peace conference and Borama Grand Conference’, Masters Thesis, September 2015; Ibrahim, Hudda Omar, ‘The role of the traditional Somali model in peacemaking: Why reconciliation was maintained in Somaliland, but disintegrated in the South of Somalia’, Masters Thesis, University of Notre Dame, 2015; Yusuf, Hajji Abdi Hussein, ‘The role of Somaliland elders in making and keeping peace: A conversation with Hajji Abdi Hussein Yusuf’, Conciliation Resources, Accord issue 21, 2010; Johnson, Martha C and Smaker, Meg, ‘State building in de facto states: Somaliland and Puntland compared’, *Africa Today*, Vol 60, No. 4, Summer 2014; Ahmed, Ismail I and Green, Reginald Herbold, ‘The heritage of war and state collapse in Somalia and Somaliland: Local level effects, external interventions and reconstruction’, *Third World Quarterly*, Vol. 20, No. 1, 1999; Omaar, Rakiya, ‘Seizing the moment: a case study on conflict and peacemaking in Somaliland’, Occasional Paper: Peace Building Series No. 3, Future Generations University, January 2010; Interpeace and Academy for peace and development, ‘Peace in Somaliland: An Indigenous approach to state-building, Burao, Borama and Sanaag conference’, Interpeace, The search for peace, Somali programme, 2008; Philips, Sarah, ‘Political settlements and state formation: The case of Somaliland’, Research Paper 23, Development Leadership Program, December 2013.

historical context, this chapter therefore has two objectives. First, it seeks to provide examples of the four key roles played by local business actors in the transition from conflict to peace from 1990 to 1997 as: as supporters and/or humanitarian aid providers ('benefactors'); as beneficiaries of the government and the war economy ('profiteers'); as mediators and peacemakers ('intermediaries'); and, as conflict actors and spoilers ('agitators'), demonstrating the economic *and* political, or, indeed, social ways business actors engaged with the context. These 'lenses' are not meant to be definitive, mutually-exclusive nor exhaustive; they merely give form to the diverse ways businesses engaged, and depend as much as possible upon the categorisations used by Somalilanders themselves and are, therefore, subjective in nature. Second, through an exploration of the practices and discourses of local business actors, the chapter seeks to grasp how these four roles played by businesses shaped and were shaped – in co-constitutive fashion – by power dynamics at the national/sub-national, regional and international levels, focusing on the role of the clan and the endowment of the economy with social purposes¹⁴, the relationship with Somalia and the aspiration towards (or collusion with) the 'statist' project, respectively. What becomes evident is that clans themselves – so central to Somaliland's culture, identity and *being* – behaved as business entities as well as ethno-political ones, serving as a perfect example of the intertwining between the 'political' and the 'economic', the 'public' and the 'private'.

Historical overview

The Republic of Somaliland¹⁵ has been referred to as a 'state-within-a-state'¹⁶ as a result of its unusual position in the international system of having *almost* all the 'trappings' of

¹⁴ Rawi, Abdelal, 'Constructivism as an approach to international political economy' in Blyth, Mark, Ed., *IPE as a Global Conversation, Routledge Handbook of International Political Economy (IPE)*, Routledge, London and New York, 2010, page 72.

¹⁵ See Appendix Six: Map of Somaliland and Northern Somalia.

¹⁶ Spears, Ian S, 'Reflections on Somaliland and Africa's Territorial Order', *Review of African Political Economy*, Vol 30. No. 95, March 2003, page 89.

statehood – including “its own currency (the Somaliland Shilling), a flag, passports, a constitution, a police force, a military, a judiciary, regular elections for three tiers of government (local councils, the House of Representatives, and Presidency)”¹⁷, for example – but no international recognition, and therefore no access to the international ‘community of states’. It comprises the five former regions of northwest Somalia and, hence, is considered by some as a state within the state of Somalia. It declared independence in 1991, when leaders of the Somali National Movement (SNM)¹⁸ - following its military campaign against the Siad Barre dictatorship – announced that “they were dissolving the union between the former colonial territories of the British Somaliland Protectorate and Italian Somalia established in 1960.”¹⁹ Consequently, as outlined by Stig Jarle Hansen and Mark Bradbury, the authorities of Somaliland “assert that rather than being a secessionist state, the sovereign independence of Somaliland has been restored, a status it held for five days between 26 June and 1 July 1960 when it united with Italian Somalia to form the Somali Republic.”²⁰

Over the course of the 1990s, a number of peace conferences followed, in which Somaliland’s clan system²¹ played a central role, as will be discussed during the course of this chapter. ²² Interpeace and Somaliland’s Academy for Peace and Development (APD), in their publication entitled, ‘Peace in Somaliland: An indigenous approach to state-

¹⁷ Philips, Sara, ‘Political settlements and state formation: The case of Somaliland’, Research Paper 23, Development Leadership Program, December 2013, page 25.

¹⁸ The SNM came into being as a response to the oppression of the Siad Barre regime during the 1980s, led by a group of exiles from what was then known as northern Somalia. Its challenge to the regime sparked a civil war and in 1991 led to the collapse of the Government.

¹⁹ Hansen, Stig Jarle and Bradbury, Mark, ‘Somaliland: A new democracy in the Horn of Africa? *Review of African Political Economy*, Vol. 34, Issue 113, September 2007, page 463.

²⁰ Ibid, page 463.

²¹ See Appendix Five: Somali clan lineages, taken from Walls (2014), appendices, Figure 1. It should be noted that there is no ‘one’ definitive clan genealogical chart, but this one is used throughout the chapter as a reference point for any discussions of clan and sub-clan dynamics.

²² Somaliland has three main clan families - the Isaaq, Dir (mainly Gudabursi and Ise) and Harti Darod (Dhulbahante and Warsangeli), of which the Isaaq are the majority, accounting for 70 per cent of Somaliland’s population. Musa and Horst, (2019), page 38.

building'²³, divide the local peace mediation process into five key phases, during which both local and national conferences were held with a view to establishing the institutions of the state. The first period concerns the SNM insurgency, a period marked by civil war between the SNM and the Barre regime, and which concluded with the fall of the latter in January 1991, and the return of tens of thousands refugees to Somaliland.²⁴ The second phase can be referred to as the 'peace-building phase', which describes the period from January to May 1991, culminating in the Burco conference at which the independence of Somaliland was declared. The third phase refers to the establishment of security and government, including the period from June 1991 until May 1992, which comprises the first SNM Government, culminating in the Borama peace conference. The fourth phase is referred to as being the 'institution-building phase', from June 1993 to February 1997 when Somaliland instated its first civilian President, Mohamed Ibrahim Egal, and held a series of peace conferences, culminating in the 1997 Hargeisa conference. It should be noted that peace was almost entirely derailed due to a civil war between 1994 and 1996, which is included in this fourth phase. The fifth phase refers to the period of democratisation from 1997 to the present day. For the purposes of this chapter, the local peace mediation phase under analysis comprises phases one through to four i.e. from 1991 to 1997.²⁵

During the peacemaking phase, it is estimated that 39 peace conferences took place; out of these, five can be considered 'national' in nature: Berbera (1991); Burco (1991), when the independence of Somaliland was declared; Borama (in 1993), when the institutional framework for the state was agreed upon, including the institutionalization of a national 'Guurti' (elders) as the upper house of parliament and the adoption of a national charter; the

²³ Interpeace and Academy for Peace and Development, 'Peace in Somaliland: An Indigenous approach to state-building, Burao, Borama and Sanaag conference', *The Search for Peace, Somali programme*, 2008, page 15.

²⁴ Bradbury, Mark, *Becoming Somaliland*, African Issues, Progressio, 2008, page 78.

²⁵ For a more in-depth account of these conferences, amongst others, see Walls (2014), particularly Chapter 7.

Somaliland Peace Committee (1995-1997); and, lastly, Hargeisa (1996-1997), when the national charter was replaced by a draft constitution, and a decision was taken to transition from a clan-based governance system into a multi-party democracy.²⁶ These national-level conferences were complemented by sub-regional and local processes that addressed a wide set of issues including access to rangelands, access to trade routes, preventing banditry²⁷, and historical legacies. Both national and local-level conferences brought together clan elders, religious figures, political figures and civil society actors; they have been consistently applauded for their inclusive and participatory nature, and for “relying on practices hallowed from time immemorial and familiar to the populace.”²⁸ While peace has largely prevailed, independence is contested, especially in the Eastern regions amongst the Darood (Harti) clans, many of whom claim to have their own state (Khatumo State); and, while the country has transitioned to a multi-party political system, clan influence remains extremely strong, and there tends to be little ideological difference between the political parties.

Part one: The four roles of business actors in the transition from conflict to peace

Somaliland is a predominantly pastoralist society and the majority of the population has traditionally practiced a form of pastoral nomadism.²⁹ Indeed, over half of the population obtains their livelihoods “from nomadic pastoralism, informal trade, [and] an unrecorded remittance economy.”³⁰ According to Musa and Horst, large businesses in Somaliland can

²⁶ The most prominent conferences – both national and sub-regional/local – can be considered in the following order: Oog Conference (February 1991); Tulli and Borama meeting (February 1991); Berbera conference (15-27 February 1991); Burao conference (27 April-4 June 1991); Sheikh conference (23rd October-8 November 1992); Borama conference (January-May 1993); Sanaag conference/‘Sanaag Grand Peace and Reconciliation Conference (February 1991-October 1993); Somaliland Peace Committee (1995-1997); Beer conference (September 1996); Hargeisa Peace and Reconciliation Conference (October 1960-February 1997).

²⁷ Ahmed, Ismail I and Green, Reginald Herbold, ‘The heritage of war and state collapse in Somalia and Somaliland: Local level effects, external interventions and reconstruction’, *Third World Quarterly*, Vol. 20, No. 1, Feb 1999, page 123-124

²⁸ Pham (2012), page 31.

²⁹ Walls (2014), page 32.

³⁰ Bradbury (2008), page 138.

be broadly organised into two categories³¹: first, a small number of wealthy families who were in business before 1991, and who now own the largest companies in Somaliland. Many of them were businessmen who had fled to Djibouti prior to the outbreak of the civil war in 1988 or who fled there during the civil war and, largely, as a result of the oppression of the Barre regime. The second group are medium-size and large business actors who own shareholder companies which emerged post-1991³², who tend to have religious views (Ikhwan and Salafi) and work in import, telecommunications and financial sectors; these business actors tend to be from Somaliland, Puntland and Southern Somalia. The majority of the business actors active in 1990 and, therefore, interviewed for the purposes of this chapter form part of the first category and tended to work in real estate, the trade of fuel and food staples and, predominantly, livestock export (mainly sheep, goats and camels³³). In this sense, the economy that (re-) emerged from 1991 onwards was highly privatized and/or informal, and relatively *transnational*³⁴ (and/or cross-border) in nature: public sector employment was and remains marginal and self-employment provides the main source of income.³⁵

The benefactors

Business actors served as ‘benefactor’ – at pivotal moments in Somaliland’s war to peace transition: first, in aid of the SNM’s military campaign against Siad Barre; second, to support the peace conferences underway during the 1990s; and, third, in response to key statebuilding

³¹ Musa and Horst (2019), page 39.

³² For a more current reading of Somaliland’s private sector landscape, see for example: Cassanelli, Lee, ‘Private sector peacemaking, business and reconstruction in Somalia’, Somali Peace Process, Accord, Issue 21, February 2010; Penicaud, Clare and McGrath, Fiona, ‘Innovative inclusion: How telecom ZAAD brought mobile money to Somaliland’, The MMU programme, July 2013; The World Bank, ‘Somaliland’s private sector at a crossroads, political economy and policy choices for prosperity and job creation’, A world Bank Study, World Bank Group, 2016; and, Meester, Jos; Uzelec, Ana; and Elder, Claire, Transnational capital in Somalia, Blue Desert Strategy, Clingendael, CRU REpoty, June 2019.

³³ Walls (2014), page 206.

³⁴ Meester, Jos; Uzelec, Ana; and Elder, Claire, ‘Transnational capital in Somalia, Blue Desert Strategy’, Clingendael, CRU Report, June 2019.

³⁵ Bradbury (2008), page 140.

objectives led by President Egal – demonstrating close business-society-state relationships, as well as the ability of businesses to wield great influence over political matters.

The SNM, formed in London in 1981, was funded in part through remittances collected by ‘SNM committees’ charged with diaspora fundraising³⁶; as a result of increasing tensions and violence at the end of the 1980s and early 1990s, many Somalilanders fled to the Gulf, the Middle East, Europe and the United States, where many acquired jobs, started their own businesses, and were in favorable positions to provide support through clan networks. In-country, however, it was local business actors who served as a vital life-line for the SNM. According to former livestock trader and real estate developer, Musa Hersi ‘Dalab’, one of Somaliland’s leading businessmen, business actors “were responsible for the soldiers’ weapons and food...and every other assistance they needed.”³⁷ They were, however, required to use highly creative and innovative means to assist the SNM, means outside actors could easily have labeled as ‘illicit’ since the practices used by local business actors effectively meant that international aid was being redirected to support military ends.

Indeed, it was the regionalized and, in many ways, internationalized economies of the refugee camps which became new ‘markets’ where business actors could trade, while also providing much-needed assistance to their fighters. Whilst many business actors had lost their own businesses as a result of the practices of the Barre regime, the business skills they had acquired during that time remained invaluable for this new, complex conflict context. ‘Dalab’ describes the way in which the largest refugee camps in Ethiopia, Hartisheikh³⁸, was turned into a lucrative business venture and source of income for the SNM to the benefit of clan:

³⁶ Bradbury, Mark (2008), page 70.

³⁷ Hersi ‘Dalab’, Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66).

³⁸ Also known as Dulcad.

We collected food from people who were living in the camps that were given by the international community...we took about 7 kilo of food from each person to feed the SNM fighters. 7 kilos from 197,000 [residents of the Dulcad] and another 7 kilos from the 57,000 living in the other camp. That's 7 kilos from each person. They were only three of us doing this job. At that time, 50 kilos of the food was worth about 50, 000 shillings; so we converted some food into cash since the fighters needed cash, and some of the rations we took to the SNM to use as food. The food was wheat only. It's really difficult to always eat wheat every day; so some of the rations we traded for rice and pasta, and sometime we bought gas and cigarettes, and 'qat.'³⁹ It was a good business. The money was used to buy clothes and other things for the soldiers, weapons and things such as medication, and things they needed such as spare parts for the cars.⁴⁰

Whilst some business actors used their business skills to support the war effort, others were better placed to support the war to peace transition with capital. Indeed, some businessmen “had fallen foul of the government’s discriminatory trade practices”⁴¹ - losing what they had invested and built up as the conflict dynamics evolved; others, however, including many of the most prominent business actors from Somaliland fled to Djibouti “where they had substantial capital and access to financial institutions”.⁴² As documented by Bradbury, when the Djibouti economy experienced a downturn in the early 1990s, Somaliland – which provided a route to the lucrative Ethiopian market – “became an attractive investment opportunity for these Djibouti-based traders”⁴³ and many began supporting the peace conferences underway in Somaliland. This purely ‘economic’ reading of their motives for providing financial support, however, falls into the trap of assuming business actors have only profits in mind; it is questionable whether such business actors would have been amenable to supporting the peace conferences financially if the ‘peace’ that was emerging

³⁹ Chewing qat (or ‘Khat’) is considered a local custom for men in Somaliland; it has an increasingly controversial role in society – accepted as being both a custom and a practice detrimental to health and relationships.

⁴⁰ Hersi ‘Dalab’, Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66).

⁴¹ Bradbury, Mark, (2008), page 70.

⁴² Ibid, page 94.

⁴³ Ibid.

was not one they were happy to support. Furthermore, not all the business actors supporting the peace conferences were Somalilanders from Djibouti rushing back to explore new ‘market opportunities’. Minister Shugri H Ismail, for example, underscored the ‘community-grown’, collective and collaborative aspect of business support:

*Somalis are entrepreneurs in general. People started small businesses, they were supporting the peace conferences. They were very much at the forefront of supporting the peace missions in every aspect. We had around 42 peace conferences, small and large, and businesses were supporting it. The communities were also supporting it with their livestock, businesses were supporting with food specifically, this was very much needed, they supported with food and money.*⁴⁴

Sheikh Abdilahi Sheikh Ali Jawhar, current Sheikh of Borama, former Mayor of Borama and one of the mediators at the Borama and Sheikh conferences, indicated that financial support of this nature was imperative for the success of the peace processes: “the businessmen supported the peace processes a lot, and nobody can deny it: if we didn’t have the support of the businessmen, we couldn’t do anything.”⁴⁵ The fact that such support was logistical, and focused on providing items such as food, tents and other materials should not be downplayed; many of these conferences took place over the course of several months and involved “thousands and thousands of participants, who have no budget, zero budget.”⁴⁶ As underscored by Sheikh Abdilahi Sheikh Ali Jawhar: from a financial perspective, “the UN cannot sponsor a five-month peace conference with so many people”.⁴⁷

Lastly, businessmen played an equally important ‘benefactor’ role in the implementation of two of President Egal’s statebuilding objectives, the first being the demobilisation of the

⁴⁴ Minister Ismail, Shugri H, Minister for the Environment and Rural Development, former organiser of the peace conferences, founder of Candlelight (NGO), former electoral commissioner, former diaspora member, in-person interview, Hargeisa, Somaliland, 15 July, 2017 (65).

⁴⁵ Sheikh Abdilahi Sheikh Ali Jawhar, Sheikh Borama, former mayor of Borama and mediator of Borama and Sheikh conference, Borama, Somaliland, 16 July, 2017 (69).

⁴⁶ Ibid.

⁴⁷ Ibid.

militias. As underscored by Mark Bradbury, Adan Yusuf Abokor, and Haroon Ahmed Yusuf: “bereft of a revenue base with which to rebuild an administration, a decimated infrastructure, and with a large number of people displaced from the south or in refugee camps, the government had little capacity to deal with the growing number of ‘freelance’ militia who were making a living through robbery and extortion.”⁴⁸ As a result of this predicament, President Egal secured a \$6-7 million USD loan from business actors for which he vouched personally; he then used the loan to pay for the “the demobilization of militias and the encampment of heavy weapons, as well as for the salaries of Somaliland government personnel.”⁴⁹ The loan effectively enabled President Egal to expand his power, by ‘neutralizing potential spoilers’⁵⁰ affiliated with clan militia, which had been able to destabilize the peace through skirmishes, roadblocks and attempts to control state assets, many of whom were subsequently brought into the government army. As part of this process, and with business support, the clans were requested to order their militia to hand in their weapons to the government. The clans were incentivized to view the process as a competition: “they started to compete by giving a certificate to the first clan who gave their weapons...people like [to receive] prizes”⁵¹, exclaimed ‘Dalab’. Whilst one interviewee underscored how “clever Egal was in accessing support from big business”⁵², as highlighted by Marleen Renders and Ulf Terlinden, this set in motion dynamics of resource distribution which have, in many ways, undermined statebuilding efforts up until today: “Almost half of Somaliland’s first annual budget in 1995 went to the security services, choking government spending in other vital areas such as the social sector, infrastructure, etc.”⁵³

⁴⁸ Bradbury, Mark; Abokor, Adan Yusuf and Yusuf, Haroon Ahmed, ‘Choosing politics over violence’, *Review of African Political Economy*, Vol. 30, No.97, 2003, page 459.

⁴⁹ Renders, Marleen and Terlinden, Ulf, ‘Negotiating statehood in a hybrid political orders: The case of Somaliland’ in Hagmann, Tobias, and Peclard, Didier, Eds., *Negotiating Statehood, Dynamics of Power and Domination in Africa*, Wiley-Blackwell, 2011, page 185.

⁵⁰ Ibid, page 185.

⁵¹ Hersi ‘Dalab’, Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66).

⁵² Ahmed Yousuf, Haron, Director SORADI, in-person interview, Hargeisa, Somaliland, 10 July 2017 (52).

⁵³ Renders and Terlinden in Hagmann, and Peclard, Eds., (2011), page 185.

The second area where business actors played a fundamental role as a benefactor for Egal's statebuilding objectives was in the establishment of the Somaliland shilling. Up until the new currency was introduced, Somaliland had continued to use the Somalia shilling, thereby linking Somaliland as a burgeoning state to the state of Somalia.⁵⁴ While the new currency, which had London-based printing costs of 1 million two hundred and 23 thousand dollars⁵⁵, was paid for using a loan Egal secured from local business actors, the currency is perceived by many Somalilanders as having been, more directly "paid for by these business people."⁵⁶ Interestingly, local business actors were involved in a more "hands on" way since, as Abdilahi Ibrahim Habane, Minister of Education, suggested, it was "the businessmen who printed the currency."⁵⁷ Indeed, 'Dalab' recounts how he and another businessman, Abdirahman Farah Sugal - at the time responsible for the Chamber of Commerce - were "responsible for taking the money to the government in three instalments."⁵⁸

Interestingly, Dalab describes with great clarity the co-dependence of Egal and business actors during this period, suggesting not only that the money was purchased by local business actors, and printed by local business actors, but that it only gained incremental *legitimacy* as a result of the involvement of local business actors: "we, the businessmen came together and discussed the issue about printing the money and decided to accept this new money; the businessmen needed to be the one to accept the new money. Egal enrolled some of the

⁵⁴ The Somalia shilling still circulates in 'Khatumo State', an area in Eastern Somaliland which is contested by Eastern clans who wish to be part of Somalia; the extent to which this is an expression of 'anti-Somaliland' sentiment is contestable. According to Michael Walls (personal interaction, October 2019), the introduction of the Somaliland shilling was a gradual and highly contested process, predominantly on the grounds that it was costly (due to poor exchange) demonstrating that clan interests in this instance prevailed in some areas only when it was also in business interest. Walls states that only the most central and western areas adopted the Somaliland shilling in 1994 when it was introduced.

⁵⁵ Hersi 'Dalab', Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66).

⁵⁶ Ibid.

⁵⁷ Habane, Abdilahi Ibrahim, Minister of Education, in-person interview, Hargeisa, Somaliland, 18 July, 2017 (72).

⁵⁸ Hersi 'Dalab', Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66).

businessmen to print the money...they were involved in the printing so that they would not reject it.”⁵⁹ Egal, in reaching out to local business actors relied extensively on the power of clan dynamics and family history, as will be explored in greater detail in section two; the businessmen who provided loans for statebuilding endeavours were from the ruling Isaak clan family, and the majority were from the Habar Awal clan (a sub-clan of the Isaak clan family)⁶⁰, to which President Egal also belonged. Egal, himself the son of a successful real estate developer and considerable landowner,⁶¹ was able to garner trust from the business community in part, undoubtedly, since he was perceived to some extent as ‘being one of them’.

The profiteers

Regardless of their motivations for providing assistance at these three different moments in time, it is indisputable that business actors gained in substantial ways from the support they provided, lending some weight to de Waal’s claim that Somaliland is a “profit-sharing agreement among the dominant livestock traders, with a constitution appended.”⁶² While considered harsh as a conclusion, it is evident from political figures present in the 1990s that, in exchange for their political and financial support, business actors gained preferential treatment for market access – and such access was awarded along clan lines. As described by a traditional elder from Berbera, Mohamed Sahel, the process for gaining market ‘shares’ was institutionalized within government practice:

Egal made categories of different business men according to their wealth. He then requested everyone to bring that amount according to how wealthy they were. And

⁵⁹ Ibid.

⁶⁰ Ibrahim Abdi Kahin; Jama Omar Saeed; Ahmed Dahir Oman; Ali Maweli; Mohamed Jama Caraale; Omar Obokor Tani were all from the Habar Awal clan; Abdi Awad Ali was from the Habar Je’lo clan, and Osman Geli Farax from the Arab clan – both of which are also Isaak. List of names taken from: Philips, (2013).

⁶¹ Philips, Sarah (2013), page 46

⁶² De Waal, Alex, ‘The real politics of the Horn of Africa, Money, War and the Business of Power’, Polity, 2015, page 136

*Egal gave them permission, depending on how important they are, to use the Berbera port and to give half their tax to the government, and half to themselves to pay them back the amount they had contributed.*⁶³

This practice positioned Egal as a broker, serving as an intermediary between the government and those buying access to ‘port rights’ at a price he set. Dr. Adan Yusuf Abokor, former member of the ‘Hargeisa Group’ confirmed that Egal “borrowed from [the businessmen] in a way that the money would be deducted from the goods that would be brought into Somaliland.”⁶⁴ This created an undoubtable fusion between the state, the Isaak clan family and business actors: the so-called ‘political elites’ gained economic influence and financial returns for the statebuilding ‘project’; the so-called ‘economic elites’ i.e. the leading business actors, gained political influence and financial returns – often secured for many years at time.

Aside from the ability to establish monopolistic practices over market access, businesses benefitted immensely from the support they provided in a variety of ways. Following the purchase of the new Somaliland shilling, for example, Egal sold his (largely Habar Awal) lenders the old currency “at a reduced rate in return for hard currency, which he used to fund his fight against the militias that were trying to control Hargeisa Airport.”⁶⁵ Business actors “were able to simply transfer the old (and now, cheap) Somali Shillings to the parts of Somalia that still used it as a the national currency”⁶⁶ – to a tremendous profit, for both the government and business actors, simultaneously creating benefits for Egal’s own clan, to the detriment of others. Sarah Philips highlights the manner in which this collusive and highly

⁶³ Sahel, Mohamed, Traditional elder, in-person interview (translated), Berbera, Somaliland, 19 July 2017 (74).

⁶⁴ Dr. Yusuf Abokor, Adan, Country Representative Rift Valley Institute, Somaliland, in-person interview, Somaliland, 10 July 2017 (53).

⁶⁵ Philips, Sarah (2013), page 47.

⁶⁶ Ibid.

exclusionary ability of Egal “to extract – and lavishly reimburse with ‘public’ money – was, and remains, widely accepted within Somaliland has having been legitimate”.⁶⁷

Conversely, failure to adhere to the rules set by Egal came with a significant cost, of both a political and economic nature. This businessman⁶⁸, from the Habar Jaclo clan - still from the Isaak clan family but a different sub-clan to the President - learnt the ‘hard way’:

One businessman refused to make the 100,000-200,000 [dollar] payment that Egal requested. This businessman was a livestock trader, and at the time he had more than 50,000 sheep and goats waiting to be exported. President Egal spoke with the port manager...He said: “from now on, do not let him go.” So when the businessmen went back to the port, the port manager, said, “I cannot meet with you”. He just refused... [The businessman] came back [to Hargeisa], and went to see the President. He normally had full access to the President and every cabinet minister. The President’s Secretary said: “The President will see you in a moment; just sit there.” When the President finished the meeting, he took lunch...and then he slept...The President woke up at five, and the guy was still waiting. So he came down and said “are you still here?” And he asked, “why did you refuse our request?” The businessman apologised, and he said he would not do it again...There was always a power arrangement between the political leaders and business leaders; when they provided money, it was not free, they would get promotions and tax arrangements. And these business people were relying on the Somaliland market, they used to transit their goods to Wachale and then to Ethiopia. Much of these goods were in transit, and the major market was in Ethiopia. So if they were in trouble with the President and not in good terms with him then he will just stop them.⁶⁹

The intermediaries

Businessmen served as intermediaries in both expected and unexpected ways, underscoring their roles as both economic and political actors – with vested interests in the outcome of the peacemaking process. During the period of recovery from the war and whilst the peace conferences were underway, business actors served as a type of intermediary, in the

⁶⁷ Ibid, page 6.

⁶⁸ Quoted by interviewee as being Abdi Awal Ali ‘Indho-Dheero’.

⁶⁹ Hersi, Mohamed Farah, Executive Director, APD, in-person interview, Hargeisa, Somaliland, 11 July, 2017 (54).

traditional business sense, between local populations and global markets: “the people herding their animals in the countryside used to buy their livestock through the businessmen...and the businessmen would export their livestock to somewhere else.”⁷⁰ From a ‘company level’ perspective, the money wiring service, established by Dahabshil, for example, was a vital means for people to access remittances from their families and extended clan members abroad, just as their telecommunications company, initially government-owned, provided a vital service, that undoubtedly contributed indirectly to the organization of the peace conferences.⁷¹ Similarly, the General Manager for Omar International Company, Mohammed Ali Boqore, notes that their established position in Djibouti allowed them to serve as an intermediary between Somaliland and the rest of the world, by sending proceeds through banks of Djibouti – thereby ensuring Somaliland’s economy was connected to regional markets.⁷²

Business actors also served as intermediaries in less conventional ways, albeit still largely within the scope of what is often commonly associated with business actors. During the SNM military campaign, some business actors served as ‘covers for others’ who were not able to trade openly for political reasons: “I used to be an agent for their businesses”, stated businessman Ahmed Missan Aare, from Borama, trading on behalf of SNM businessmen in Ethiopia. Others tried to use their power and influence to mediate local level conflicts between SNM fighters and local business actors from whom they stole, persuading them not to ‘pillage’ from businessmen, especially in light of the support they were providing.⁷³ Moreover, ‘Dalab’, provided an international money transfer service to relief organizations

⁷⁰ Sahel, Mohamed, Traditional elder, in-person interview (translated), Berbera, Somaliland, 19 July 2017 (74).

⁷¹ Abdirizak Madena, President of Nugaal University, in-person interview, Laascaanood, Somaliland, 20 July, 2017 (75).

⁷² Ali Boqore, Mohammed, General Manager, Omar International Company, in-person interview, Hargeisa, Somaliland, 12 July, 2017 (59).

⁷³ Ibid.

who were not able establish bank accounts in Somaliland. Transfers were made to his account in Djibouti, and he gave them the money in cash, at a profit: “For each one dollar that I gave, I got 200,000 (0.25 dollars) into my account”, he explained.⁷⁴ Many of these type intermediary positions emerged from the advantages of being a business actor; as underscored by Abdirizak Madena, President of Nugaal University, business actors were in a privileged position of being able to cross borders at a time when many areas were controlled by clan militia that would not look favorably on ‘clan crossings’: “the community accepts [the businessmen], as long as they provide services.”⁷⁵

Moving away from the ‘classical’ (i.e. private/economic) business role towards a more political and ‘Track I’ perspective, business actors played an important mediation role during Somaliland’s transition. Several businessmen were engaged extensively as stakeholders, negotiators and mediators in the diverse peace conferences held between 1990 and 1997. Mohamed Sahel, traditional elder, alluded to this when recounting the Berbera conference: “the owner of the Shide Hotel”, he stated, “and every other businessman who had the mind and heart to do so would mediate.”⁷⁶ Similarly, Dr. Adan Yusuf Abokor, from the Rift Valley Institute, who formed part of the famous ‘Hargeisa Group’ of civil activists⁷⁷, underscored the manner in which business actors were considered equally as part of the society as anyone else: “The business people were part of the clans, they represented their clans and they were invited as part of their clans; they do not take part as individuals – not as women, intellectual etc., but as sub-clans...each sub clan will include politicians and businessmen as part of the seats allocated to them to participate in the peace conference.”⁷⁸ In another instance, when

⁷⁴ Hersi ‘Dalab’, Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66).

⁷⁵ Ibid.

⁷⁶ Sahel, Mohamed, Traditional Elder, in-person interview (translated), Berbera, Somaliland, 19 July 2017 (74).

⁷⁷ A group of civil society activists who made a stand against the Barre regime; many served extended prison sentences.

⁷⁸ Dr. Yusuf Abokor, Adan, Country Representative Rift Valley Institute, Somaliland, in-person interview, Somaliland, 10 July 2017 (53).

President Egal imprisoned a powerful group of clan sultans with strong backing in the east of the country who “challenged the President’s authority, calling for UDUB⁷⁹ to be dismantled and for a shir beeled [clan conference] to be held to decide on the future of the country,”⁸⁰ again, it was the business actors who stepped in to mediate⁸¹ - thereby helping to bring the country back from the brink of yet another civil conflict.⁸²

Other figures transitioned smoothly between the worlds of business and the world of politics – in ‘revolving door’ fashion, while also demonstrating that it was possible to hold these multiple ‘identities’ - as ‘businessmen’, ‘elder’ or ‘politician’ – simultaneously. Adan Admed Diriye ‘Baradho’ for example, holds a long list of affiliations: former SNM fighter and member of SNM Guurti; former businessmen; peace negotiator; and Secretary of Burco conference, amongst others. He recounts the way he moved between the worlds of politics and business: “Previously I was a businessman trader for livestock and other food stuffs, when the civil war happened I became one of the members of the SNM and in 1991, I became a businessman, and I participated in the peace negotiations. There was no effective government in 1991, and it was not possible to start a business, so I started to negotiate to mediate to make peace.”⁸³ ‘Baradho’ maintains that it was a combination of his success as a businessman and his personality that enabled him to play these roles: “I had a good reputation and a good name and everybody respected me,”⁸⁴ he stated. According to one of the founding members of the SNM and the first Vice President of Somaliland, Hassan Issa ‘Jama’, it was as a result of ‘Baradho’s role as a business actor and his role in the peace conferences that he

⁷⁹ United People’s Democratic Party – the political party led by President Egal at the time.

⁸⁰ Bradbury, Mark (2008), page 462,

⁸¹ Sa’ad Dhibil, Mustafa, Chairman, Somaliland Non-State Actors Forum (SONSAF), journalist and managing director of newspaper, in-person interview, Hargeisa, Somaliland, 11 July, 2017 (56).

⁸² Bradbury, Mark; Abokor, Adan Yusuf and Yusuf, Haroon Ahmed (2003), page 463.

⁸³ Ahmed Diriye ‘Baradho’, Adan, Member of SNM Guurti and SNM veteran, former businessman and one of the peace negotiators, Secretary of Burao conference and read the communique of the conference, in-person interview (translated), Hargeisa, Somaliland, 11 July, 2017 (57).

⁸⁴ Ibid.

decided to reward 'Baradho' with the prestigious role of reading out the declaration of Somaliland's independence on 18th May 1991. Following the declaration and the stabilisation of the economy, 'Baradho' went back into business, but continued to make himself available as a mediator in the context of the peace conferences that followed:

The context had changed completely in 1991-92: we were involved with re-settling the people and with the peace agreements. After 1992, all the disputes between the clans had been settled, which motivated me to re-start my business. If there is no peace there is no business! But I continued to play a role: I was the 'front line', whenever a dispute arose, I was involved in most of the conferences. I was always involved, and in 1994 there was another war in Hargeisa - I was called upon to be one of the negotiators.⁸⁵

Other examples of business actors playing the 'political' role of mediator were numerous. In Berbera, for example, business actors together with elders and politicians played an important role in bringing hostile clans together for the first time on 17th February 1991 for the Berbera conference.⁸⁶ Together, business actors, elders and politicians led a discussion between the Isaak, Harti and Dir clans from the center, east and west, respectively, concerning the roles they had each played during the course of the conflict, which led to an agreement on: calling for a national ceasefire; retaining immovable assets; and the responsibility of each clan for their territory until the meeting in Burco.⁸⁷ Businessman Musa Hersi 'Dalab' similarly recounted his participation – as a mediator - in the Burao conference, where they jointly agreed to announce the independence of Somaliland in 1991, as well as in the conferences that took place in Borama and Sheikh: "I was involved in politics; I was involved in the

⁸⁵ Ibid.

⁸⁶ Ahmed, Mahmoud Abdi Sh., 'Why the Somalia peace talks have failed and what Somaliland did differently with regards to peacemaking/peacebuilding: A comparative case study of Somalia and Somaliland', MA Dissertation, Peace Studies Department, University of Bradford, 2009.

⁸⁷ Ibid.

stabilization of the country and the politics. And I also built houses and made money...even now I still have houses left in Mogadishu.”⁸⁸

The agitators

Control over economic resources, and what that control meant to each of the clans involved, was one of the major sources of conflict; as one interviewee argued, “it was the tool clans were using against one another.”⁸⁹ Many of those interviewed, however argued that “that issues were not economic, they were political forces, they were the different tribes and groups, competing over the formation of the Government and the distribution of power in the Government.”⁹⁰ As such, at certain moments in time, the clans themselves – and their respective militias – acted as ‘agitators’ with economic and political goals, competing for respective control over different aspects of the market as part of the conflict dynamics, whether that was trade routes or valuable ‘assets’, such as the port and the airport. These conflicts over power and resources were tied to intimately to both ‘inter-clan’ and ‘intra-clan’ conflicts, themselves related to different conceptions of the state – as will be explored in greater depth in the next section. At three different ‘phases’ in the transition from war to peace it can be argued that the clans behaved as business entities and agitators, clearly demonstrating the blurring of the lines between what is ‘political’ and what is ‘economic’, and the manner in which their interests could be mobilized for peace or war.

First, clans behaved as conflict-making ‘business actors’ prior to the declaration of independence. As outlined by Bradbury, Siad Barre imposed economic sanctions on the north

⁸⁸ Ahmed, Mahmoud Abdi Sh., Academic, in-person interview, Hargeisa, Somaliland, 14 July, 2017 (63).

⁸⁹ Ibid.

⁹⁰ Mohammed Ali Boqore, General Manager Omar International Company, in-person interview, Hargeisa, Somaliland. 12 July 2017 (59).

⁹⁰ Ahmed Yusuf, Haron, Director SORADI, in-person interview, Hargeisa, Somaliland, 10 July, 2017 (52).

of country in an effort to undermine the SNM insurgency, targeting the Isaak clan family specifically; simultaneously, he also armed non-Isaak clans, seeking to “generate mistrust between clans and undermine any possibility of a united movement emerging.”⁹¹ In parallel, each of the clans sought to control the trade routes that ran from the north to the south of the Somaliland territory, from the port of Djibouti, especially since Siad Barre had greatly restricted imports and exports from the port of Berbera; another key route to control was the road from Mogadishu. The clans (and sub-clans) engaged in a series of embargoes and blockades against one another, seeking to control certain ‘markets’ while simultaneously inflicting both economic, political and social ‘damage’ on the other clans. This could take the form of ‘check points’, for example, where clans could exact fees for use of the road or deny use of the road, or involve the ‘blockade’ of entire route or region. Businessman Ahmed Missan Aare, from Borama, recounted these dynamics:

The central regions were against the government [of Said Barre]. But far east and far west was pro-government. Economically, one clan in the west [Gadabursi, sub-clan of Dir] and the other clan in Djibouti agreed to make an embargo, and the Esa Musa clan [sub clan of Isaak] have decided that Gadabursi should be blocked. It was cut from the route of Djibouti and it was cut from Berbera. It was the Isaak who blocked the Gadabursi, who were pro government. Even though they are all cousins, they are there together, but they decided that since we were pro-government they would no longer ‘belong’ with us. So the only trade route was through Ethiopia, so business was really bad...so commodities were coming from there. We had to go to the Afar ethnic group in Ethiopia, and we had to ask our Somalis for help, it was really very interesting. This was a blockade; the economy was used as a tool. This was the way the economy was used as a stick to banish a clan which was not...it was an economic embargo imposed on another clan, using economy as a means of persuading, and of asking for support.⁹²

Similarly, fighting around both Burco and Berbera that erupted in 1991 and 1992, respectively, and again during the civil war of 1994-1996, also helped transform clans into

⁹¹ Bradbury, Mark (2008), page 66.

⁹² Ahmed, Mahmoud Abdi Sh., Academic, in-person interview, Hargeisa, Somaliland, 14 July, 2017 (63).

‘business-like’ entities – tied to rifts within the SNM⁹³ and power conflicts between the clans. The conflict erupted over control of the port⁹⁴, a significant source of income for the government in the form of port duties. President Tuur’s tenure was increasingly disputed, often resulting in clashes between militias of his sub-clan (Habar Younis) and that of the Esa Musa sub-clan (both from Isaak clan-family).⁹⁵ As outlined by Nicholas Eubank, “[a] violent power struggle ensued, with each side evoking the traditional rivalry between the Habar Yunis [Garhajis, Isaak sub-clan] and the Esa Musa [Habar Awal, Isaak sub-clan].”⁹⁶ An agreement was eventually made that all public assets should be under control of the government, an agreement that meant that the Esa Musa clan militia had to give up its control or ‘business monopoly’ over the port, just as Habar Younis and Idagalle militia would have to give up their claim to control the ‘monopoly’ over the airport – the latter failing to have immediate or consistent effect.⁹⁷ The civil conflict that erupted in November 1994 was sparked by government attempts – now presided over by Egal – to gain control of Hargeisa airport, feeding further into clan rivalries. While the clan militias themselves were behaving as ‘businesses’, Mohamed Farah Hersi argues that – just as businesses had supported the peace conferences – they also supported the militias in their roles as ‘agitators’:

The business elites were in the middle, struggling, supporting and financing pro- and anti-government. Why? If you look at those business elites supporting the government and those who were against the government who were financing the clan militias – the only thing that they share is that the same people are supporting the same clan. Their business people are supporting the same constituents of their ‘own’. Those people supporting the government were from the President’s clan...It was more of a power struggle, who controls what? Who is going to dominate the market? Who is going to dominate the system? Who is going to be closest to the power?⁹⁸

⁹³ Dr. Yussuf Abokor, Adan, Country Representative Rift Valley Institute, Somaliland, in-person interview, Somaliland, 10 July 2017 (53).

⁹⁴ For details about this conflict, see Walls (2014), pages 169-175.

⁹⁵ Interpeace, Academy for peace and development (2008).

⁹⁶ Eubank, Nicholas, ‘Peace-building without external assistance: Lessons from Somaliland’, Working Paper 198, Center for Global Development, January 2010, page 15-16.

⁹⁷ Philips, Sarah (2013), page 55.

⁹⁸ Hersi, Mohamed Farah, Executive Director, APD, in-person interview, Hargeisa, Somaliland, 11 July, 2017.

Part two: Understanding the dynamics of power, business and peacemaking in Somaliland

Analyzing the nature of business involvement in peacemaking through local, regional and international lenses reveals the power dynamics at work in Somaliland; it demonstrates how the combined political and economic interests of businesses helped shape the security, socio-economic and government-related affairs in Somaliland in its transition from peace to conflict – informed by its history and relationships with neighbouring countries. Putting the role of businesses in the broader national/subnational, regional and international context in which it took place, this analysis sheds light on the inequalities and violence that were at the heart of the conflict with Somalia, as well as the violence and inequalities that formed part of Somaliland's quest for freedom and independence. This section also provides insights on the multifaceted nature of both so-called 'political' and 'economic' actors, underscoring the way in which both businesses and government actors are inherently *social* 'creatures', in this case intimately tied to clan dynamics. Lastly, it demonstrates the way in which power shapes, constrains and is produced by the discourses and practices of business actors, which at the national/sub-national, regional and international levels fuse with clan structures, historical discourses and the statist project to entrench power structures - freeing business and the markets they exploit from any form of control, and simultaneously reinforcing the international Westphalian system they both depend upon and undermine.

National/sub-national power dynamics at work

At the national/sub-national level, the practices of business actors were inherently embedded in clan relations, and reproduced the clan structures through their actions, with effects on the nature of both the economy and gender relations. As a result of clan affiliations, businesses

were not only able to play a role in peace mediation, but were *expected* to do so; (it can also be argued that since Somali culture is traditionally pastoral and nomadic⁹⁹, there was an underlying affiliation between business actors and their nomadic counterparts, each surpassing borders in the search of better pastures, or ‘markets’). As outlined by Hussein Bulhan, historically speaking, genealogy – expressed and understood through the clan system – is one of the most important attributes of Somali culture; it eludes to the notion of ‘kinship’, which translates as “Tol”¹⁰⁰ – which literally means “knit” or “sown together”. Accordingly, the “members sharing kinship and identities are supposed to be knit tight as the strands of a quilt”.¹⁰¹ Pointing to the highly socially-constructed nature of the clan, Bulhan continues: “the clan system attains power and reality because the living individual *identifies* with the clan, *assimilates* its ethos, *feels* kinship with other members, and *acts* according to the learned rules and expectations of the clan system”¹⁰² – effectively linking identity with practices (i.e. in this instance behaviour or action). This individualistic understanding of the clan must be complemented by an inter-subjective one, whereby the clan gains importance through the regulative role it plays in social relations: it defines how social units interact with one another, through which means and to what purpose.

The clan takes on a particular purpose during wartime, which is an inherent part of clan dynamics; the first Vice President of Somaliland, Hassan Issa ‘Jama’ explained: “One thing Somalis know, and are quite used to, is clan warfare, and they are used to clan reconciliation – both sides of the coin....It was something they were used to culturally. They knew making

⁹⁹ Ahmed, Ismail I, and Green, Reginald Herbold (1999), page 3.

¹⁰⁰ Bulhan, Hussein A, *Losing the art of Survival and Dignity, Transition from Self-Reliance to Dependence and Indignity in Somali Society*, Tayosan International Publishing, 2013, page 86.

¹⁰¹ Ibid.

¹⁰² Ibid, page 83.

peace and making war.”¹⁰³ Intermeshed as war and peace were in clan relations, therefore, business actors – as members of a clan - could no more escape their clan relations, and clan obligations, than any other clan member. In peacetime, clan members are expected to pay *qaadhaan* (financial contributions to help kinsman) and *mag* (Blood money) when a murder is committed by a fellow member of the clan. During conflict, clan members are “obligated to defend the interest and honor of the clan by whatever means deemed necessary including sacrifice of life and limb.”¹⁰⁴ Distance – being part of the diaspora or a businessman in Djibouti, for example - did nothing to undermine these relations: “The family tree here is very strong. Wherever you are, you are registered to your clan.”¹⁰⁵ When the Isaak clans were under attack, therefore, and the SNM required support, or when peace conferences were underway, business actors had *no choice* but to support their clans; if there was a clash between personal, economic interest and the interests of the clan, the clan would prevail:

Business needs peace and stability...That's a basic objective of the business people, if its stable, they can make business and if not, they cannot make business. But there is always one element that can disrupt them: clan interests...If the clan decides to go to war they will be forced to support it. Business men belong to clans, and once there is a clan need they are normally the first to respond: they provide vehicles, arms, the first to respond...Business men wanted either the market, or assets, they had personal interest, but they need the clan to protect their own businesses...the clan will not allow them to use [their business] for something that is not supported by the clan. They can only support something that is in the interest of the clan. Traditional system is still strong - negatives and positives – [businessmen] have to take into consideration the clan interest, if it is stability and peace, then they have to support it. But personal gain on his own will not get him far.¹⁰⁶

¹⁰³ Issa ‘Jama’, Hassan, one of founding members of SNM; first Vice President of Somaliland; former BBC journalist; former lawyer; former deputy chairman of SNM; chairman of Burao conference, in-person interview, Hargeisa, Somaliland, 15 July, 2017 (68).

¹⁰⁴ Bulhan, Hussein (2013), page 84.

¹⁰⁵ Sa’ad Dhibil, Mustafa, Chairman, Somaliland Non-State Actors Forum (SONSAF), journalist and managing director of newspaper, in-person interview, Hargeisa, Somaliland, 11 July, 2017 (56).

¹⁰⁶ Ahmed Yousuf, Haron, Director SORADI, in-person interview, Hargeisa, Monday 10 July 2017 (52).

Clan dynamics had a marginalising effect: Business actors from Isaak clans, therefore, were *expected* to play a role but the exclusive nature of clan relations came into view when business actors from other clans attempted, voluntarily, to assist. With some exceptions, the SNM was largely an Isaak movement, in part because they were the most targeted by the Barre regime. Business support (in the form of ‘benefactors’) in of itself was, therefore, less of interest than *business support from affiliated clans*; it was the alignment of clan and businesses that created a power dynamic that took on, in a certain manner, a life of its own. These dynamics were felt particularly amongst the Darood (Harti) clans, which includes the Dhulbahante and the Warsangeli, as recounted by one interviewee:

I was a businessman: livestock...I had my house and store, and I was doing fine. I didn't like the former regime, the problem was I also didn't like the liberation movement, because they were no better than the regime. At first I thought they were better, and I tried to join them. They asked me what tribe I belonged to them. I told them “fuck you!” I did not believe in clan. I belong to Darod, I did not like Darodism. They are not sincere with what they are saying, different heart and head. It should be the same...They said “you are Dholbahante, you do not belong to us”. I did not get angry, I know he is mistaken, I know tribalism will bring no better than the former dictator [...]107There were only few people who did join from other tribes, 2-3 people. I continued my business. At first I thought that a regime was going, and another regime was coming. The problem was not based on tribe, the problem was governance. I was a nomad, we changed our ‘base’, we needed another way of reorganisation.108

This interviewee, who expresses a controversial view, requested to remain anonymous, underscoring the power dynamics at work: his resistance to the notion of clannism is palpable – a contentious position in a society where clan is often presented as a largely indisputable and incontestable ‘fact’ that ordered relations between individuals and groups.¹⁰⁹ His words

¹⁰⁷ Some information which could enable identification of this interviewee has been removed to protect his anonymity.

¹⁰⁸ Anonymous, Former business representative, in-person interview, Hargeisa, Somaliland, 12 July, 2017 (60).

¹⁰⁹ Anti-clan sentiments do exist, however, as demonstrated by Michael Walls in writing about the ‘anti-tribalism movements. Its an increasingly passionate topic in Somaliland, one with a long and creative history. See: Walls (2014), page 68. However, to have ‘opposed’ the clan during the 1990s was to also ‘oppose’ – to some extent – the emerging state of Somaliland and the clan-system it has been largely built upon.

also raise the possibility that clannism was more meaningful for those who benefitted from it, while raising questions for those who were marginalised from power as a result. Not being affiliated with the SNM (and the Isaak clan), and the new government had its consequences for him; he continued: “I became bankrupt; I joined the NGOs to make ends meet”¹¹⁰ – in stark comparison to the many successful Isaak businessman who flourished during the 1990s. The reference to the changing base and the need for a new system of organisation is echoed in Bulhan’s work, who underscores the negative impacts the state project – which will be discussed in greater detail shortly – had on clan dynamics: “Since the culture and psychology of the people cannot exist independently of politics and economy, the original form and use of the clan system eroded, giving way to new configuration focused on competition over state power and resources. The state under the control of the local elite and mirage of independence failed to deliver its promises - peace, freedom, and prosperity.”¹¹¹

The evolving nature and effects of clan relations is evident in the way the conflict over state resources shifted from being *between* the clans, as was evident most prominently during the 1980s – when such conflict was violent - to largely being *within* the (Isaak) clan in the 1990s, when the nature of sub-clan relations also took on violent aspects in 1992 and the civil war of 1994-96. Indeed, once it became evident that the Isaak would be the largest clan in the new state of Somaliland, competition shifted to the next level of meaning: that of the sub-clan and, moreover, between the sub-clans who were affiliated with some of the wealthiest business actors. On the one hand is the *Habar Younis* clan, a sub-clan of the Garhajis, itself a sub-clan (one of eight) of the Isaak clan family: the former Chairman of the SNM and the first President of Somaliland, Abdirahman Ahmed Ali Tuur came from this clan. Tuur was

¹¹⁰ Anonymous, Former business representative, in-person interview, Hargeisa, Somaliland, 12 July, 2017 (60).

¹¹¹ Bulhan, Hussein (2013), page 8.

supported by many business actors, but largely ones who had fled to the refugee camps in Ethiopia and fought alongside the SNM.

On the other hand, there is the *Esa Musa* clan, a sub-clan of the Habar Awal clan, itself a sub-clan of the Isaak which, historically speaking has been the most urbanised Isaak clan family¹¹²; the first civilian President, and second President of Somaliland, Egal, came from this sub-clan along with the most influential businessmen who had all fled to Djibouti. Interestingly, Egal's maternal lineage came from the Habar Younis clan,¹¹³ but individuals are defined by their paternal lineage, which, indeed, defined his relationship with business actors. The multiple conflicts that took place over trade routes, access to the port, to the airport and over the way in which the Somaliland shilling was introduced, for example, all took place between these two sub-clans – occasionally in alliance with other clans from the Isaak clan family, and always with the support, whether for conflict or for peace, of the relevant business actors. A large part of Egal's success therefore, can be traced to the fact that the most successful business actors shared his clan lineage, creating a confluence between the most powerful political and economic aspects of clan relations: “The major incentive was clan-driven interest: we believe that if your clansman is in power, then you are safe. If my clan is in power, then I have access to power, and once I have access to power I can make bills and contracts.”¹¹⁴

These dynamics, in turn, imbued the economy with a social¹¹⁵, as well as political, purpose; indeed, “[s]ocieties collective identities and cultural norms lead them to their own interpretations of the purposes of economic activity, the legitimacy of certain economic

¹¹² Bradbury (2008), page 119.

¹¹³ Pham, Pter J, (2012)

¹¹⁴ Hersi, Mohamed Farah, Executive Director, APD, in-person interview, Hargeisa, Somaliland, 11 July, 2017 (54).

¹¹⁵ Rawi, Abdelal, in Mark Blyth (Ed.), (2010), page 72.

institutions, and the meaning of their economic interdependence”¹¹⁶...thereby influencing “how societies and government interpret their place in the world economy.”¹¹⁷ The majority of those interviewed emphasized the way in which large parts of the country, and Hargeisa in particular had been “completely destroyed”¹¹⁸; time and time again the phrase “starting from scratch” (“all sorts of life, was beginning from scratch, business from scratch, government from scratch, schools from scratch, health sector”¹¹⁹). Similarly, others described economic development in terms of a race: “Get ready, on your feet, go!”¹²⁰ It is interesting that English-speaking Somalilanders would use these sports related, ‘anglophile’ terms to describe their economy: the economy was a means to recover and rebuild what had been lost, but also to ‘excel’ and to ‘prove’ their worth in the ‘race’ - undoubtedly with Somalia and towards ‘recognition’. Business actors, therefore, were the means to engage in this race, as well as being the vital link between the national, regional and international markets through which they were able to purchase their basic necessities: “There was no effective business in the early 1990s: there were clashes between the clans, but there was no effective business – the only effective business was the livestock trade to Yemen, and also the foodstuff businesses that some people brought from Saudi Arabia, and the Emirates for clothes.”¹²¹

Business actor’s involvement in the economy, therefore, served not only to entrench clan relations and strengthen the link between clan and state, but also to prove Somaliland’s ‘worth’ for recognition. A thriving economy was one route to achieve recognition and

¹¹⁶ This reading of the economy contrasts starkly with more rationalist approaches, which assume the predominance of material incentives.

¹¹⁷ Ibid.

¹¹⁸ Dr. Yousuf Abokor, Adan, Country Representative Rift Valley Institute, Somaliland, in-person interview, Somaliland, 10 July 2017 (53).

¹¹⁹ Boqore, Mohammed Ali, General Manager Omar international Company, in-person interview, Hargeisa, 12 July, 2017 (59).

¹²⁰ Duale, Abdirahman Yusef (‘Bobe’), War veteran of SNM, researcher, in-person interview, Hargeisa, Somaliland, 11 July 2017 (61).

¹²¹ Dahir ‘Ukuse’, Abdiilahi, Minister for Livestock, Somaliland, in-person interview (translated), Hargeisa, Somaliland, 11 July 2017 (55).

recognition would facilitate economic success: unofficial statehood limits the ability of businesses to “use international banks and secure loans, complicates the process of insuring a business, and raises the costs of doing business, all because companies must have headquarters in neighbouring countries with postal systems and legitimate banking sectors.”¹²² The way in which the economy recovered, however, served to bolster power in the center to the detriment of the periphery, and therefore for the Isaak to the detriment of the Harti clans. The economy – and the concomitant geography of the state itself - consequently became a tool of political domination. While the economy in the center, and to a certain extent in the West of the country became “buoyant”¹²³ with a functioning market economy, in part as a result of trade through Berbera port¹²⁴ – estimated to be around twice the level of trade pre-war in 1988 - this has all “been less true of the northeast, which never had much production.”¹²⁵ Many of the business actors in 1990s of Darood descent in the East fled¹²⁶, abandoning the economy which supported a cause – that of the Somaliland state, which they did not believe in. For those in the East, therefore, the economy was also a tool of contestation and a means through which they could protest and demonstrate their ‘non-consent’.

Lastly, at the national/sub-national level, businesses were intimately involved in the reproduction of gender relations, serving to bolster the patriarchal nature of the clan, the state, and the economy. All but one of the people interviewed for the purposes of this research were men, itself a product of the fact that all the major business actors, all the elders and political figures at the time were men; similarly, women are barely mentioned in relation to the topic of business inclusion in peace mediation unless prompted by a direct question. This is not to

¹²² Johnson, Martha C and Smaker, Meg, ‘State building in de facto states: Somaliland and Puntland compared’, *Africa Today*, Vol 60, No. 4, Summer 2014, Indiana University Press, page 9.

¹²³ Ahmed, Ismail I, Green, Reginald Herbold, (1999), page 125.

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ Garad Jama Garad Ismail, traditional elder (“king”) for the Sool region, in-person interview, Laascaanood, Somaliland, 20 July, 2017.

say that women *did not* play a role, but their role was comparatively marginal – and marginalized by discourse - to that of their male counterparts, often taking place at the grassroots level, leaving the ‘national realm’ as one dominated by men. The patrilineal clan systems means that women have traditionally been excluded from representative politics, in part due to the ambiguity around whether a woman represents the clan of her husband or that of her father¹²⁷ - and undoubtedly because women are, according to Bulhan’s interpretation of Somali culture, “worth half of her male counterpart in case of murder”¹²⁸, and implicitly, perhaps, also when alive. In times of conflict, the women’s role is appreciated in so far as it reproduces and reinforces the patriarchal system that disempowers her: “Women took on another role: they could move across the clan lines, they were ambassadors...they lived together and had a long history of relationships through intermarriage and so women were able to take messages from elders who were working on peacebuilding”.¹²⁹

These relationships of subordination were replicated in the economic sphere: “there were two levels of business people: big business people who brought food, fuel and other things, and exported livestock, and mid-level business ‘baggage’, which included small things and trinkets which were not normally available.”¹³⁰ Men tended to be the former and women the latter, the former being considered more important, more strategic, and evidently more closely related to the ‘political’ sphere than the latter. Furthermore, trade that men engaged in is labelled as ‘formal’, whereas women tended to be engaged in business considered ‘informal’ albeit licit: “Qaat sellers were 90% women. Women would sit all day: *this is* resilience. Men would never do this, *sit all day*. Women feel more responsible, which is what

¹²⁷ Bradbury (2008), page 169; and Walls (2014), page 51-53.

¹²⁸ Bulhan (2013), page 131.

¹²⁹ Ahmed Yousuf, Haron, Director SORADI, in-person interview, Hargeisa, Somaliland, Monday 10 July 2017 (52).

¹³⁰ Ibid.

this proves.”¹³¹ As summed up succinctly by Haron Ahmed Yousuf: “What is a clan? It's a male organization, a men's club.”¹³² By lending their support on the basis of clan lines, businesses served to reinforce and reproduce the dynamics of this powerful ‘club’.

‘Regional’ power dynamics at work

As outlined in Tobias Haggman's and Didier Peclard's work on ‘negotiating statehood’, “actor groups muster symbolic repertoires to further their interests, to mobilize popular support, and to give meaning to their actions”¹³³ - repertoires that need not be imagined. In this sense, business involvement in peacemaking, and the influence they were able to exert, was shaped extensively by experiences at the so-called ‘regional’ level (debatable since for many Somalia and Somaliland form part of one country, not one region) and by the process of creating Derridean oppositions – or ‘otherings’ - against which, and in contrast to which, the Somaliland state could be constructed. Somalia is the ever-present ‘opposition’ to Somaliland in symbolic terms; it came to represent – to those in favour of the state of Somaliland – all that should be avoided, all which the state was against, and all that Somaliland would never be in three key ways: as a result of the economic hardship experienced by the Isaak clan family at the hands of the Barre regime; the violence enacted by the Barre regime; and, the socialist affiliation of Somalia. These discourses were supported by a narrative of ‘superiority’, in which Somaliland's culture and historical experience was considered consistently superior to that of Somalia. However, since “states carry the potential to threaten the very thing that can help sustain or secure their

¹³¹ Dr. Yusuf Abokor, Adan, Country Representative Rift Valley Institute, Somaliland, in-person interview, Somaliland, 10 July 2017 (53).

¹³² Ahmed Yousuf, Haron, Director SORADI, in-person interview, Hargeisa, Monday 10 July 2017 (52).

¹³³ Haggmann, Tobias, and Peclard, Didier, Eds., Introduction by Editors, *Negotiating statehood, dynamics of power and domination in Africa*, Wiley-Blackwell, 2011, page 8.

subjectivity,”¹³⁴ many of the dynamics Somaliland sought to avoid, were reproduced through different power configurations.

The economic hardship experienced by Somalilanders, especially by the Isaak clan family, under the Barre regime is indisputable. The Barre regime sought to control the northern region’s most powerful clan through ever-increasingly harsh tools of economic repression and centralization of power in Mogadishu. In order to set up businesses, licenses had to be obtained from Mogadishu¹³⁵ and were infrequently allocated; parts of Somaliland were often under curfew from 2pm; goods imported from abroad were confiscated; and, following Somalia’s defeat in the 1977 war with Ethiopia over the Ogaden region, a large influx of Somali refugees put further strain on both the environment and the economy.¹³⁶ While the exact number is unknown, it is estimated that “more than half the country’s total livestock population was killed either directly or indirectly.”¹³⁷ Soldiers fighting for Barre, furthermore, poisoned water sources, planted mines, and forced farmers to abandon their crop cultivation.¹³⁸ The state of emergency declared by the Government “sealed off the north and prevented the free movement of civilians and goods”¹³⁹, and these were only a few of the ‘sanctions’ enacted. This created a dynamic in which the Isaak clan family were ‘victims’ of the regime, and they experienced their suffering as ‘outsiders’; this, in turn, fueled identity discourses: “We were eager to start a government that would be a community where Somaliland *belongs*”¹⁴⁰ underscored one businessman. It directly fed into support for the

¹³⁴ Devetak, Richard, ‘Post-structuralism’, in Burchill, Linklater, Devetak, Donnelly, Nardin, Paterson, Reus-Smit, True, *Theories of International Relations*, Fourth Edition, Palgrave Macmillan, 2009, page 202

¹³⁵ Duale, Abdirahman Yousef (‘Bobe’), War veteran of SNM, researcher, in-person interview, Hargeisa, Somaliland, 11 July 2017 (61).

¹³⁶ Hansen and Bradbury (2007), pp 41-47.

¹³⁷ Ahmed, Ismail I, and Green, Reginald Herbold, (1999), page 119.

¹³⁸ Ibid.

¹³⁹ Bradbury (2008), page 59.

¹⁴⁰ Hersi ‘Dalab’, Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66). Italics added for emphasis.

SNM, and shaped the manner in which business actors expressed their resistance to the regime. Indeed, the hardship created a context where inaction was impossible, and the only route perceived as being acceptable – ‘compulsory’ even - to businessmen in order to rectify the injustice was to fight:

We were not scared. We were angry and we needed to move into the country whether we die or not. We did not care about death....I was a great businessman at that time, I had about 30 houses in the city [of Mogadishu], and big business and the Government of Said Barre took most of them, and my money, and that was why I went over there to the SNM to fight with the Siad Barre regime. I contributed a lot and made significant contributions to the SNM. The war was compulsory, the regime of Said barre forced me to fight with them. The airplanes were bombing us in Hargeisa, they were using Hargeisa airport to bomb us. When we collected that food and logistics they needed, we tried...and we then gave the green line to go ahead and start the war.¹⁴¹

Economic sanctions were accompanied by the acts of physical violence. While many spoke of the former, the majority only alluded to the latter. Whilst atrocities form an important part of modern Somaliland’s narrative, when discussing Somaliland’s historical ‘successful peacemaking story’, the atrocities of the Barre regime era are often downplayed perhaps due to: the extent of the violence – almost every family lost someone or knew of a relative that was tortured; the absence of a comprehensive dialogic process of historical memorialization; because many of the perpetrators remain at large; and because when discussing something so positive many did not want to necessarily call attention to the more negative truths driving the peace process. Mohamed Hasan ‘Najiib’ an independent human rights worker who has dedicated much of his life to documenting the past and fighting for human rights recounted the extent of the suffering: “there are over 220 different mass grave sites in Somaliland,” he stated; “every few months or so a new mass grave will come out; someone will be trying to

¹⁴¹ Ibid.

build a well or a house...it is a constant reminder, people who see those things”.¹⁴² He describes the “mercilessness” of the people from the South¹⁴³: “The military plane flying from the airport and bombarding the civilians, just imagine....A lot of people tried to flee, planes used to fly over while people were fleeing, there are not a lot of trees, there is no place to hide, so they would fly over and thousands of people would die.”¹⁴⁴ It is estimated that over 50,000 civilians were killed.¹⁴⁵ The Isaak clan family was deliberately besieged, and it created an environment in which targeting of the Isaak by other clans in Somaliland was permitted, leading to divided communities and even families: “families had to be separated, families had to kill one another, because their lines were split. It was very bad, families had to be divided, because a wife was one from clan and husband from another, and one was supporting.”¹⁴⁶

Business actors lent their social and economic power, therefore, to a discourse in which the Somaliland state was constructed in opposition to the violence of the ‘other’. Already during the SNM’s campaign, many of those interviewed emphasised the manner in which soldiers they captured were treated differently from the manner in which ‘The Regime’ treated prisoners, and other victims: “We would take [the soldiers’] weapons and we would let them leave; we would not kill them. That is how we gained power.”¹⁴⁷ The legitimization and institutionalisation of power was framed through a “peace or war”, “justified/unjustified violence” dynamic. During the peace conferences for example, clans were requested to decide not whether there were in favour of Somaliland or Somalia, but whether they were in

¹⁴² Hasan ‘Najiib’, Mohamed, Independent human rights worker and archaeologist, part of diaspora, in-person interview, Hargeisa, Somaliland, 13th July 2017 (62).

¹⁴³ Ibid.

¹⁴⁴ Ibid.

¹⁴⁵ Philips, Sarah (2013) page 73

¹⁴⁶ Mahmoud Abdi Sh. Ahmed (2009).

¹⁴⁷ Hersi ‘Dalab’, Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66).

favour “of conflict or of peace?”¹⁴⁸ This dichotomy is reflected in the statement by former businessman and politician ‘Baradho’: “I learnt good lessons: those who are involved in the wars, they will hate you; and the people who like peace and who are ready will love you.”¹⁴⁹ To be in favour of conflict, war and violence was to be in favour of the Siad Barre regime, and of all those who had acted in support of his actions; to be in favour of peace and the laying down of arms, meant support for the establishment of Somaliland. It was to be on the side of the ‘bad/wrong’, or ‘good/right’.

This discourse was amplified by, and intensified the effects of, the SNM policy of ‘no revenge’ or what former Vice President Hassan Issa ‘Jama’ referred to as the policy of “magnanimous victory.”¹⁵⁰ Many of the non-Isaak clans who had fought for the Said Barre regime and in order to remain part of Somalia feared a backlash against them when the regime fell. The choice of no-revenge was seen as inevitable by members of one of the most powerful sub-clans of the clan with the majority:

In order to give this country a chance we decided that we have no choice to embark on a mission other than “magnanimous victory” was what I called it. Mandela was not there yet. The first step was having a united nation, otherwise you cannot move. No revenge. Magnanimous victory. A lot of the people who came from Europe would ask: How did you get this idea? It has worked in so many other places. It was easy for us, we wanted something bigger and better than revenge. And that was national unity and we wanted to give this country a chance.¹⁵¹

The policy of ‘no revenge’ helped consolidate political power, and had adverse effects from a business perspective: revenge and more broadly the exercise of power, to a certain extent

¹⁴⁸ Ibid.

¹⁴⁹ Adan Ahmed Diriye ‘Baradho’, Member of SNM Guurti and SNM veteran, former businessman and one of the peace negotiators, secretary of Burao conference and read the communique of the conference, in-person interview, Hargeisa, Somaliland, 1 July 2017 (57).

¹⁵⁰ Issa ‘Jama’, Hassan, One of founding members of SNM; first Vice President of Somaliland; former BBC journalist; former lawyer; former deputy chairman of SNM; chairman of Burao conference, in-person interview, Hargeisa, Somaliland, 15 July, 2017 (68).

¹⁵¹ Ibid.

was implicitly transferred from the realm of indiscriminate violence to that of the political economy. Business actors who had supported the Siad Barre regime and refused to support the emerging Somaliland state suffered immensely from the consolidation of the Isaak powerbase, with knock-on effects on the socio-economic development of regions in the East in both the medium and long-term, and on lives and livelihoods. These dynamics are summarized perfectly by Mohammed Hersi Farah:

During that time, there was a huge loss from those clans who were against the government, they financed, and then they lost the war, and they lost most of their business deals, then the market was overtaken by those business elites who were supporting. This is why you have huge companies, those established in the 1990s, and they were functioning in Djibouti and then came here, and supported Egal and against the armed militias, then Egal gave them a lot of business opportunities. While their counterparts who were supporting armed militias against the Government lost everything. That's why there is an income disparity between the regions and the clans. The most powerful clans were those who were supporting the government of Egal.¹⁵²

From the perspective of the business actors, one of the most powerfully constitutive dynamics was the opposition to the socialist regime of Siad Barre, and the embracing of free market capitalism. The devastating dynamics of the 'socialist' policies of Siad Barre – combined as they were with the desire to effect control – was evident in the mid 1970s, for example, when price control, the closure of the Arabian-Somaliland-Ethiopian trade axis, and the food rationing system, combined with a drought, contributed to a major famine in the (then)

¹⁵² Hersi, Mohamed Farah, Executive Director, Academy for Peace and Development, in-person interview, Hargeisa, Somaliland, 11 July, 2017 (54).

northern regime of Somaliland.¹⁵³ The SNM was motivated in part, therefore, to form a more democratic, accountable, Western-oriented government – which was no longer aligned with the Soviets. The Cold War was coming to an end and the SNM had positioned itself as fiercely anti-Soviet. Businessmen embraced free-market capitalism and were proud of the dynamics it created, in opposition to that which they opposed. In this reading, “[f]ree trade is not assumed to be innately good, but as a normative and power-laded discourse the meaning and impact of which differs in various regions of the world and over time.”¹⁵⁴ In the context of Somaliland, free trade meant being free of the Barre regime, having the capacity to conduct business activities free of interference, at prices which were not controlled by the government, even if in reality the market was not ‘free’ at all, but open predominantly those who were Isaak and/or supported the Somali government. Dalab recounted happily the impact joining the ‘free market’ had on his business and on Somaliland, emphasising the ‘value-added’ of joining the capitalist market:

“There was a big change; also businesses started, and for example the big businessman like Omar, they got their money most of them, 90% of those businesses, started during that process. These are the people that contributed, there are a lot of businessmen who made use of Somaliland. For example, the small plot of the land downtown it’s about 30 meters/20 meters, now you have to pay about 300,000 USD. I am the one who brought about that change, and I was leading to contribute to that part of change. And, earlier it was less than 5000 [USD]. For example, I had big land near Hargeisa, which was 1000 [USD], now it’s about 60,000 [USD]. It was 240 plots and each one is 80 and 60 meters. This the change that has happened and you can see the difference from the early 1990s up until now. The houses and buildings, currently we rent them for about 400 or 500 dollars, and earlier it was 250 shillings. You see the difference. We don’t like to go back to Somalia, we are happy and we do our businesses.”¹⁵⁵

¹⁵³ Ahmed, Ismail I, and Green, Reginald Herbold (1999).

¹⁵⁴ Cameron, Angus and Palan, Ronen, ‘Empiricism and objectivity, Reflexive theory construction in a complex world’, in Ed., Blyth, Mark *Routledge Handbook of International Political Economy (IPE), IPE as a Global Conversation*, Routledge, London and New York, 2010, page 123.

¹⁵⁵ Hersi ‘Dalab’, Musa, Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region, Hargeisa, Somaliland, 15 July 2017 (66). Italics added for emphasis.

International power dynamics at work

At the international level, businesses were instrumental at furthering the hegemonic process of state formation, simultaneously reinforcing the power of post-colonial legacies. Without the support of the business community, Somaliland may have been obliged to “contemplate a political life beyond the paradigm of sovereign states” and to “take seriously the possibility that new forms of political identity and community can emerge which are not predicated on absolute exclusion and spatial distinctions between here, there, self and other”¹⁵⁶ – quite simply because they would have lacked the funds to ‘create’ the state, and the weighty support of influential businessmen, aligned as they were with the most powerful clan, itself a power ‘construct’ which was fused with the emerging state.

From the moment of the establishment of the state of Somaliland, the pervasive power of the international state system was ever-present: Somaliland’s status was defined as “a restoration of sovereignty” rather than succession, for example; “we restored old borders, rather than secede”¹⁵⁷ – a discourse favored due to the critical stance with which ‘succession’ is viewed as undermining the international state system. The old borders that were restored, however, were borders created by the British colonialists, including the demarcation of the six regions used to decide the representation of the clans at the Borama Conference, and still in place today. In escaping one form of power domination (Somalia), Somaliland re-accepted the persistent presence of colonial power (Great Britain) rather than seeking to redefine boundaries – which was undoubtedly perceived as being ‘impossible’. Even the ‘beel’ system

¹⁵⁶ Devetak, Richard, ‘Post-structuralism’, in Burchill, Linklater, Devetak, Donnelly, Nardin, Paterson, Reus-Smit, True, *Theories of International Relations*, Fourth Edition, Palgrave Macmillan, 2009, page 207.

¹⁵⁷ Issa ‘Jama’, Hassan, One of founding members of SNM; first Vice President of Somaliland; former BBC journalist; former lawyer; former deputy chairman of SNM; chairman of Burao conference, in-person interview, Hargeisa, Somaliland, 15 July, 2017 (68).

of government put in place at the Borama conference, and often hailed for its original combination of both formal Western forms and traditional representation has antecedents in British colonial rule, “when clan elders were incorporated into the administration as salaried chiefs in order to extend control over the rural areas.”¹⁵⁸

Having depended upon loans from businesses to demobilize the militias, and buy the new Somaliland shilling, amongst other vital aspects of the statebuilding project, Egal began changing the language of the state to frame who was an ‘insider’ and who was an ‘outsider’. Clans that supported the establishment of the state of Somaliland, for example, were defined as ‘nationalists’, whereas clans that wanted to preserve the union with Somalia/the South were labelled “federalists”¹⁵⁹ – rather than refer to their clan identity in an attempt to unify Somalilanders behind him, and behind the ‘nation’. Business actors were, subsequently, able to define themselves proudly as *nationalists*, in opposition to *federalists* who supported the regime they so vehemently opposed. Egal was highly skilled at consistently using the language of state and symbolism of statehood to his advantage. In one anecdote, the traditional elder from Berbera, Mohamed Sahel, recounted a story of a conflict with the Idagelle clan that was resisting Egal’s attempt to monopolise control over resources of the ‘state’, an example which perfectly displays the way in which statehood was imposed, hegemonically and uncompromisingly on those who did and did not accept it. Upon learning from the Guurti, which had been sent to mediate the conflict, that the Idagelle clan intended to continue their resistance, Egal decided, so the story goes, to give them “food, water, weapons and women”:

¹⁵⁸ Bradbury (2008), page 460

¹⁵⁹ Philips, Sarah, page 47-48.

Then Egal gave [the Idagalle clan] two choices: come back to the city safely and use these logistics, or use them to come back and fight. A reporter present asked Egal: “Mr. President, you are going to give logistical support to those who are supporting the [Mogadishu] government? What’s wrong with you Mr. President?” Egal said that those who are fighters accepted the government of Somaliland: “I am the President of those who have accepted and have not accepted me”. When Egal took that decision [the Idagalle] accepted to go back home.¹⁶⁰

The creation of the state was itself, in part a performance, a performance on a stage paid for by business actors, and in which they played several leading – political and economic – roles, and the audience was the international community. Much is made of the fact that insurance and protection in Somaliland is provided by the clans; everyone is protected by their own clan to such an extent that, the discourse suggests, men can sit on the streets of Somaliland with piles of Somaliland shillings, and women can sell vast amounts of gold, without bodyguards or fear of robbery. And yet, Somaliland created all the *typical* symbols of the state; as Haron Ahmed Yousuf made clear, “Security is not the police, the police cannot protect anyone. They are just for show. The security is based on the clan system.”¹⁶¹ And within that clan system, business actors are expected to play a pivotal role. Similarly, the transition to multi-party politics, designed to convey Somaliland’s ‘mature’ political status to the international community, was in part a performance designed to mask rather than overcome clan politics. “The party went inside tribalism”¹⁶², one interviewee argued; political parties are still supported by their clans, including influential members of the business community and therefore, still skewing political power, in part, according to the

¹⁶⁰ Sahel, Mohamed, Traditional Elder, in-person interview (translated), Berbera, Somaliland, 19 July 2017 (74).

¹⁶¹ Ahmed Yousuf, Haron, Director SORADI, in-person interview, Hargeisa, Monday 10 July 2017 (52).

¹⁶² Anonymous, Former business representative, in-person interview, Hargeisa, Somaliland, 12 July 2017 (60).

power of the market: almost all the most powerful business actors of today are still members of the Isaak clan family.

Conclusion

Local business actors in Somaliland played *both* political and economic roles during the war to peace transition, often on the basis of both political, economic and, indeed, cultural, motivations, with political, economic and cultural effects; moreover, clans behaved like businesses, as well as ethno-political entities. There were no distinctions made between political and economic, public and private, licit and illicit as a means to ‘demarcate’ the ‘legitimate’ space for business action – legitimacy was accorded by the clan. Moreover - as will be demonstrated - unlike in Yemen, the knowledge, power, and influence of local business actors was an integral part of the ‘official’ peace mediation; businesses actors ‘volunteered’, were compelled, and, in some occasions, forced to play a diverse set of roles, sometimes in costly, other times in beneficial ways. What is clear is that without the participation of local business actors, it is questionable whether the peace would have held, and flourished. The state-market relationship that has emerged, however, has created a ‘fragile’ peace which is, in many ways, exclusionary and elitist and, left unchecked, potentially contains the seeds of its own demise.

In this sense, this case study lays bare the social construction of enduring Western dichotomies: political/economic; public/private; licit/illicit: many Somalilanders would have had trouble indicating where one side of the binary begins and the other ends. Consequently, markets are not ‘neutral’ constructs that can be separated from the social, political and cultural milieu in which they are embedded. The economy is imbued with as much social

meaning as politics. Furthermore, in Somaliland, increasing profits offered by lucrative deals have led to the increasing dislocation of individuals from their clans and a more intimate relationship between political and economic elites bound to the statist project and to the capitalist markets it supports. Whilst local business actors were fundamental in achieving peace, it was a 'peace' aligned with a statist project which remains exclusionary, unequal and, like most states, still evolving; the logic of states, however 'hybrid', remains enduring and powerful. The biggest risk to peace in Somaliland may be the fact that, as it continues to evolve, it entrenches and exacerbates the very inequalities and processes of marginalization that underpinned the rationale for its coming into being. Sustainable peace may require engaging the business community and all Somalilanders in a more transparent dialogue about what kind of economy they wish to have, what meaning it has for them, and how to enmesh this with their vision for an inclusive and prosperous Somaliland.

5

Chapter Five Business actors in Yemen (2011-2016)

“What is holding the country together is not the Government, it is the private sector.”¹

Introduction

The UN’s ‘blind spot’ with regards to local business actors in Yemen – which put them on the periphery of the peace process - is all the more surprising given the diverse, and often instrumental, roles they played during the transition. Working diligently behind the scenes in support of peace or engaged in efforts to unravel it - not just on the margins of political processes but often at their very core – local business actors played roles that may have benefitted from international recognition and support on the one hand, and the effects of which necessitated more targeted and nuanced international mitigation on the other. Indeed, focusing on the critical period from 2011 when young Yemenis took to the streets in protest against then-President Ali Abdullah Saleh in the context of the blossoming so-called ‘Arab Spring’, until the collapse of the UN-led peace talks between the Yemeni Government backed by the Saudis, and the Houthis supported by the General People’s Congress (GPC) in 2016, an analysis of the roles played throughout the ‘transition’ demonstrates how business actors consistently went beyond the role they are too-often presumed to play as economic actors operating according to market forces and independently of the political sphere. Indeed, it reveals a set of actors deeply embedded in socio-political dynamics, enmeshed in history and the very fabric of both conflict and peace.

¹ Anonymous, Business leader, phone interview, 2 November 2018; and, in person interview 17 November 2018 (44).

Unlike the discourses on inclusion and B4P, this chapter places local business actors at the heart of the 2011-2016 transition to reveal the ways in which opportunities were missed to leverage business actors in support of peace or to address their efforts to undermine it. While the ‘transition’ in Yemen officially collapsed when the Houthi’s took control of Sana’a in early 2015, this research covers the entire 2011-2016 period in order to capture the dynamics of business actors underway during different modalities of internationally-supported engagements. The chapter begins with a brief overview of Yemen’s recent history, focused on 2011-2016. In line with the Somaliland case study and, rather than taking a chronological approach, part one then explores the practices and discourses of local business actors through four key roles: as supporters and/or humanitarian aid providers (or ‘benefactors’); as beneficiaries of the government and the war economy (‘profiteers’); as mediators and peacemakers (‘intermediaries’); and, as conflict actors or spoilers (‘agitators’). Again, these roles – or ‘lenses’ - are not ‘rigid’; they give form to the diverse ways businesses engaged, and are subjective in nature. These roles are then contextualised through an exploration of selective power dynamics at the national/sub-national, regional and international levels, demonstrating the extent to which the practices and discourses of local business elites are inextricable from multi-level power struggles; their exclusion from formal and informal peace mediation processes is, therefore, puzzling and potentially detrimental to the prospects for peace.

Historical overview

In 2010, on the eve of the ‘Arab Spring’, small-scale protests began increasing in both frequency and intensity.² Echoing and drawing both hope and inspiration from the success of the movements simultaneously unfolding in Tunisia and Egypt, by 2011 large-scale sit-ins were underway at Sana’a University’s own ‘Change Square’ – drawing tens of thousands of

² Lackner, Helen, *Yemen in Crisis. Autocracy, Neo-Liberalism and the Disintegration of a State*, SAQI, 2017, page 35

tribesmen, students, Houthis and others.³ Demonstrations spread quickly to other governorates, with support from Yemen's leading opposition party, the Joint Meeting Parties (JMP). What began as a disparate collection of critiques of government-led actions – ranging from land appropriation, to media-related injustices⁴ to economic grievances – increasingly escalated into broader, more unified condemnation of the regime. Exacerbated by Saleh's attempts to make constitutional changes to remain in power, calls for him to step down underscored frustration with endemic corruption, nepotism, mismanagement and poverty as a result of his reign since 1999 – as Yemen's first and only directly-elected President. The conflict intensified when, as tens of thousands finished praying near the epicentre of the protest movement on 18 March 2011, snipers stationed on rooftops and inside buildings opened indiscriminate fire, killing almost fifty protesters and wounding hundreds.⁵ Remembered as the 'Friday of Dignity', the violence marked a turning point, including a 'declaration of a state of emergency and international condemnation, and ultimately culminat[ing] in mass defections and resignations of formerly loyalist politicians and military officers'.⁶

The Gulf Cooperation Council (GCC) - with support from the UN and the European Union – stepped in to negotiate an exit for Saleh. The 'Transition Agreement' – also known the GCC Agreement (GCCA) - initiated the transfer of power and established a Government of National Unity composed of 50 per cent of nominees for each party, with due consideration given to the representation of women.⁷ The GCCA had two phases: the first included early presidential elections, which took place in February 2012 and saw the election of Hadi; and the second,

³ International Crisis Group, 'Popular protest in North Africa and the Middle East (II): Yemen between reform and revolution', Middle East/North Africa Report No. 102, 10 March 2011, page 4.

⁴ Lackner (2017), page 35.

⁵ Brandt, Marieke, *Tribes and Politics in Yemen, A History of the Houthis Conflict*, Hurst and Company, London, 2017, page 332.

⁶ Ibid.

⁷ Agreement on the Implementation Mechanism for the Transition Process in Yemen in According with the Initiative of the GCC, 2011.

covering the remaining period until 2014, envisioned the NDC, constitutional reform, a constitutional referendum, reform of political and electoral laws, and parliamentary and local council elections.⁸ After several delays, the NDC began in March 2013, bringing together 565 delegates from across the country; it was designed to help resolve some of the country's internal conflicts and to seek consensus on the future structure of the state.

Despite progress made in the context of the NDC, Yemen's fragile peace unravelled in August 2014 when, in reaction to the government's decision to remove fuel subsidies in line with IMF requirements, protests re-erupted. After their arrival in the city in September 2014 – incensed by Hadi's failure to deliver on diverse commitments, capitalising upon increasing discontent with the government and with behind-the-scenes support from former 'enemy' Saleh – the Houthis decided to seize the moment: in January 2015, they formed a new executive body⁹ and declared themselves in control of the government. Hadi, who managed to escape from his 'house arrest', then declared Aden the temporary capital of the 'legitimate government'. Violence between Houthi militants and government forces escalated in March 2015 when, upon Hadi's request, a Saudi-led coalition began a military campaign, including airstrikes and naval blockades. During this period, two rounds of UN-led peace talks were held under the auspices of Special Envoy Ismail Ould Cheikh Ahmed, in Geneva in mid-2015, and Kuwait in 2016, but yielded few meaningful or sustainable results.

⁸ A/HRC/24/34, 25 July 2013

⁹ The Supreme Revolutionary Committee.

Part one: The four 'roles' of business in the transition from conflict to peace

An oft-quoted estimate suggests that in 2011, approximately 10 families controlled more than 80 per cent of business activity in Yemen, including imports, manufacturing, processing, banking and telecommunications;¹⁰ the economy has traditionally been shaped by a system of patronage “that is both close to and suspicious of the government.”¹¹ According to a 2015 census, large enterprises (over 25 employees) account for only 0.3 percent of all enterprises, and larger businesses established prior to 2011 were pressured to partner with prominent elites.¹² Business families tend to be local, regional and international, since many of the biggest firms are run by foreign-based Yemenis¹³ with regional and/or global business ties. The business elite can - according to Peter Salisbury – be divided into five key categories¹⁴: first, a small traditional merchant elite which pre-dates Saleh’s rule composed of a few commercial families/businessmen with close relationships to the President; second, ‘tribal capitalists’, such as the Al-Ahmar family who use their social position to obtain business-related ‘favours’; third, ‘bureaucrats in business’ or politicians from the GPC and JMP who behave in tribe-like fashion; fourth, security services, dominated by Saleh’s family/clan, including Ali Mohsin, who control state-based military companies and engage in illicit activities (referred to here as ‘businessmen in arms’); and, fifth, a small group of technocrats, or ‘young reformers’ constrained by their relative lack of power and the need to play by the rules of the patronage ‘game’.¹⁵ So, what roles did these local business actors play during the 2011-2016 period?¹⁶

¹⁰ Salisbury, Peter, ‘Yemen’s Economy: Oil, imports and elites’, Middle East and North Africa Programme Paper MENA PP 2011/12, Chatham House, October 2011, page 11.

¹¹ El Taraboulsi-McCarthy, Majid and Willitts-King, ‘Private sector engagement in complex emergencies: case studies from Yemen and southern Somalia’, HPG Report, Overseas Development Institute, 2017, page 4.

¹² World Bank, ‘The Republic of Yemen, Unlocking the Potential for Economic Growth, A Country Economic Memorandum’, Middle East and North Africa Region, Macroeconomics and Fiscal Management Global Practice, October 2015, page 8.

¹³ El Taraboulsi-McCarthy, Majid and Willitts-King, ‘Private sector engagement in complex emergencies: case studies from Yemen and southern Somalia’, HPG Report, Overseas Development Institute, 2017, page 4.

¹⁴ Salisbury (2011), page 10-11.

¹⁵ Research for this chapter indicated that some but not all of ‘young reformers’ are sons of the traditional merchant elite, who have chosen to take different political positions to their families.

¹⁶ The below represents an indicative rather than comprehensive analysis of the activities of business actors under each of the ‘roles’.

The benefactors

Businesses served as ‘benefactors’ during this time through four practices. First, in light of failing public services, local business actors “stepped in to help fill the gap.”¹⁷ As a result of demonstrations and strikes affecting the provision of many basic goods and services, local business actors took on this critical role. Referring to the largest business entity in Yemen, the Hayal Saeed Group, one expert noted the extensive efforts they made to “fix roads, and carry out infrastructure projects that the Government should have carried out”¹⁸ thereby providing a safety net for many Yemenis. One business actor compared, in less than favourable terms, the role of the state to the role of the business community:

During this time, anything that was under the control of the state in terms of services and utilities was actually collapsing, but everything under the control of the private sector has shown such a resilient position and they didn't give up in providing the services and the food that society needed. In spite of everything happening during that time, there was no famine, there was no lack of food. For example, there was no electricity at that time, so business had the idea of providing it – they went and tried to provide solar solutions for energy, so really their position at that time was really remarkable. And I think if it was not for the private sector, the people of Yemen would have really suffered, especially when it comes to food. Food factories continued to work, import of flour, etc. The ‘clean’ private sector did not try to take advantage by hiking at the prices since the state was absent. The people of Yemen they appreciated what was happening and the support they were getting from the private sector.¹⁹

Juxtaposing the roles played by the ‘clean private sector’ (i.e. those “looking for clean and fair competition environment, regardless of who is in the regime”²⁰) to those played by – in his words - the ‘parasites’ (“who need a dirty environment to exist, that live off others”²¹), this

¹⁷ Nasser, Amal, edited by Osberg, Spencer, ‘Beyond the business as usual approach, private sector engagement in post-conflict Yemen’, Rethinking Yemen’s Economy, Sana’a Center for Strategic Studies with DeepRoot Consulting and the Center for Applied Research in Partnership with the Orient (CARPO), August 2018, page 31.

¹⁸ Anonymous, Yemen researcher-practitioner, phone interview, 14 September, 2018 (50).

¹⁹ Anonymous, Business leader, phone interview, 2 November 2018; and, in person interview 17 November 2018 (44).

²⁰ Ibid.

²¹ Ibid.

business actor emphasised the hurdles local business actors had to overcome in order to be able to play such ‘state-like’ roles after Houthi takeover of Sana’a in 2015:

Now, of course, this was 100 times worse than the era before ... This is where the private sector is showing again resilience: the real private sector, not the parasites. It would have been easy to shut down plants and lay off all the people and leave the country. Some have done that but the majority stayed, despite all the difficulties and the real harsh environment to operate in this context – where you are operating plants, doing all your logistics, distributing food products, you are going across the country, and east to west and importing and having problems and there is lack of fuel, just imagine! And of course any maintenance or repairs will have to be done 100 % by the locals, there are no foreign companies to send engineers that could really step in and take all of that burden. And on top of that, in the absence of a real state that functions. Whether it is in the legitimate area or the Houthi area – on both sides, there was no real state functioning there. The private sector had to really operate on its own. And you have a business group whose plants and distribution is not limited to one area, it is all over Yemen, they have to operate in the legitimate area and the Houthi area, they have to deal with this one, and then with that one...The difficulty is how can you show both sides that you don't belong to anyone. You are not taking side with anyone – what matters to you is the economy of the country, the people of Yemen. That is not easy to show. Each side will threaten, will use their power on you and stop you working, and at the end we were successful at being able to maintain that relationship with both sides and showing them we are neutral – when it comes to business and economy, it is not you or him, this is for the people of Yemen or they will starve.²²

The second key practice of business actors concerned humanitarian support: while some business actors framed their efforts - as above - in terms of service provision which would otherwise be provided by a functioning state, others described their efforts as humanitarian in nature, comparing it – often unfavourably - to the work of international organizations. A survey of businesses conducted in 2017 found that “four out of five considered themselves involved in the relief effort, and that their primary forms of assistance were financial, food and healthcare.”²³ One business actor indicated that humanitarian endeavours formed part of the

²² Ibid.

²³ Nasser (2018), page 31.

social responsibility of businesses, underscoring the ways in which the reputation of their businesses enabled them to cross conflict lines to deliver:

Since the crisis started, each and every branch took the initiative of taking care of humanitarian factors in terms of food and medical. The connection with NGOs is made to facilitate work on the ground work. It was an easy transition. We didn't really go into partnerships, we would create finance for things, and we do it ourselves. But when the need became greater, we opened up to international organisations like Oxfam, Red Cross, and also the Saudi Government. We did this in Hudaydah, Taiz, Aden, across the south and north; wherever we had a set-up it went smoothly...The reputation of our company is good, sometimes it works for us. If we mention the name of our group, we pass [the checkpoints]. We do not face difficulty in passing from one place to another – in distributing aid or our businesses. They will always allow us to pass.²⁴

A study conducted by the Humanitarian Policy Group²⁵ provided more specific examples of business involvement in humanitarian assistance: first, a MNC in manufacturing and trade established in Aden in 1938, which established a charitable foundation; a second company also established in Aden in 1925 involved in diverse sectors such as dairy, food, shipping, packaging, etc.; and, third, an Islamic microfinance bank launched in 2010 by a pre-existing commercial company with support from the Social Fund for Development, which has 78 branches around the country. The first two encountered significant challenges in keeping their initiatives running as a result of the blockade, the suspension of international banking services and attempts by Houthis to intercept humanitarian goods to sell at a profit.²⁶ Despite these challenges, the impact was, according to one business actor, comparatively meaningful:

I was looking at the statistics, they were showing me the import of food to the main seaports, Hudaydah and Aden. The UN and all these organisations are talking about humanitarian aid, when you look at the statistics we see that this aid makes about 4-5% max of the total food import into the country today. Who is really feeding the country? It is not the international organizations, it is still the private sector. This is what we have been trying to tell everyone, we are the ones that can maintain support;

²⁴ Anonymous, Business leader, in-person interview, 3 December 2018 (41).

²⁵ El Taraboulsi-McCarthy, Majid and Willitts-King (2017).

²⁶ Ibid.

*if the private sector collapses, you will see a real tsunami in the county, that's when you will see a famine...[aid] is not coming from the government or the international organisations, it is coming from us.*²⁷

The third practice, support to the 2011 protestors, launched business actors more directly into the realm of the ‘political’. The traditional merchant elites – the Hayal Saeed Group²⁸ and the Thabet Brothers²⁹ in particular along with the ‘young reformers’ played a leading role in this regard according to interviewees. They provided generators, medical equipment, medicines, blankets, tents, “food, bread, canned food, tuna, beds, everything”³⁰, as well as “helmets, to avoid strikes on the head, and even cameras to document: they were attacked almost every night by the security police.”³¹ Business actors asked Sana’s University professors to provide educational support “to talk about what kind of change [the youth] wanted to see, and how to protest in the right way.”³² The efforts of business actors were not limited to Sana’a alone; Khaled Abdel Wahed Mohamed Noman, a businessman in Aden, for example, created a CSO which “contributed to the protection and care of the youth, and provided them material and moral support...to serve the goals of the youth revolution and their demands to overthrow the system.”³³ It is important to note that “youth” in this sense refers less to protestors’ age than to “all those who shared experiences of frustration, marginalisation, and dissatisfaction with the

²⁷ Anonymous, Business leader, phone interview, 2 November 2018; and, in person interview 17 November 2018 (44).

²⁸ The Hayal Saeed Group is made up of approximately forty businesses, including for example: The National Trading Company (NATCO); Pharma for Trading and Marketing Company; Artix for Trading Company; Marooj for International Technology; Yemen Company for Industry and Trading; Yemen Flour Mills Company; National Company for the manufacture of sponge and plastic; Yemeni Company for the Manufacture of Dairy Products; United Insurance Company; Yemeni Company for Sugar Refining; Hascan Co Limited; Arab Factories; Yemen International Hospital; Al Saeed Hotel (Mercure); Hadhramaut Industrial Complex; East Start Company; Somalia Telecom, amongst many others.

²⁹ The Thabet Brothers Group is made up of around ten businesses, including but not limited to: National oil Manufacturing Company; Modern Good Products company; Yemen Stores for Fruits and Meat; Red Sea Contracting and Construction Company; Albaria Yemeni Company Limited; Yemen Dairy Manufacturing Company; Tuhama Trading Company; International Company for Packaging Industry, amongst others.

³⁰ Anonymous, Business leader, phone interview, 2 November 2018; and, in person interview 17 November 2018 (44).

³¹ Anonymous, Business leader, phone interview, 28 November 2018 (48).

³² Anonymous, Business leader, phone interview, 24 October 2018 (35).

³³ Khaled Abdel Wahed Mohamed Noman, President of Abdel Wahed Mohamed Noman & Sons Ltd., responses provided in writing in Arabic and translated into English, 18 December 2018 (38).

traditional political process in Yemen” which was “well articulated in the revolution’s slogan: ‘No partisan politics, no political parties, our revolution is youth revolution.’”³⁴

Hamid al-Ahmar³⁵ - one of the sons of the late Shaykh Abdullah and a billionaire entrepreneur³⁶- used his satellite TV channel, Suhail, to champion the protestors’ cause. Saleh was enraged by Hamid’s use of his businesses, wealth and regional connections to ‘bankroll’ the protestors.³⁷ While the youth claimed independence and used their voice to underscore the nature of the tensions as being between the Saleh regime and the people, support for protestors tended to be organised along political lines: “The Houthis had their own feeding system, computer stations, a small tent clinic and an office with a representative for Abd’ al-Malik al’Huthi...Tribal billionaire Hamid al-Ahmar was the prime financier for the activities of the Islah-affiliated groups in the squares, but the party also received donations from Qatar... Independents received donations mainly from the disgruntled business community, such as members of the billionaire [Hayal Saeed] family or Yemeni businessmen in Dubai, Saudi Arabia, India or Malaysia.”³⁸ President Saleh, a businessmen in his own right,³⁹ also stepped in to fund anti-protestors; leaked documents suggest at least \$90,000 was spent on enlisting ‘as government thugs’ - as some business actors called them - to deploy during two Friday demonstrations alone.⁴⁰ Saleh’s supporters camped out in his palace grounds were heard

³⁴ Hall in della Porta; Hidde Donker; Hall; Poljarevic; and, Ritter, Eds., (2018), page 115.

³⁵ The Al-Ahmar family owns a number of business entities, including but not limited to: Prospects for printing and publishing; ATICO Oil Company; Apollo Travel Co; the Yemeni Company for Public Telephones; Al Salam Trading and Agencies Est; Petroleum Technology Gas; National Travel Agency, Arab Horizons Services; United Medical Company; and the Yemeni Corporation for Equipment.

³⁶ Thiel, Tobias, *Citizen Revolt for a Modern state: Yemen’s Revolutionary Moment, Collective Memory and Contentious Politics sur la Longue Duree*, London School of Economics and Political Science, PhD thesis, London, 2015, page 171.

³⁷ Ibid.

³⁸ Ibid, page 332-3.

³⁹ “The origin of the funds used to generate Ali Abdullah Saleh’s wealth is believed to be partly from his corrupt practices as president of Yemen, particularly relating to gas and oil contracts where he reportedly asked for money in exchange for granting companies exclusive rights to prospect for gas and oil in Yemen...it is also alleged that Ali Abdullah Saleh, his friends, his family and his associates stole money from the fuel subsidy programme, which uses up to 10 percent of Yemen’s gross domestic product, as well as other ventures involving abuse of power, extortion and embezzlement.” It is believed that President Saleh had assets in at least 20 countries. Al-Jazeera, ‘UN says ex-Yemen president Saleh stole up to \$60bn’, 25 February 2015.

⁴⁰ Thiel (2015), page 189.

chanting, “with soul and blood we protect Ali”, referring to the former president.”⁴¹ The UN Panel of Experts also suggested that Saleh provided support to the Houthis during the protests⁴² in an effort to create chaos and hence present himself as the only “anchor of stability.”⁴³

Business actors stated motivations varied. The Al-Ahmar family were said to be motivated by a “mix of political and economic reasons”⁴⁴, and were perceived as being largely self-interested. The old established elite and the ‘new reformers’ spoke extensively of their dreams for “equality, freedom, justice and the democratic ideals.”⁴⁵ One business actor felt that Saleh had made them “suffer both as citizens and as a private sector.”⁴⁶ Business actors from the South were hopeful that a change in government would “bring change and more participation and give more rights to the people of the south... a chance to rectify what was wrong.”⁴⁷ Others were less wed to business interests when articulating motivations behind their practices, while simultaneously recognising that, as business actors, they had benefited from Saleh’s regime:

We felt we were living in a society where justice is not met, and not implemented for society; we felt that if the demonstrations were successful and government changed, and for the better, we will benefit from that change... We were supporters of that. We were not against Saleh, when we talk about Saleh, we are part of his legacy, but everybody was happy for a change, we didn't want to see Saleh for six years or his son. When we talk about the US or the any other country, when Trump is leading another guy will come after, we want to see different faces, we don't want to see Saleh for another 30 years... We were questioned by Saleh and we would tell him that we wanted to see something different. They would say “but you are getting what you want!” But we would tell him that we wanted to build a really good future for our kids, we want to see a government that is building schools, hospitals, a real future... We thought it would

⁴¹ S/2015/125, 20 February 2015.

⁴² S/2015/125, 20 February 2015.

⁴³ Brandt (2017), page 339.

⁴⁴ Noman, Mustapha, Former Deputy Foreign Minister at Ministry of Foreign Affairs, Yemen, former Ambassador of Yemen to Spain, phone interview, 26 September 2018 (47).

⁴⁵ Shihab, Mohammad, Vice President, Operations and Business Development, Shihab Co, phone interview, 26 November 2018 (46).

⁴⁶ Khaled Abdel Wahed Mohamed Noman, President of Abdel Wahed Mohamed Noman & Sons Ltd., responses provided in writing in Arabic and translated into English, 18 December 2018 (38).

⁴⁷ Anonymous, Business leader, phone interview 12 October 2018 (37).

*bring something good, but nothing has been done. It has only brought us hate and disaster, if you go see Yemen now, you would really cry.*⁴⁸

Lastly, local business actors contributed knowledge and expertise. The Yemeni Business Club (YBC)⁴⁹, founded in 2002 by prominent members of the business community, was a critical ‘hub’ for coordinating policy efforts, including post-conflict economic recovery plans. One business actor explained that, when Saleh stepped down in 2011, the group became “a sort of advisor”⁵⁰ focused on developing an economic reform matrix - presented to the government, the World Bank and the IFC. As one business actor underscored, while these efforts did not always have the desired impact, “the business community tried to do what we felt was right, whether or not [the government, the international community] did what we recommend. We lobbied here and there, with all our connections and tried to push the new government to adopt new actions that would help the country moving forward.”⁵¹ Independently of the YBC, and with the support of US-based Center for International Private Enterprises⁵² (CIPE), a group of business actors created the Yemen Economic Reform Team (ERT)⁵³: an informal coalition of influential and independent Yemeni leaders in business, politics and civil society. The ERT developed the *Private Sector Vision*, highlighting the economic and political priorities for Yemen, and participated in the donor conferences in Saudi Arabia in 2012 and 2013.⁵⁴ When the conflict escalated in 2015, the ERT adjusted its work to establish local assistance coalitions in key cities, including Aden, Taiz, Hadhramaut, Hudaydah and Sana’a.⁵⁵

⁴⁸ Anonymous, Business leader, phone interview, 24 October 2018 (35).

⁴⁹ <https://www.ybc-yemen.com/about>

⁵⁰ Anonymous, Business leader, Phone interview, 2 November 2018 and in-person interview 17 November 2018, (44).

⁵¹ Ibid.

⁵² <https://www.cipe.org/>

⁵³ The ERT receives mixed reactions amongst businesspeople. While the initiative itself was welcomed, with time many believe it has become divided and politicised, particularly concerning the Central Bank. They believe that one of the mistakes in forming this group was accepting politicians, who have a political agenda and are not economists, and NGOs who have been criticised for failing to accept the confidentiality/anonymity ‘rules’ of the group (some criticised the group in the media for failing to denounce the Saudi coalition). Furthermore, the ERT was, according to another businessman, headed by a Yemeni within CIPE with close ties to the Houthis which they suggested complicated the ability of the group to be impartial. The group, according to one businessman, has since been “suspended”. (Diverse interviews with business leaders in late 2018).

⁵⁴ <https://www.cipe.org/projects/yemen/>

⁵⁵ Ibid.

The profiteers

This part of the analysis underscores the socially-constructed - and, indeed, 'blurry' - nature of the lines between 'licit' and 'illicit' business practices, and political and economic spheres. Under Saleh, the main business beneficiaries were members of his family, such as nephew Tawfiq Abdullah Saleh - head of the state-owned Yemen Tobacco Company and his son-in-law, head of Yemenia Airways.⁵⁶ Saleh also allocated state-subsidized fuel products to his family and allies on a quota basis, who were then free to charge a substantial mark-up to wholesale domestic buyers, or to effectively 'sell' their quota overseas at significantly higher prices.⁵⁷ When President Hadi came to power, many elements of the patronage system remained in place, albeit the beneficiaries were somewhat 'shuffled around':

Hadi has removed Saleh appointees from top posts at state enterprises, including YECO's Hafez Mayad and Abdulkhaleq al-Qadhi, former head of Yemenia, along with the Saleh-linked chairmen of National Tobacco and Matches and two state-run banks, Yemen National Bank and Cac Bank. But the private sector remains dominated by the same small number of elite players. Those who were overtly aligned with Saleh have been quickly assimilated into the new order, turning to Prime Minister Basindawa, President Hadi and Hamid al-Ahmar to ensure that their interests will be protected.⁵⁸

Hadi used similar methods to his predecessor - curating his own circle of businessmen in both Sana'a and Riyadh.⁵⁹ However, marking what Ambassador Noman suggested was a break with the past was the appointment of Ahmed Saleh Al-Essi⁶⁰ as Deputy Director for Economic Affairs in the Office of the President: "While Saleh had very strong links with illegal, semi-legal and legal businessmen, none of them had a direct say in the government system. Now we see a different approach since Al-Essi is in the President's Office and, at the same, he is in

⁵⁶ Alley, April Longley, 'The rules of the game: Unpacking patronage politics in Yemen', *Middle East Journal*, Vol. 64, No. 3, Summer 2010, page 408.

⁵⁷ Hill; Salisbury; Northedge; and, Kinninmont (2013), page 21.

⁵⁸ *Ibid*, page 28.

⁵⁹ Anonymous, Business leader, phone interview, 24 October 2018 (35).

⁶⁰ The Al-Essi Group, a family-run business, is based in Dubai.

business. His protégé, Hafith Mayaad, is the head of the Economic Council, and he is a businessman...now we have this conflict between politics and economics, even more than before. [...] Everyone in the business community has to work through Al-Essi, Hadi's son or the Central Bank but they cannot go beyond these three.”⁶¹ Al-Essi's power is not restricted to the economic sphere: he is also “involved in appointing ambassadors, ministers and demoting them, too.”⁶² According to a journalist writing for *Le Monde*⁶³, El-Essi – considered a ‘crocodile’ and a ‘shark’ by his critics⁶⁴ – has a monopoly on Aden's fuel imports for which he is awarded 30-40 million dollars each month. According to business leader Mohammad Shihab, government-controlled areas consume 40% of Yemen's oil demand, and 60% is consumed in Houthi areas; Al Essi controls 70-80% of the oil business in government areas and, his actions caused the “almost complete shut-down of the Aden refinery, thereby increasing fuel imports that he controls, with impacts to the local currency.⁶⁵ Al-Essi then resells the fuel onto international markets at profit to the detriment of local markets where the presumed fuel shortage is used as a justification to raise prices beyond the means of your average Yemeni.

The practice of smuggling fuel is not a new phenomenon but its beneficiaries have evolved due to its intertwining with the war economy, increasingly to the benefit of the Houthis: The brother of the Houthi spokesperson, Mohammed Saleh, established three fuel import companies between 2015 and 2016, for example; and, one expert estimated that around 25 new fuel companies now operate out of Dubai to the benefit of the Houthis.⁶⁶ Taking a different

⁶¹ Noman, Mustapha, Former Deputy Foreign Minister at Ministry of Foreign Affairs, Yemen, former Ambassador of Yemen to Spain, phone interview, 26 September 2018 (47).

⁶² Ibid.

⁶³ Imbert, Louis, ‘Ahmed Saleh Al-Essi, ‘Portrait d'un profiteur de guerre au Yemen’, 12 Decembre 2018, *Le Monde*.

⁶⁴ Ibid.

⁶⁵ Shihab, Mohammad, Vice President, Operations and Business Development, Shihab Co, phone interview, 26 November 2018 (46).

⁶⁶ Anonymous, Yemen expert, phone interviews and in person meeting, September and November 2018 (45).

approach to that of Al-Essi and running their operations predominantly through Hudaydah port, the Houthis reportedly allow anyone to import fuel, but traders can only sell to Houthi-controlled companies. As outlined by the UN Panel of Experts, institutional mechanisms which could - in a more favourable context - have curbed such practices, such as the Central Oversight Authority and Anti-Corruption Commission, are both managed by the Houthi Revolutionary Committee - accused of actively targeting companies and businesspeople perceived as competitors to the companies loyal to Saleh and the Houthis.⁶⁷ The fuel industry has - along with control of trade routes, the imposition of customs, taxation, check-point fees and duties – contributed to a dramatic change in power dynamics in-country. As Peter Salisbury explains:

Consider the Houthis. The Zaydi Shia religious movement turned rebel militia spent the years between 2004 and 2010 battling the Yemeni Government and being pummelled by the Saudi air force in the mountains of northern Yemen. Now they control vast swaths of territory and, for the first time, are bringing in hundreds of millions a year, if not billions of dollars a year, in revenues. As they settle into the role of Yemen's new elite, Houthi leaders are said to be buying up property, land, and luxury SUVs. Although they have lost some territory over the past year it is important to remember the huge gains that they have made overall. Many Houthi military commanders were impoverished teenagers when the first war with the government broke out in their northern heartland, Sa'dah, 14 years ago. Today, they are wealthy warlords.⁶⁸

The war economy has led to a surge in black market-associated 'businessmen' benefiting from money transfers, qat trade and weapons smuggling – although it should be noted that such trade exploits well-established routes pre-dating the 2011 uprisings.⁶⁹ Due to restrictions on legitimate financial transactions, networks of Yemeni business actors, many with links to the warring parties, have put in place a highly effective "hawala"/informal money transfer

⁶⁷ S/2016/73.

⁶⁸ Salisbury, Peter, 'Building peace in Yemen from the ground up, how to end the conflict', *Foreign Affairs*, February 28 2018.

⁶⁹ See Appendix Three: Smuggling and trade routes in Yemen.

system,⁷⁰ leading to a dramatic increase in the number of “sarafeen” (money brokers).⁷¹ These brokers enable people to “collect earnings and currency from expatriate Yemenis who hope to send money home” while using the money “to underwrite the cost of goods and shipping, paid for in dollars or regional hard currency”, and which are subsequently sold back into the Yemeni market at great profit.⁷² These transactions contribute to a ‘blurring’ between formal and informal, licit and illicit trade⁷³ since all goods are transported using the same routes, and often involve the same actors. Moreover, while many *sarafeen* use their profits to support fighters, others channel illicit funds into licit businesses – to build factories, develop construction companies or industrial activities. Similarly, the practices of qat traders – ‘legal’ in Yemen - feed into the conflict dynamics since qat earns three times the revenue of other crops and is generally harvested around four times a year.⁷⁴ Qat traders pay taxes to whichever group controls their region, thereby exacerbating instability and violence; in Taiz, for example, rival rebel groups clashed over who should collect taxes, resulting in death and injury.⁷⁵

Smuggled weapons arrive via the horn of Africa or the Gulf. During President Saleh’s era, many business actors were appointed officials in the Ministry of Defence to negotiate arms deals, taking a portion of the weapons for themselves and splitting the profits with those in government. Since 2015, the Panel believes weapons smugglers have benefited from the “disbanding of military units and the proliferation of armed groups and militias;”⁷⁶ the Panel has inspected intercepted weapons shipments believed to come from Iran and destined for the Houthis. The Panel has also documented cases of weapons being diverted to radical groups,

⁷⁰ Salisbury, Peter, ‘Yemen and the business of war’, Chatham House, August and September 2017, page 20.

⁷¹ Gordon, Stuart, and El Taraboulsi-McCarthy, Sherine, ‘Counter-terrorism, bank de-risking and humanitarian response: A path forward, key findings from four case studies’, Policy Brief 72, Humanitarian Policy Group, The Humanitarian Forum, ODI, August 2018, page 4.

⁷² Salisbury (2011), page 26.

⁷³ Anonymous, Yemen researcher-practitioner, phone interview, 14 September 2018 (50).

⁷⁴ Al-Sakkaf, Nasser, ‘War in Yemen: How drugs have become big business’, Middle East Eye, 18 March 2017.

⁷⁵ Anonymous, Yemen expert, phone interviews and in person meeting, September and November 2018 (45)

⁷⁶ S/2016/73.

and being sold through social media.⁷⁷ One of the most infamous actors in this domain is Fares Mohammed Mana'a, who has simultaneously served as an arms-dealer, rebel commander and politician. He is on the UNSC sanctions list, accused of trafficking arms to Al-Shabaab. Following the fall of a governor loyal to Saleh in 2010, the Houthis refused to let Sana'a appoint a replacement, and appointed Mana'a from 2012-2014 (interestingly, local media framed this as a "declaration of independence" of Sa'dah from Sana'a authorities).⁷⁸ During his term in office, he continued to import arms for the Houthis; according to Brazilian court documents and the Panel, Brazil's Forjas Taurus SA, Latin America's largest weapons manufacturer, sold 8,000 weapons to Mana'a in 2013. The weapons were then shipped to Djibouti and re-directed to Yemen.⁷⁹ Interestingly, in the Houthi-led Supreme Political Council established in August 2016, Mana'a was appointed as Minister of State – responsible for the diaspora – as part of the "Government of National Salvation."⁸⁰

The intermediaries

The practices of business actors serving as intermediaries led to the establishment of two significant mediation efforts during the 2011-2016 period. The first initiative began on February 11th 2011 amidst calls for Saleh to step down. A group of seven business leaders, predominantly from the largest business families in the Chamber of Commerce, joined forces in an attempt to calm tensions and find a solution that would be amenable to both Saleh and the protestors. The initiative built upon a 'Dialogue Committee', a pre-existing internal initiative on economic issues – established as a result of increasing mistrust between the

⁷⁷ Ibid, page 22-3.

⁷⁸ See, Yemen Post, 'Houthi Group appoints arms dealer as Governor of Sa'ada province', 27 March, 2011. Found here: <http://yemenpost.net/Detail123456789.aspx?ID=3&SubID=3336> (Accessed August 2019).

⁷⁹ S/2017/81; and Paraguassu, Lisandra, 'Exclusive: Brazil's Taurus sold arms to trafficker for Yemen war, prosecutors allege', Reuters, September 5, 2016.

⁸⁰ S/2017/81.

President and the Islah Party in 2006.⁸¹ Building upon these precedents, business actors met informally to discuss the 2011 crisis, attempting to mediate between the Al-Ahmar family, Ali Mohsin, the President and his son, and the protestors.⁸² As one business actors noted, not all were interested in participating since some wanted to avoid “politics or feared it would be perceived as working *against* the President.”⁸³ This was not the group’s intention, however:

The group we created was not thinking like this, we didn't want to stand against the President, but we wanted him to have a decent exit... The President's term was 2.5 years remaining and our idea was to have him resign after the completion of the term or to see if we could find a way to cut his term short. It was the beginning of 2011 and we thought he could continue to 2012, instead of 2013, for example - these kind of ideas... Our goal was to protect the country from any kind of escalation and it was under these terms that the group met to formulate some kind of ideas. We met with the different parties, people who were leading the rebellion and the head of the socialist party and of all the parties... We met the Vice President and the advisors of the President; we didn't meet the president directly, he told us to meet with his son, and with Hadi. Then we came together and we asked that each one of us should chew qat and go home and write one page of what he thinks we should propose and then we would meet the following day, and each one of us would give a one-page summary of the points. Four of us, the younger ones, we tried to see what could be done with these ideas; we invited 5 people not directly involved and we tried to get all these papers and we tried to make sense out of them, and we made a few pages summary, why we should be involved, and what our findings were from meeting all of the different groups, and if we thought that there was any solution or proposal that we could come up with up with.⁸⁴

The group decided to present the idea of the President stepping down after one year, in order to allow for an orderly transition while still meeting the aspirations of the protestors. The group planned a press conference for the weekend of the March 19th 2011 with participants from all the political parties to share the conclusions of their initiative. However, when protestors were killed on March 18th, business actors knew prospects of an amicable agreement had evaporated, and the initiative was abandoned.

⁸¹ Anonymous, Business leader, phone interview, 12 October 2018 (37).

⁸² Anonymous, Business leader, phone interview, 28 November 2018 (48)

⁸³ Anonymous, Business leader, phone interview, 12 October 201 (37).

⁸⁴ Ibid.

A similar initiative was launched in a very different context in August 2014. A small group of business actors, meeting at the Chambers of Commerce, began discussing their alarm at the seizure of the city by ‘tribesman’: “We were worried about Yemen, the business community, the economy, what is going to happen; we felt that violence is on the way, something is going on.”⁸⁵ They decided to take action: “We said, let’s do something, give it a try, and perhaps we can save the country from going to drain; if it didn’t work, at least we have this written in history that we tried.”⁸⁶ A second mediation committee was formed and got to work:

We started with President Hadi, six or seven of us, all big names, the names represent the power of the business in Yemen. So we went there, we went with President Hadi, and he spoke to us, and he expressed his wish to build a state with rule of law, and expressed his openness and expressed his thanks. Then, we went to see the Saleh people, we met the Head of the parliament - we went to his house - and he was optimistic, and was very happy [to see our initiative], it showed in his face; he was not happy with this escalation and the threats to use force...Then came the Foreign Minister of Yemen at the time, and when he spoke, we immediately realised there is something dirty going on. He was not giving us any hope of reconciliation or of getting everybody to come together to sort out the problem. He was putting conditions and taking a hard-line.⁸⁷

In light of these alarming signals, the team went to meet with the Houthis in Sana’a⁸⁸:

We met in their headquarters, with 2-3 from their political group – their so-called ‘high political body’, assuming there really is a party called “Ansar Allah”, but we know they are not a party, but a family with support from Houthi, and with theocratic ideas. Trying to do politics with those guys is just a waste of time...We are decent and well-known business families, not a small business family, but a group of businessmen from the largest businesses across the country. We were talking about serious consequences on the economy, this was the card we are using. We said: “We are opposing the 1000-riyal increase in petrol prices, you are saying that you are saving the poor people, but you should know that if you take Sana’a people will suffer more. If you take it, the

⁸⁵ Anonymous, Business leader, phone interview, 28 November 2018 (48)

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Another group of businessman visited the Houthi leadership in Sa’dah in March 2015; according to local sources, this visit was “to show submission not to mediate.” The visit was covered on local media sources e.g. <https://www.youtube.com/watch?v=E1Vc1-iqBkY>.

suffering will be even worse”. This was the point we were trying to make. The President agreed with us, but the GPC did not agree, and did not want any reconciliation. And those Al-Houthi people were giving us their rhetoric about the Saudis, the Americans – we were hoping to scare Al Houthi off by saying that he would lose his credibility and his reputation. “That will blow back to your face, do not under-estimate the economic side of it.” That was our strength card - that we hoped to use for people to come together and in a peaceful way..[...] But it was pre-meditated, Houthi had already decided to go through with this.⁸⁹

Despite feeling no progress had been made, the group held a press conference to allay people’s fears; many had begun evacuating their homes, stocking up on medicines, and other expensive items. The press conference was designed – according to business actors - to reduce tensions, but in reality they knew Saleh was ‘pulling strings’ in support of the Houthis. They began planning a strike to attract attention and expose parties that not in favour of peace: “We are the private sector, we are not on one side or another, we are from different parts of the country, people trust what we say”⁹⁰, they insisted. Behind the scenes, they tried to orchestrate a meeting through the Chamber of Commerce between the biggest business families and Al-Houthi at his home in Sa’dah to initiate a negotiation, but the request was never given a response. The initiative came to an end on September 9th 2014 when one of the leading businessmen involved in the initiative began receiving threats to his life, and was advised to leave Sana’a immediately.

Business actors served as intermediaries in the context of the NDC. While the ‘private sector’ were, as discussed in Chapter Three, given only three out 565 seats, they were able to play a type of ‘intermediary’ role nonetheless. They rallied to work “from outside the NDC, to influence the members of the NDC from different sides, to introduce [their] views and [their] vision and hopes.”⁹¹ When the Chambers of Commerce was asked to present a paper on private sector priorities at the NDC, a small group of around 15-20 business actors convened to

⁸⁹ Anonymous, Business leader, phone interview, 28 November 2018 (48).

⁹⁰ Ibid.

⁹¹ Anonymous, Business leader, phone interview, 2 November 2018; and, in person interview, 17 November 2018 (44).

formulate the priorities, going onto present the paper to the NDC Secretariat. Beyond these efforts, ideas were shared in the context of qat sessions and through personal contacts to overcome the un-representative nature of the ‘formal’ economic sector in the NDC.⁹² These types of ‘intermediary efforts’ were not conducted by the traditional economic elite alone; other business leaders, such as Al-Ahmar also played an ‘intermediary’ role, seeking to influence representatives of the Islah party and the independent political parties.⁹³

Another business actor that practiced a form of ‘mediation’ is the Central Bank of Yemen (CBY). In the early years of the conflict, the CBY maintained impartiality, serving as an essential lifeline for Yemenis. Even as “central government authority eroded across the country, the CBY had continued financial coordination with local governing councils to facilitate basic public service provision, dispersed monthly salaries to 1.2 million Yemenis on the public payroll, protected the value of the domestic currency and ensured importers access to foreign currency to purchase basic commodities”⁹⁴ As a result, the CBY could maintain basic services, actions which most certainly prevented the humanitarian crisis from erupting with greater severity.⁹⁵ When the GoY ‘re-took’ Aden, they found that local councils had insufficient funds to cover expenses; in response, the CBY chartered the state airline to physically bring the required funds “even with the capital city under the control of the Houthis rebels and their allies.”⁹⁶ The CBY also continued to pay public sector salaries - most of which went to people in Houthi-controlled areas – allowing the Houthis to impose a ‘war tax’ on individual salaries, even while the group regularly syphoned-off funds from ministerial budgets

⁹² Shihab, Mohammad, Vice President, Operations and Business Development, Shihab.co, phone interview, 26 November 2018 (46).

⁹³ Anonymous, Business leader, phone interview, 28 November 2018 (48).

⁹⁴ Rageh, Mansour; Nasser, Amal, ‘Yemen without a functioning central bank: The loss of basic economic stabilization and accelerating famine’, Sana’a Center for Strategic Studies, November 2016.

⁹⁵ Ibid.

⁹⁶ Ibid.

for the war effort.⁹⁷ Following increasing attacks on the CBY's credibility, the 'informal' agreement on CBY's impartiality came to an abrupt end. The September 2016 announcement by Hadi that the CBY would relocate from Sana'a to Aden cemented the Bank's role as "weapon of the war"⁹⁸, rather than an intermediary to be protected and supported.

The agitators

The agitators benefit from the conflict much like the profiteers, but also play a direct role as key players in its continuation, often as spoilers and/or instigators of conflict. Hamid Al-Ahmar was characterised by many interviewees as a "spoiler" and it is evident he played a significant role in the conflict. In 2011, as outlined above, he supported Islah-affiliated protestors; in 2013 he announced his withdrawal from (and thereby undermined) the NDC, explaining that "there are a number of irregularities which are inconsistent with the terms and regulations of the GCC-brokered transfer of power initiative...several groups have been left out, the sons of Sa'dah, the youth and women lack representation."⁹⁹ And, since 2014 he has provided consistent support to 'anti-Houthi' groups, by providing weapons and supporting tribes and militias financially.¹⁰⁰ His role as an intricate part of the conflict was further clarified when, as part of the Houthi 'crack-down' on corruption, they seized many of Al-Ahmar's assets, filming inside his home to demonstrate the luxurious life lived by Yemen's business elite.¹⁰¹

The Saleh family has continued to play an instrumental role through their businesses interests, as evidenced by the Panel's investigation.¹⁰² Saleh's son, Khaled, and his brother, Ahmed, in particular have played active roles. The former President accumulated extensive wealth

⁹⁷ Ibid.

⁹⁸ Anonymous, Researcher-practitioner, in-person interview, 10 September 2018 (49).

⁹⁹ Yemen Post, 'Sheikh Hamid al-Ahmar to quit National Dialogue Conference', 17 March 2013.

¹⁰⁰ Anonymous, Researcher-practitioner, in-person interview, 10 September 2018 (49).

¹⁰¹ Ibid.

¹⁰² See Appendix Four: Links between Khaled Ali Abdullah Saleh and his assets with listed individuals.

through the “oil and infrastructure building industries, local automobile franchises, arms deals and salaries for ghost workers in the military and public services”¹⁰³ and established an extensive global network of business operations. Nine companies were identified as part of this network,¹⁰⁴ and it is believed that three - Albula, Weisen and Foxford Management - have been used to transfer funds for Saleh¹⁰⁵ - funds used to support war efforts. In 2014, for example, Saleh was accused of stockpiling heavy weapons – including thousands of rifles and pistols and dozens of heavy machine guns, mortar canons, rocket-propelled grenades, sniper rifles and anti-aircraft missiles - at a military camp in Sanhan.¹⁰⁶ Through his well-oiled practice of patronage, he maintained influence over his: tribal, political and military networks.¹⁰⁷

Since 2014, these business actors have directly benefitted the Houthis’ war efforts. Other prominent business actors have also supported them, often in opposition to Islah and the Al-Ahmar family. While outside the scope of this chapter, it should be noted that important fault-lines within the community of business actors supporting the Houthis emerged following the killing of Saleh in December 2017, punishing him for switching sides and seeking peace with Saudi Arabia, and following a dramatic collapse of the ‘alliance-of-convenience.’¹⁰⁸ In many respects, the Houthis have acted as a type of ‘business actor’ through six key means, as outlined by the Panel: CBY funding of armed forces and security agency salaries, which are diverted to Houthi commanders; CBY funding for administrative support of Houthi-aligned armed forces based on the 2014 national budget; tariffs from black market smugglers and profiteers; imposition of a *khums tax* (20% of merchants’ profit, civil service salaries and farmers); diversion of local authority taxation; exploitation of cell-phone technology to raise funds

¹⁰³ S/2016/73.

¹⁰⁴ Pact Trust; New World Trust Corporation; NWT Services Limited; Albula Limited; Weisen Limited; Foxford Management Limited; NWT Directors Limited; NWT Management SA; and CT Management, see Appendix Four, taken from S/2017/81.

¹⁰⁵ Ibid.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

¹⁰⁸ Salmutter, Kim, ‘Why did the transition process in Yemen fail?’, Sciences Po Kuwait Program, Spring 2017, page 8.

through messaging appeals; and, new networks of partners and proxies.¹⁰⁹ Many business actors in Houthi-controlled areas have only been able to operate by accepting “Houthi law”, i.e. “by paying more taxes and levies. They at some instances have to pay customs duties in Aden port and then pay custom duties when their goods enter Houthis’ controlled areas!”¹¹⁰ Houthi and Saleh forces also benefited from the “market gaps” left by businessmen who fled the country, providing an opportunity for them to control private venture financial assets.¹¹¹

Military-affiliated business actors also acted as ‘agitators’. The Yemeni Economic Corporation (YECO, formerly the Military Economic Corporation, MECO), a government entity headed by a close Saleh ally – is accused of financing attacks on the 2011 protestors; witnesses claim he sent gunmen to use live bullets to disperse demonstrators.¹¹² What is referred to as the ‘tribal-military-commercial complex’¹¹³ demonstrates an endemic exploitation of the security sector as a means of wealth accumulation and power. As explained by Adam Seitz, the military “evolved into an important economic player and source of political patronage, as members of the armed forces gained increasingly privileged access to sources of wealth and power through both their role in the military and as gatekeepers for commercial elites seeking access to business deals, land permits, and lucrative government contracts.”¹¹⁴ One of the leading YECO businessmen, General ‘Ali Mohsin, through his control of the military-affiliated patronage networks, became a rival power center to Saleh; when Hadi tried to re-structure the military, therefore, he was met with significant resistance. Rather than contest the source of power, Hadi

¹⁰⁹ S/2016/73

¹¹⁰ Noman, Mustapha, Former Deputy Foreign Minister at Ministry of Foreign Affairs, Yemen, former Ambassador of Yemen to Spain, phone interview, 26 September 2018 (47).

¹¹¹ S/2017/81.

¹¹² Gordon, Sasha, ‘The parallel revolution in Yemen’, *Critical Thinking*, March 06 2012.

¹¹³ Seitz, Adam C. ‘The tribal-military-commercial complex and challenges to Security Sector Reform in Yemen’, in Heinze, Marie-Christine, Ed, *Addressing Security Sector Reform in Yemen, challenges and opportunities for intervention during and post-conflict*, CARPO and Konrad Adenauer Stiftung, Report 04, December 2017.

¹¹⁴ *Ibid*, page 14.

brought it ‘under his wing’, by appointing ‘Ali Mohsin as his military advisor - thereby re-aligning rather than de-constructing patronage politics.

Other armed groups have also behaved as ‘business actors’, seeking to accrue finances in exchange for services. Terrorist groups, such as Al-Qaida in the Arabian Peninsula (AQAP), capitalised upon the 2011 demonstrations to create ‘Ansar al-Sharia’, thereby attempting to re-orient itself locally as a populist movement.¹¹⁵ According to Yemeni officials interviewed by the UN Panel of Experts, AQAP is mainly funded through the payment of ransom for kidnapped foreigners and the looting of banks.’¹¹⁶ Furthermore, while Mukalla – a port and the capital of Hadhramaut - was under the control of AQAP from April 2015 to April 2016, the group gained \$100 million by looting a local branch of the CBY and as the result of levying taxes on smuggling networks – money used to recruit new fighters and finance new attacks.¹¹⁷

Part two: Understanding the dynamics of power, business and peace in Yemen

Analyzing the nature of business involvement in Yemen’s war to peace transition through national/sub-national, regional and international socio-historical lenses reveals power dynamics at work. Putting the role of business actors in the broader context, this analysis sheds light on way in which the economy in Yemen was used as a political tool of control of domination and a means to express political contestation - dynamics in which inequality and marginalization have played critical and cyclical roles; the economy of which the business actors were a part was, therefore, inextricable from the socio-political system in which their practices were embedded. These dynamics have simultaneously consolidated and undermined

¹¹⁵ S/2015/125.

¹¹⁶ Ibid.

¹¹⁷ Ibid.

the State and its ever-elusive quest for monopoly over both territory and violence, with counter-productive effects. This section also provides insights on the multifaceted nature of both ‘political’ and ‘economic’ actors, and provides example ‘entry-points’ for consideration of ways in which business actors had the potential to assist in the 2011-2016 peace mediation process.

National/sub-national power dynamics at work

National/sub-national power dynamics in Yemen must be understood through complex, multiple and fluid social identities; this analysis explores the conditions that made certain business practices and discourses acceptable at a given moment.¹¹⁸ Identities in Yemen are shaped by a highly stratified society¹¹⁹ where affiliations are informed by six key ‘identifiers’ relevant to this analysis. The first is the ‘tribe’ or *Qabyala*¹²⁰, understood here as a social unit and pattern of organisation¹²¹ associated with ancestral regions, which contributes to social hierarchies and norms of interaction;¹²² ‘tribe’ is neither “static nor monolithic.”¹²³ Within the tribes, *shayks* play a considerable role as local ‘representatives’ and power-holders. While different forms of tribes exist throughout Yemen, the North is renowned for its three major tribal confederations: the Hashid, Bakil and the Khawlan bin ‘Amr, as described here:

The Hashid tribal confederation comprises the largest in Yemen, having been led by the influential shaykh ‘Abdullah al-Ahmar until his death in December 2007. The Hashid has been historically well connected in the political realm because President

¹¹⁸ Foucault, M., ‘Questions of Method’ in Burchell, G., Gordon, C., and Miller, P., Eds., *The Foucault Effect: Studies in Governmentality*. University of Chicago Press, 1991, page 75.

¹¹⁹ Meneley, Anne, ‘Living hierarchy in Yemen’, *Anthropologies*, Vol. 42., No. 1, 2000, page 62.

¹²⁰ Salmoni, Barak A; Loidolt, Bryce; Wells, Madeleine, ‘The sociocultural ecology of the Huthi conflict: Tribalism and religion’ in Eds., Salmoni, Barak A; Loidolt, Bryce; Wells, Madeleine, *Regime and Periphery in Northern Yemen*, Rand Corporation 2010, page 45.

¹²¹ Muller, Miriam M., ‘Forging a national identity in Yemen’s South: Social change between foreign interference and a fragmented nation’, in Muller Miriam, *A Spectre is Haunting Arabia, How the Germans Brought Their Communism to Yemen*, Transcript Verlag, 2015, page 197

¹²² Salmoni; Loidolt; and Wells, 2010, page 45.

¹²³ King, James Robin, ‘Zaydi revival in a hostile republic: competing identities, loyalties and visions of state in Republican Yemen, *Arabica*, T. 59, Fasc. 34, The neglected sites: Studies in the legal and intellectual history of the Zaydis, 2012, page 417.

*Saleh's tribe is part of the Hashid confederation. The Bakil, while traditionally less powerful than the Hashid, have a much more significant presence in the Sa'da governorate. The Bakil confederation is made up of approximately 31 tribes, some of which exist under the subconfederations of Dahm (eight subtribes) and Wa'ila (seven subtribes)[...]Finally, Khawlan bin 'Amr, while broadly less powerful than both Hashid and Bakil, is made up of eight tribes, three of which were incorporated into Saudi Arabia in 1934.*¹²⁴

The second defining affiliation is religious, which overlaps, intertwines and goes beyond tribal affiliations. Yemenis from the North are predominantly *Zaydis* (mainly Shia)¹²⁵ or *Shafis* (mainly Sunni), a sectarian division which “has been a major basis of social differentiation and identity down to modern times”¹²⁶ although it’s often described “by Yemenis as more an issue of lineage than of religion.”¹²⁷ *Zaydis* make up approximately 30-35 percent of the population and have formed the majority of the ruling elite, while *Shafis* form the non-ruling majority, with a considerable population in the North but residing predominantly in the South and on the Red Sea coast.¹²⁸ The third defining affiliation is to political parties, of which there are four major and eight smaller ones.¹²⁹ Out of these, the three most significant here are: former President Saleh’s GPC; the JMP¹³⁰, which “combines groups committed to secularism with groups committed to implementing Islamic law (*shar’ia*), *Zaydi Shias* with *Shafi’i Sunnis*, and *Islamists* with *socialists* and *Arab nationalists*”¹³¹; and, third, the Yemeni *Islah Party*, a “wide coalition for *Sunnis* of the *Muslim Brotherhood* and *apolitical* backgrounds, *Wahhabi Salafis*, and *tribals* seeking *patronage*, some from *Zaydi* backgrounds.”¹³² Added to these overlapping

¹²⁴ Salmoni; Loidolt; and Wells, 2010, page 48.

¹²⁵ Some adhere to other religious strands associated with Sunni Islam. See: Hamidi, Ayman, ‘Inscriptions of violence in Northern Yemen: haunting histories, unstable moral spaces’, *Middle Eastern Studies*, Vol. 45, No.2, March 2009, page 166.

¹²⁶ Burrowes, Robert D., ‘Prelude to unification; The Yemen Arab Republic, 1962-1990,’ *International Journal of Middle East Studies*, Vol. 23, No.4, 1991, page 483.

¹²⁷ Salmoni; Loidolt; and, Wells, 2010, page 73.

¹²⁸ *Ibid.*

¹²⁹ Mitchel, Robert E., ‘What the social sciences can tell policy-makers in Yemen’, *Middle East Journal*, Vol. 66., No.2., Spring 2012, page 306.

¹³⁰ The fourth, the Yemeni Sociality Party will be considered under ‘regional’ dynamics.

¹³¹ Browsers, Michaelle, ‘Origins and architects of Yemen’s Joint Meeting Parties’, *International Journal of Middle East Studies*, Vol. 39, No. 4, November 2007, page 565.

¹³² Salmoni; Loidolt; and, Wells, 2010, page 74.

identities are a multiplicity¹³³ of other ‘identifiers’ too vast to go into here related to sub-regions, caste, family backgrounds, experiences, etc.

These three factors were shaped but not fundamentally transformed by the 1990 unification of South Yemen, formerly known as the People’s Democratic Republic of Yemen (PDRY)¹³⁴ with North Yemen, or the Yemen Arab Republic (YAR) ruled by Saleh since 1978. From the beginning of his time in office, these identities were implicitly constructed as a threat to President Saleh’s power and, as a result, he instrumentalised the economy and business actors as a tool of political power - designed to consolidate the intertwining of his own ‘person’ with that of the State by manipulating tribal, religious and political allegiances. This endowed the economy with the social purpose¹³⁵ of both maintaining allegiance to Saleh, and preventing significant allegiance to these ‘alternative’ identities; this practice was deemed as either *legitimate* or *necessary* by those who benefitted from it, and those who benefitted the most were those deemed a ‘threat’, or as a threat that could not be justifiably countered militarily.

As a result, Saleh approached the state as a *family business*, whereby ‘family’ tended to work in ‘concentric circles’ with the President at the center, then his close relatives, and then the elite of the Hashid Federation - collectively ‘producing’ the regime’s inner circle who enjoyed “the benefits of being deeply enmeshed in the country’s formal and informal economy.”¹³⁶ Business actors thus emerged or were entrenched as a result of four key practices: first, through the co-optation of shakys who received a salary through the Department of Tribal Affairs and access

¹³³ Wedeen, Lisa, *Peripheral Visions, Publics, Power, and Performance in Yemen*, The University of Chicago Press, Chicago and London, 2008.

¹³⁴ A former British colony which became a Marxist socialist republic supported by the Soviet Union in 1970.

¹³⁵ Rawi, Abdelal, ‘Constructivism as an approach to international political economy’ in Blyth, Mark, Ed., *IPE as a Global Conversation*, Routledge Handbook of International Political Economy (IPE), Routledge, London and New York, 2010., page 72.

¹³⁶ Philips, Sarah, ‘Who tried to kill Ali Abdullah Saleh? *Foreign Policy*, June 13, 2011.

to ‘gifts’ (houses, cars, guards), land and government contracts.¹³⁷ Second, through positions within state-owned-companies (SOE), such as the TeleYemen, the National Tobacco and Matches Company and the National Bank, for example, benefitting from in-kind advantages, institutional status, and limited oversight and accountability.¹³⁸ The largest SOE, the Military Economic Corporation¹³⁹, served as a vector for extensive business activities to the benefit of tribal elites, absorbing private companies in the North and South.¹⁴⁰ The third practice concerned government posts, awarded less on the basis of professionalism, seniority or competence¹⁴¹ and more on relationships of kin, clan or favours, or both; Since one’s role in a patronage system cannot be guaranteed, many used their positions to promote business activities for private benefit.¹⁴²

The fourth practice was through private enterprises, most notably those founded by the ‘old economic elite’ who established themselves in the central agricultural regions and around Aden during the British occupation.¹⁴³ Two of the most significant ones, the Hayal Saeed Group and the Muhammed Thabet Group - labelled jointly as “Ta’izz-Boys”¹⁴⁴ - faced the choice of leaving Yemen, or ‘playing by the rules of the game’, including by incorporating Saleh associates amongst their shareholders:¹⁴⁵ “Refusing to do so would lead to serious problems, ranging from unexpected and unexplained demands for large tax payments, to physical attacks

¹³⁷ Philips, Sarah (2008), page 104-105.

¹³⁸ The World Bank, ‘The Republic of Yemen, unlocking the potential for economic growth, A country economic memorandum’, Middle East and North Africa Region, Macroeconomics and Fiscal Management Global Practice, October 2015, page 36.

¹³⁹ By the mid 2000’s, what became known as YECO, had oversight over all industries, including pharmaceuticals, agriculture, and construction, and illicit smuggling activities of diverse kinds. This gave rise to ‘businessmen in arms’ i.e. those in the security services, dominated by members of the Saleh family and his clan, who controlled the provision of services, contracts and activities both through YECO and through other SOEs.

¹⁴⁰ Seitz, Adam C., (2017), page 16 and 17.

¹⁴¹ Omar Osman, Mohammed, ‘Socio-cultural and managerial behaviour of Yemeni entrepreneurs’, *Orient*, Vol. 36, Issue 2, 1995, page 299.

¹⁴² Ibid.

¹⁴³ Alley, (2010), page 391.

¹⁴⁴ Albrecht, Holger, ‘The political economy of reform in Yemen: Privatisation, investment, and the Yemeni business climate’, *Asien Afrika Latinamerika*, Vol. 30, Issue 2, 2002, page 143.

¹⁴⁵ Dresch, Paul, ‘A history of Modern Yemen’, Cambridge University Press, 2000, page 24.

on individuals or the enterprise facilities.”¹⁴⁶ As one interviewee underscored, “in Yemen, you cannot get anything done unless you play with the system”¹⁴⁷ and this was a matter of “survival.”¹⁴⁸ These business actors became powerful by expanding their operations well beyond the region, establishing business interests in Asia, East Africa, the Gulf and Europe.¹⁴⁹ They were, therefore, viewed as a force to be reckoned with since their history pre-dated Saleh’s rule and their power-base extended well beyond it. ‘Playing the game’, however, was complex: “with no military or tribal leverage, established businesses had little choice but to cooperate with members of Yemen’s new capitalist elite, many of whom had long histories of trade in the black and grey markets, from alcohol smuggling to gun-running.”¹⁵⁰

These dynamics lead to what anthropologist, Paul Dresch, called a “consolidation of interests” amongst traditionally distinct societal roles “*merchant, shaykh, officer, modernist.*”¹⁵¹ At the heart of this consolidation and, often, driving it, was the political arrangement made between three of the country’s leading figures in a “triumvirate” formed by written agreement in 1978, following the assassination of President al-Ghashmy.¹⁵² The first in this trio, Saleh - a businessman *par excellence* - had the primary goal of extending patronage to maintain power – using the GPC and the tribes as his principal ‘instruments.’¹⁵³ The second member of the ‘trio’ was Shaykh Abdullah al-Ahmar: speaker of parliament from 1990 until his death in 2007; leader of Yemen’s largest opposition¹⁵⁴ party, Islah; conservative tribesman and businessman¹⁵⁵; and, head of the Hashid Confederation – a position which made him the

¹⁴⁶ Blumi, Isa, *Destroying Yemen, What Chaos in Arabia Tells Us About the World*, University of California Press, 2018, page 250.

¹⁴⁷ Anonymous, Researcher-practitioner, in-person interview, 10 September 2018 (49).

¹⁴⁸ Anonymous, Yemen researcher-practitioner, phone interview, 14 September, 2018 (50).

¹⁴⁹ Anonymous, Business leader, phone interview, 12 October 2018 (37).

¹⁵⁰ Hill, Salisbury, Northedge and Kinnimont, (2013), page 20.

¹⁵¹ Dresch, (2000), page 24.

¹⁵² ‘US embassy cables: Who will succeed Saleh in Yemen? The Guardian Monday 21 March 2011, point 5.

¹⁵³ Philips, (2011), page 23.

¹⁵⁴ Many considered him more part of the regime than an effective leader of the opposition.

¹⁵⁵ Transfeld, Mareike, ‘Political bargaining and violent conflict: shifting elite alliances as the decisive factor in Yemen’s transformation’, *Mediterranean Politics*, Vol. 21, 2016, Issue 1, 2016, page 40.

President's tribal leader. His son leads one of Yemen's largest business empires, The Ahmar Group of Companies, which has interests in crude oil, telecommunications, import and export and tourism.¹⁵⁶ Shaykh Abdullah, who it is often claimed preferred to be a kingmaker rather than king¹⁵⁷, wielded enormous power: Saleh was dependent upon him to negotiate deals within the Hashid Confederation, rewarding his family through business opportunities. Following Shaykh Abdullah's death, his eldest son, Sadeq took his position; another son, Himyar, became Deputy Speaker of parliament; and his younger son, Hamid took over the business empire. The third member of the trio, General Ali Mohsin is also a member of the Hashid tribe and a close ally since 1978.¹⁵⁸ Dubbed "the second most powerful man in Yemen"¹⁵⁹, Mohsin became commander of Yemen's first artillery brigade in the heart of the lands controlled by Hashid and Bakil tribes and a vital linchpin for the maintenance of Saleh's power. ¹⁶⁰ Mohsin played a leading role in the Sa'dah wars against the Houthis from 2004-2010, and Mohsin and Saleh worked together to smuggle fuel.¹⁶¹ Through this arrangement, "Saleh relied upon the iron fist of the security, military and intelligence institutions, and on the power to levy public money and use it for his own purpose."¹⁶²

As these dynamics evolved, a small space was created in which the economy and, indeed, business, rather than means to confer power, became increasingly a tool of contestation – a cumulative result of changing power dynamics and a disintegration of the fragile house that Saleh built - for several reasons. First, from around 2001, oil production began its steady

¹⁵⁶ Ibid, page 153.

¹⁵⁷ The Guardian, 'US embassy cables: Who will succeed Saleh in Yemen?' The Guardian Monday 21 March 2011, point 25.

¹⁵⁸ As a result of the triumvirate, formed when Saleh came to power.

¹⁵⁹ US embassy cables: 'Yemeni insiders losing patience with Saleh'; available here: <https://www.theguardian.com/world/us-embassy-cables-documents/33105>

¹⁶⁰ Day, Stephen (2012), page 86.

¹⁶¹ US embassy cables: 'Yemeni insiders losing patience with Saleh'; available here: <https://www.theguardian.com/world/us-embassy-cables-documents/33105>

¹⁶² Khaled Abdel Wahed Mohamed Noman, President of Abdel Wahed Mohamed Noman & Sons Ltd., responses provided in writing in Arabic and translated into English, 18 December 2018 (38).

decline¹⁶³ thereby limiting the resources available for patronage network ‘maintenance’. Second, consequently, Saleh began concentrating power in his immediate family circle - made explicit through his attempts to bestow disproportionate benefits to his eldest son, Ahmed Ali,¹⁶⁴ with a view to promoting him to the Presidency. Third, efforts to promote Ahmed Ali impacted the political and economic interests of both ‘Ali Mohsin and Hamid Al-Ahmar, since Saleh restricted US military aid to divisions under the control of his son¹⁶⁵ (thereby penalising ‘Ali Mohsin), and Ali Ahmed received government support to set up a new business entity, Shibam Holding Company¹⁶⁶ (thereby penalising Al-Ahmar, especially since his access to drilling licenses had been curtailed¹⁶⁷). Fourth, the more tribal shaykhs from Hashid and Bakil Confederations took ‘state’ control¹⁶⁸, the more evident the regional disparities became: the average person in the southern provinces “contributed fourteen times more revenues to the state’s coffers [via taxation] than a person in the highland region”¹⁶⁹ whereas those in the highland provinces paid less tax *and* benefitted from diverse forms of preferential treatment. Fifth, the more both Hamid Al-Ahmar and Ali Mohsin felt marginalised, the more they had in common. One of the final triggers for the unravelling came in 2011 when “the head of Yemen’s ruling party parliamentary bloc, Sheikh Sultan Barakani, announced that his party would not only “reset” the clock for presidential term limits – a move that would allow President Ali Abdullah Saleh to stand again – but would ‘remove the clock’ entirely, enabling Saleh to become president for life.”¹⁷⁰ Simultaneously, he alienated old commercial elite which had acquiesced to the rules of the game in exchange for the ‘freedom to operate’. As summarised by Ambassador Noman:

¹⁶³ Thiel (2015), page 159.

¹⁶⁴ Hill, Salisbury, Northedge and Kinnimont, (2013), page 9.

¹⁶⁵ Transfeld, (2016), page 153.

¹⁶⁶ Hill, Salisbury, Northedge and Kinnimont (2013), page 22.

¹⁶⁷ Transfeld, (2016), page 154.

¹⁶⁸ Lewis, Alexandra, *Security, Clans and Tribes – Unstable Governance in Somaliland, Yemen and the Gulf of Aden*, Palgrave Macmillan, 2015, page 83.

¹⁶⁹ Thiel, Tobias, (2015), page 159-60.

¹⁷⁰ International Crisis Group, ‘Popular protest in North Africa and the Middle East (II): Yemen between reform and revolution, Middle East/North Africa Report No. 102, 10 March 2011, page 1.

Saleh tried to develop a new business community that he created himself, he gave them favours and illegal privileges, and helped them cover their smuggling activities into Yemen. He was trying to bring his own business community that paid allegiance to him...Secondly, he used these people in smuggling arms, this was the semi-legal aspect of his reign. Because you could not import arms into any country unless you had a license from the Ministry of Defence, he would give it to Sheikhs that turned into business, and they accumulated a lot of fortune. Hamid al-Ahmar, for example, has no knowledge of business history but because of the privileges he was given due to the political links between his father and Saleh, he accumulated a fortune but he did not invest in the country, he did not build a hospital or a school even in his own community. During this period of Saleh, there was a legal community, which has been in business for half a century or more, and “nouveau riche”, who just jumped into the market and became more influential. 90% or the majority were from Saleh’s clan, north of Sana’a [...] He used all these tricks for two reasons: To weaken the true business community that he did not create, they were not ‘his baby’; and, to gain the political support of the tribes to whom he gave benefits and privileges. This was his policy – he was mixing politics with business, his main goal was to control the business community, and to have the support of the tribes.¹⁷¹

The disintegration of the patronage system – as a result of “the increasing concentration of the small remaining cake in the hands of a small immediate few”¹⁷² - shaped discourses and practices of the diverse ‘benefactors’ and ‘intermediaries’. First, it shaped the narrative around *corruption*; as underscored by Susanne Dahlgren, Yemeni officials would traditionally rebuff such criticism “by saying that what outsiders (and southerners) view as corruption is needed to unify the country and incorporate southerners into the system prevalent in the north.”¹⁷³ This discourse began to disintegrate when it became increasingly evident that, rather than unifying the country, Saleh’s practices were driving it apart. Corruption thus entered the discourse as a major motivator for business actors who supported the revolution, even amongst those who had benefited from it: “It was the fight about corruption that caused this revolution more than

¹⁷¹ Noman, Mustapha, Former Deputy Foreign Minister at Ministry of Foreign Affairs, Yemen, former Ambassador of Yemen to Spain, phone interview, 26 September 2018 (47).

¹⁷² Anonymous, Yemeni Expert, 22nd June, phone interview (51).

¹⁷³ Dahlgren, Susanne, ‘The snake with a thousand heads: The Southern cause in Yemen’, *Middle East Report*, No. 256, Fall 2010, page 32.

the political issues”¹⁷⁴, stated one, and “his corrupt regime was causing grievance in the South and all over”¹⁷⁵ stated another. Second, it shaped what it meant to be a ‘business actor’. Many who actively or quietly supported aspects of the transition began distinguishing *their* practices from those who supported Saleh and, more recently, also from the Houthis. Real business actors “invest in the country”¹⁷⁶, “sell at a loss because they believe poor people should be able to afford their goods”¹⁷⁷, do their best to stay, and are interested in the greater good of Yemen. Real ‘business actors’ became synonymous with those “who cared for Yemen”¹⁷⁸, compared to the ‘parasites’¹⁷⁹ in favour of “corruption, sectarian rule and fanaticism.”¹⁸⁰ Third, it increasingly shaped what it meant to be *political*. Business actors who had benefited from the patronage system and/or taken an active role in the transition did *not* define their roles as ‘political’. To ‘do politics’ was to engage in the same bartering of allegiance for money that Saleh had engaged in; politics was narrow, divisive, *dirty* and, therefore, contrary to the essence of the Yemeni business actors. At the end of the day “as a private sector – despite your political orientation or preferences you will try to keep that for yourself, because you have also a responsibility to the community, to the society.”¹⁸¹ These business actors, therefore, as a result of their competing identities to clan, religion, political party *and* (a particular vision of the) country, were at the very heart of Yemen’s transition – a powerful force that could have been leveraged to unify the business community for peace.

¹⁷⁴ Anonymous, Business leader, phone interview, 12 October 201 (37).

¹⁷⁵ Anonymous, Business leader, phone interview, 28 November 2018 (48)

¹⁷⁶ Noman, Mustapha, Former Deputy Foreign Minister at Ministry of Foreign Affairs, Yemen, former Ambassador of Yemen to Spain, phone interview, 26 September 2018 (47).

¹⁷⁷ Anonymous, Yemen researcher-practitioner, phone interview, 14 September, 2018 (50).

¹⁷⁸ Anonymous, Business leader, phone interview, 28 November 2018 (48)

¹⁷⁹ Anonymous, Business leader, phone interview, 2 November 2018; and, in person interview 17 November 2018 (44).

¹⁸⁰ Shihab, Mohammad, Vice President, Operations and Business Development, Shihab Co, phone interview, 26 November 2018 (46).

¹⁸¹ Anonymous, Business leader, phone interview, 2 November 2018; and, in person interview 17 November 2018 (44). He added by writing: “The Houthis are ruled by the Hashimites. The Hashimites are families who are descendants of prophet Mohammed. They believe that since they come from the blood line of the prophet that they have the divine right to rule over everybody else. They do not believe in equal citizenry, rule of law that is legislated by the people or democracy and free election. They are a dogmatic theocratic cult nurtured, ‘ideologized’, financed, weapon used by Iran.”

'Regional' power dynamics at work

While it is controversial to include some of below dimensions of the conflict under a 'regional banner' - since they form an integral part of the recognised Yemeni state - the regional dimensions of these dynamics provides insights on the contested nature of borders, and the state in general. This analysis sheds light, therefore, on the spatial elements of political identity,¹⁸² the 'othering' that was integral to Saleh's regime, and the regional linkages between business actors in Yemen.

The fourth 'identifier' to have shaped the discourses and practices of business actors relates to the Houthis, the Zaydi-Shiite population in the northern governorate of Sa'dah, which borders Saudi Arabia (KSA).¹⁸³ From the beginning of the 10th century, the Zaydi imamate¹⁸⁴ controlled a large part of Yemen until the September 26 1962 Republic Revolution - leading to an eight-year civil war. As characterised succinctly by James Robin King, since then, Zaydism has been portrayed consistently as the nation's 'Other.' Zaydis adhere to a wide range of beliefs but tend to be characterised as "professing positions that deviate from the Sunni reformist thought that reigns supreme in Yemen's public and private religious spaces and undergirds its founding religious nationalism as fanatical"¹⁸⁵ - even in the wake of multiple efforts to define Zaydi doctrine as antithetical to the anachronistic notion of the imamate under one supreme leader.¹⁸⁶ Zaydi efforts to express their identity are framed as an affront to the Republic, which requires a state that treats them as an existential threat. To reinforce this, King

¹⁸² Devetak, Richard, 'Post-structuralism', in Burchill, Linklater, Devetak, Donnelly, Nardin, Paterson, Reus-Smit, True, theories of international relations, fourth edition, Palgrave Macmillan, 2009, page 204.

¹⁸³ Clausen, Maria-Louise, 'Islamic State in Yemen - A rival to al-Qaeda?', *Connections*, Vol. 16, No. 1, Winter 2017, page 52.

¹⁸⁴ Named after Zayd bin Ali, the great grandfather of Ali, Mohammed's cousin and son-in law.

¹⁸⁵ King (2012), page 481.

¹⁸⁶ Hamidi, Ayman, 'Inscriptions of violence in Northern Yemen: haunting histories, unstable moral spaces', *Middle Eastern Studies*, Vol. 45, No.2, March 2009, page 167.

argues, “imamate backwardness and injustice in the North is consistently, almost formulaically, equalized with British colonialism in the South” despite the fact that the “imamate represented a Yemeni system headed by Yemenis” one which, unlike British colonial rule, “was in place for over a millennium.”¹⁸⁷ This nationalist lens creates a divisive binaries of what it means to be a *good/bad* Yemeni, one which is tied inherently to an exclusive political settlement, from which the Houthis are endemically excluded.

Such a construction was no accident. It enabled Saleh to legitimise the exclusion of the Houthis from the political system he constructed, while simultaneously justifying wars against them in the tribally-contested Sa’dah governorate, resulting in six rounds of fighting from 2004 to 2010.¹⁸⁸ Conversely, the list of Houthi grievances against Saleh is long; they “criticized Saleh for corruption, condemned his military alliance with the United States, objected to his support for the spread of Saudi-funded Sunni-Salafi madrasas in the Sa’dah region, and protested about the lack of economic development in their area.”¹⁸⁹ And, since Saleh, through his strategies of ‘divide and rule’ increasingly embodied *the state*, to oppose him and his practices of exclusion was to be ‘anti-Yemen’, unpatriotic and, indeed, *backward*. More recently, public discourse has emphasised the Iranian dimensions of the Houthi rebellion as a means to discredit them by association with broader sectarian threats. What is fascinating about the depiction of Houthi business actors as ‘spoilers’ and ‘agitators’, therefore, is the particular reading of history on which such a depiction is based. Houthi engagement in informal and illicit business practices has been a vital source of livelihood in a state structure from which they have been excluded; the porous border area has been one of the major ‘hubs’ for the economy and business actors there have amassed decades of experience trafficking qat, drugs and weapons at great profit.

¹⁸⁷ Ibid, page 420.

¹⁸⁸ Clausen, (2017), page 52.

¹⁸⁹ Chatham House, (March 2012), page 12.

Engagement in illicit business practices has simultaneously served as a tool of contestation, a means to subvert the state, to accrue weapons, to fight, to *resist* but also to *survive*. The framing of Houthi business actors as fanatics or, indeed, *parasites*, therefore, “neglects the possibility that Zaydis might oppose government assaults as Yemeni citizens, not merely Zaydi believers.”¹⁹⁰

The practices of the Houthis, moreover, are strikingly similar to those used by Saleh who institutionalised ‘illicit’ practices into the very workings of the state and used these funds to further multiple wars – for all intents and purposes, a war economy. Indeed, the post-2015 entrenchment of the Houthis in the illicit sphere builds simultaneously upon their own experiences of exclusion where such practices were linked with survival, and upon the institutionalised practices of the regime which excluded them. Since 2014 and especially since the seemingly improbably Saleh-Houthi alliance against a common foe, Al-Ahmar, the practices of Houthi business actors have become uncannily similar to those they rebelled against - in their ruthlessness, their unpredictable nature and their patterns of domination.¹⁹¹ This is made evident in their treatment of other marginalised populations. These dynamics of resistance and repetition i.e. the cyclical nature of exclusion and domination is summarised by one practitioners view of the Houthis treatment of former elites:

*The Houthis kicked them out, and took their assets – the Houthis took over these big families. They filmed inside the Al-Ahmar family, and the Presidents house. They filmed the luxury of their houses, their wealth. The Houthis, they went into to crack down on corruption and...against oil subsidies, the federal state, but right now they are the ones who are corrupt and who are seizing land from poor people – at the expense of others. They are becoming corrupt, power and corruption. They have become corrupt.*¹⁹²

¹⁹⁰ King (2012), page 41.

¹⁹¹ Anonymous, Business leader, phone interview 12 October 2018 (37).

¹⁹² Anonymous, Researcher-practitioner, in-person interview, 10 September 2018 (49).

The fifth ‘identifier’ is another marginalised ‘Other’, the Hiraak. The north-south divide “remains one of the most relevant sources of positive and negative political and social identification to this day”¹⁹³ since, as highlighted by one business actor, “they were not unified as two entities in one, they were unified as two different countries.”¹⁹⁴ Following unification in 1990, Saleh “introduced a patronage system whereby political loyalty was bought with deeds to lucrative land, concessions to start businesses, houses, jeeps and expensive consumer goods”¹⁹⁵ in exchange for support of the GPC. In tandem, the state underwent a process of privatization in line with IMF and World Bank recommendations, a process that was “more haphazard in the south and social dislocation [was] more severe.”¹⁹⁶ Southerners have, largely, resented unification with (or ‘occupation by’¹⁹⁷) the North. Their list of grievances is also long: “land seizures, the exclusion of southerners from northern patronage networks, economic mismanagement”¹⁹⁸; political violence on the part of security services; ‘stealing’ of their natural resources; the destruction of cultural heritage; and the “centralization of power around personality rather than political institutions in the unified state.”¹⁹⁹

The political, economic, ideological and religious factors combine in this narrative to present a northern neighbour which has instrumentalised the South for political and economic purposes, and imposed northern ways of life that pushed the south 100 years back in time;²⁰⁰ perhaps ironically given the depiction of the Houthis by the regime, Southerners view the north as ‘backward.’²⁰¹ In particular, Hiraak “deplored Islah and other Islamist groups as reactionary

¹⁹³ Muller (2015) page 187.

¹⁹⁴ Anonymous, Business leader, in-person meeting, 14 February 2019 (40).

¹⁹⁵ Dahlgren (2010) page 32.

¹⁹⁶ Ibid, page 32.

¹⁹⁷ Chatham House, ‘Rebuilding Yemen: Roadmap for a National Dialogue, Middle East and North Africa Programme: Yemen Forum Meeting Summary, March 2012.

¹⁹⁸ Hill, Salisbury, Northedge and Kinnimont, (2013), page 60.

¹⁹⁹ Dahlgren (2010), page 29.

²⁰⁰ Ibid, page 32.

²⁰¹ Ibid.

forces doing the bidding of Saudi Arabia and considered their shari'a agenda as anathema.”²⁰² Moreover, there is sense of betrayal amongst southerners, since unification occurred “under the condition that a transition to democracy would take place”²⁰³ whereas the perception and experience has been enduring subordination, not least as a result of a GPC-Islah alliance, which marginalised the influence of the South, eventually leading to a civil war in 1994. Since 2000, however, there has been an unexpected *rapprochement* between Islah and YSP in the context of the JMP, explained by a representative of the Union of Popular Force²⁰⁴: “the ideological confrontation in our country is not a confrontation between capitalism and Marxism or between nationalism and regionalism or between Muslims and non-believers or between South and North. It is a confrontation between a democratic ideology and an oppressive ideology.”²⁰⁵

The 2011 uprisings were a flashpoint in the north-south trajectory, provoking unequivocal support on the part of the majority of southern business leaders - as benefactors, agitators intermediaries²⁰⁶ - due to the clear alignment between political, economic, ideological, and religious factors. Whereas many business actors in the north underscored their participation or support in the protests as being in their *personal* capacity²⁰⁷, Khaled Abdel Wahed Noman – a Southern business leader - made no such allusions. He brought the full force of his multiple roles as President of the Aden National Council, head of a group of politically independent elites, and President of his company to bear on his role, stating: “I have been standing with the peaceful youth revolution against the rule of the former president’s family military tribal alliance and demanding its overthrow, and the establishment of a democratic, civil, federal

²⁰² Browsers (2007), page 568.

²⁰³ Wadeen, Lisa, ‘Seeing like a Citizen, Acting like state: Exemplary events in unified Yemen’, *Comparative Studies in Society and History*, Vol. 45., No. 4, October 2003, page 682.

²⁰⁴ A small, liberal Zaydi opposition power, Browsers (2007), page 576.

²⁰⁵ As quoted by Ibid.

²⁰⁶ Since many leading business actors started their businesses in the south and moved to the north following unification providing them with a sources of influence and legitimacy on both sides of the border.

²⁰⁷ For example, one business leader was requested by his family to resign when he tried to protest on the part of his business. He therefore went in his personal capacity, protesting five times until he did not feel safe anymore. Anonymous, Business leader, phone interview, 10 October, 2018 (36).

state with justice, equality, power-sharing and wealth on a fair basis.”²⁰⁸ Moreover, alluding to armed elements, he outlined his support “for the defenders of Aden and their sons who confronted the Houthi invaders and elements of the army linked to the deposed President.”²⁰⁹

The killing of protestors in March 11 2011, furthermore, created a political rupture with the past, re-configuring what was acceptable behaviour, what could and what could not be tolerated as the inevitable machinations of bad leader; these dynamics had dual, moral effect of weakening allegiance to Saleh, thereby creating a dislocation between the state and its leader, whilst bringing other competing ‘identifiers’ to the fore. Saleh’s everyday practices of power, therefore, were brought into question through an act which was perceived as violating the tribal and religious culture on which his reign was built – all the more because tribes become more relevant when “group protection require collective identities.”²¹⁰ As a result, business actors’ support during the 2011 protestors was made possible by their inter-subjective understandings²¹¹ of *allegiance*, both towards to a specific sub-cultural grouping and to diverse visions of the Yemeni state. For the Houthis and the Hiraak it propelled the violence of the regime into the heart of the capital, displaying the ‘naked truth’ of what had previously been on the discursive and geo-spatial *periphery* of the state. The statement made by leading Zaydi scholars entitled, “intentional killing is an unforgiveable crime”²¹² was, therefore, a moral call invoking decades of history, a call many could rally behind. When KSA subsequently launched its attack in 2015, it compounded the very different relationships both entities, North and South, have experienced with its neighbour and the broader region - deepening divisions and feelings

²⁰⁸ Khaled Abdel Wahed Mohamed Noman, President of Abdel Wahed Mohamed Noman & Sons Ltd., responses provided in writing in Arabic and translated into English, 18 December 2018 (38).

²⁰⁹ Ibid.

²¹⁰ Salmoni; Loidolt; Wells, (2010), page 52-3.

²¹¹ Green, Daniel M. Ed, ‘Constructivism and comparative politics’, M. E Sharpe, Armonk, New York, 2002, page 9.

²¹² King (2012), page 443.

of ‘separateness.’ The region has paradoxically been source of livelihoods²¹³, division, violence and war, a second home for business actors in exile and part of the reason they can’t return:

I used to live in Yemen like a King, I had places like my house, my villas, I would receive the ministers, today my life has been changed dramatically. I am in [Middle Eastern country]²¹⁴ waiting for my residency. Something has been changed in my business, everything would come to me, now I must go, and queue for my residency, I am waiting for approval of my residency. I am a good person, they don't see me as a good person, they see myself as a Yemeni. I am waiting and waiting – if I go back to 2011 I would not go with the Revolution. Maybe it would have been better – maybe it is better. [My family is spread throughout the region and the world]²¹⁵ – I haven't seen my son for almost four years, it is miserable. The Revolution was important from outside, it was not a revolution, not from the heart. It was important from outside by the media of Al Jazeera, it was not a revolution – they constructed it for us, this kind of revolution. ²¹⁶

International power dynamics at work

Some of the international dynamics to have co-influenced local business actors’ roles were covered in Chapter Three, however additional international dynamics constitute the sixth ‘identifier’: they underscore how international actors are perceived as an active part of the conflict (as *agitators*), or as ineffective and self-interested (as *beneficiaries* or even *spoilers*), creating further motivations for business actors to behave in specific ways. The global war on terrorism (GWOT) is critical in this regard; it represents forms of ‘terrorism’ exacerbated and/or exaggerated by Saleh in order to gain additional lucrative benefits used to further entrench his patronage network, and allowing for the expansion of “ghost soldier

²¹³ Historically, the government and the citizens of Yemen have depended considerably upon KSA: during the late 1970s and early 1980s, for example, the remittance economy was one of the few “powerful, independent sector[s] with limited ties to the regime in Sana’a” upon which many sustained hundreds of thousands of ‘normal’ Yemenis; according to World Bank estimations, remittances rose from 2.4 percent of GDP in 1975 to 8.9 per cent of GDP in 2015. See: Alley, (2010), page 387 and Lackner, (2017), page 252, citing World Bank Indicators, January 2016.

²¹⁴ Removed to protect the identity of the interviewee.

²¹⁵ Removed to protect the identity of the interviewee.

²¹⁶ Anonymous, Business leader, phone interview, 24 October 2018 (35).

practices.”²¹⁷ Whilst Zaydis protested the close association between the GoY and an ‘enemy’ they believe is at war with Islam, Saleh used GWOT funds to wage further internal wars against the very groups who protested. Al-Huthi was adamant in declaring “his sense of duty to defend Islam and the community of Muslims against Israel and the US” a task he implicitly regarded as being one of all Arab governments, including the GoY.²¹⁸ Given that US drone strikes increased from 18 in 2011 to 79 by mid-August 2013 alone,²¹⁹ it is clear that Hadi has continued to frame internal resistance and discontent as international terrorism. Many business actors, therefore, understand their roles in seeking to bring down the Saleh regime and/or undermine the Hadi Government as justified internal resistance in the name of all Yemenis. To ‘spoil’ or ‘undermine’, therefore, is also to be in favour of a ‘free Yemen’ – a notion which clearly goes against the way in which Houthi and Hiraak behaviour is framed.

The sense that the international community does not have Yemen’s best interests at heart is underscored in other ways. Whilst the UNSC has been vocal about ‘illicit actors’, particularly through the Panel of Experts, it has failed to underscore the interconnections between weapons trade at the local and international levels which fall into an illicit/licit binary, respectively. According to Helen Lackner, between 2001 and 2016 the US was the largest weapons supplier to KSA, totalling USD \$8.4 billion, followed by the UK with USD \$4.6 billion; these sales can be considered a “drop in the ocean” compared to those signed by Trump in early 2017 totalling USD \$110 billion.²²⁰ The paradox is underscored by convenient dislocations between economic and political realms in other ways: through the period under analysis, the UK has

²¹⁷ Seitz, Adam C., ‘Patronage politics in transition, political and economic interests of the Yemeni armed forces’, in Grawert, Elke; Abul-Magd, Zeinab; Springborg, Robert, Eds., *Businessmen in Arms: How the Military and Other Armed Groups Profit in the MENA Region*, Rowman and Littlefield, 2016, page 166.

²¹⁸ Glosemeyer, Iris and Reneau, Don, ‘Local conflict, global spin: An uprising in the Yemeni Highlands’, *Middle East Report*, No. 232, Autumn, 2004, page 46.

²¹⁹ Lewis, Alexandra, ‘Unpacking terrorism, revolution and insurgency in Yemen, Real and imagined threats to regional security’, *Perspectives on Terrorism*, Vol. 7., No.5, October 2013, page 86.

²²⁰ Lackner (2017), page 58.

served as ‘pen holder’ on Yemen in the UNSC, thereby putting it in the position of signing weapons deals with KSA to continue the war effort with one hand, whilst simultaneously being charged with drafting resolutions designed to promote peace with the other. Moreover, another business leader underscored the way in which aid is actively supporting the war since it further enables the parties to continue their military campaigns: “Instead of giving them aid, stop the war, let myself go and start my business, bring 2000 employees and 2000 families could eat from this company, instead of giving aid – we do not require aid. We need business people to get back, support those companies to go back and work again.”²²¹

As part of a reaction to international discourse, many Yemeni business actors call international support into question. If external help comes from the outside, one businessman argued, it should “allow us to continue doing what we know best” stated one; we do “not want to rely on foreign aid, it’s not in Yemen’s culture.”²²² If the US really wanted to support Yemen, he suggested, it would not be boycotting business actors through international banking systems given the robust compliance systems in place.²²³ Such actions are perceived as an extension of the war - as implicit ‘sanctions’. Another business actor underscored the need to circumvent international actors, and to rely on their own initiatives in both the humanitarian and development fields, since “every time we meet with [UN representatives] we come out more disappointed.”²²⁴ The international community is viewed with scepticism: the IMF, for example is highlighted as giving “advice which is not reflective of the realities” and of suffering from a deep lack of awareness of the way in which the economy can be used as a weapon of war.²²⁵ The UN mediation team is also accused of “unjustified extravagance at the expense of

²²¹ Anonymous, Business leader, phone interview, 24 October 2018 (35).

²²² Anonymous, Business leader, in-person interview, 3 December 2018 (41).

²²³ Ibid.

²²⁴ Anonymous, Business leader, phone interview, 2 November 2018; and, in person interview 17 November 2018 (44).

²²⁵ Anonymous, Researcher-practitioner, in-person interview, 10 September 2018 (49).

the Yemeni people” and of interfering with political affairs rather than working on “mobilizing international support for the reconstruction of Yemen” – roles many Yemeni business actors have taken on themselves. Many of the business actors’ roles, therefore, are based on hope for a better future, albeit a ‘future’ in which the vision of what would be ‘better’ is contested: “Nobody could give up – we cannot give up on our country, and the future of our kids. No body, we will still talk and shout and scream until we get a solution.”²²⁶

Conclusion

The account of the UN non-approach to local business actors presented in Chapter Three when compared to the analysis of the roles played by local business actors in Yemen presents a picture in which these two actors are operating in almost entirely different, disconnected worlds. On the one hand, you have a high-level peace process led by the UN, between two warring parties backed up by some regional actors, who exist in a world almost entirely disconnected from the local power dynamics in which they are, in reality, deeply embedded. On the other hand, you have a set of local business actors who are both directly and indirectly influencing the political dynamics through a wide range of initiatives that go completely unnoticed by the majority of the UN mediation team, on the periphery of a peace process from which they are largely excluded, which they have the capacity to support or derail in diverse ways. The only minor area where these two worlds appeared to (almost) collide was through the sanctions regime as it related to a small, highly specialised set of actors, and in ways which cannot be considered beneficial to the peace process. Indeed, on the one hand we had the so-

²²⁶ Anonymous, Business leader, phone interview, 24 October 2018 (35).

called political, public actors and on the other the so-called economic, private actors: social constructions which undermined prospects for peace.

This analysis has underscored three key points for consideration: First, Yemeni business actors as a result of their multi-faceted identities - as members or non-members of a 'clan'; a religious group; a political party; the Houthis; the Hiraak; and, as supporters or not of the international community – form an intimate part of the local power dynamics, which give them collectively unparalleled access to the people and the issues at the very heart of the conflict and the peace mediation process, and unmatched knowledge of the formal and informal centers of political and economic power at local, national and regional levels. Second, the internationalisation of the conflict and the politicisation and - indeed, personalisation - of 'track 1' efforts has underscored the need for diverse efforts on other tracks to create a context conducive for dialogue and to build peace from the 'bottom up', including through the use of 'insider mediators', many of whom are business actors who participated in and/or are described in this chapter. Third, it begs the question: would the trajectory of the conflict in Yemen taken a different course to the one it is on now, in 2019, had international mediators used a local business lens in mediation to engage local licit and illicit business actors in mediation strategy, content and structure?

Conclusion

Towards a ‘Local Business Lens in Peace Mediation’

“Yes, absolutely, we *should* be engaging with licit and illicit business actors.”¹

Overview

Business actors, thus, are political animals. Their exclusion from peace mediation is, therefore, not an inevitable *fait accompli* and nor can it be explained on the basis of the roles they play in war to peace transitions. Businesses are not excluded from peace mediation because they are irrelevant actors who have little bearing on the way in which conflicts erupt and evolve over time, nor as a result of their (in)capacity, resources or willingness to influence - positively and negatively - the effectiveness and sustainability of peace mediation. Given the inclusion of NSAGs, terrorist groups and so-called ‘pariah groups’ - whose ability to inflict indiscriminate violence on innocent civilians has caused incalculable suffering and damage to livelihoods - their exclusion, furthermore, cannot be explained by a simple reference to moral or ethical quandaries around which actors, according to which ‘yard stick’, can and should be recognised, acknowledged and included in efforts to resolve conflict and build peace. Their exclusion, therefore, raises important questions for the field of peace mediation, and points to critical areas where more research is required.

Key arguments revisited

Chapter One has demonstrated that, despite the local turn in peacebuilding, epitomised in peace mediation by the discourse on *inclusion*, business actors are marginalised from both the

¹ Anonymous, Senior Government Representative, Phone interview, 16 October, 2018 (17).

normative and pragmatic ‘facets’ of this discourse - despite the normative and pragmatic rationales for including them. The exclusion is symptomatic of a larger failure on the part of the international community to engage meaningfully with local power dynamics. Chapter Two, moreover, through a deconstruction of the B4P discourse, reveals the invisible, normative and often silenced underpinnings of peace mediation and the discourse on inclusion.² An analysis of the historical evolution of B4P demonstrates how businesses are framed as economic actors and ‘peace’ constructed in a way that excludes peace mediation - amongst UN and non-UN mediators alike. Deconstruction of pertinent binaries, or *dichotomies*, of what is political versus economic, public versus private, and licit versus illicit makes evident the way in which these realities cannot be so easily ring-fenced from one another. The borders between them are not only porous but often imperceptible to the extent that political and economic actors, public and private realms, and licit and illicit arenas depend upon one another for their existence: they are not simply connected but inseparable. In attempting to state, implicitly, therefore, “*This* I am, and not *That*”³ the logic of deconstruction demonstrates, in fact, “*This* and *that* are not so different after all” - built as they are upon common social and, indeed, human relations.⁴

Chapter Three reveals the combined effects of the discourses on inclusion and B4P on the political practice of peace mediation. Using references to licit and illicit business actors in peace agreements since 1990, extensive engagements with mediation practitioners, and a case example on Yemen, the analysis underscores the endemic blind spot of UN and non-UN mediators towards local business actors and the conspicuous absence of a local business lens in peace mediation. This is evidenced by the exclusion and/or marginalisation of local business

² Eriksson, Mikael and Kostic, Roland, ‘Peacemaking and peacebuilding, two ends of a tail’ in, Eriksson, Mikael and Kostic, Roland, Eds., *Mediation and Liberal Peacebuilding, Peace From the Ashes of War?* Routledge, 2013, page 9.

³ Der Derian, James; Shapiro, Michael J, *International/Intertextual Relations, Postmodern Readings of World Politics*, Macmillan, New York, 1989, foreword xv-xvi:

⁴ Underhill, Geoffrey R D, ‘State, market and global political economy: Genealogy of an (Inter?) Discipline’, *International Affairs*, Vol. 76, No. 4, 2000, page 818.

actors from: mediation strategies and processes; peace agreements and settlements; and, considerations of the way mediation processes are structured and/or the ‘form’ they take. The figures in this regard are striking: only 13.3 per cent of peace agreements (ceasefires, partial, and comprehensive settlements) signed since the 1990s include at least one reference to one licit actor (‘business’, ‘corporation’, ‘company’ or ‘private sector’), and only 4.4 per cent of peace agreements include at least one reference to one ‘illicit actor’ (‘informal’, ‘illicit’, ‘traffickers/smugglers’, ‘cartels’ or ‘criminal group’). Moreover, a minuscule 2.5 per cent of peace agreements reference *both* licit and illicit actors – a total of only 22 peace agreements out of 889 in almost 30 years. When business actors *are* included, the provisions are generally superficial in nature – mentioning business actors in passing, normally no more than once and without meaningful context or specificities.

Chapters Four and Five on Somaliland and Yemen - case studies at different ends of the ‘business inclusion’ spectrum – demonstrate that the exclusion of local business actors is not a result of their *irrelevance*. Both case studies demonstrate that such actors are critical local power-holders that play four key roles in war to peace transitions, often transitioning from one role to another, or playing different roles simultaneously as: supporters and/or humanitarian aid providers (or ‘benefactors’); beneficiaries of the government and the war economy (‘profiteers’); mediators and peacemakers (‘intermediaries’); and, conflict actors or spoilers (‘agitators’). These roles demonstrate that businesses are both economic and political *actors*, with economic and political *motivations*, and certainly with both economic and political *effects*. Moreover, an analysis of selective power dynamics demonstrates how these four roles shape and are shaped – in co-constitutive fashion – by power dynamics at the national/sub-national, regional and international levels, and can only be understood on the basis of socio-historical analysis that provides insights on the *meaning* business actors give to social, political and

economic realms. When compared, the case studies provide a preliminary basis upon which to explore the notion that the exclusion of local business actors may indeed be specific to international actors. Whilst the Somaliland case study demonstrates the potential for business inclusion in peace mediation, it also highlights the risks of engaging them in the absence of a broader dialogue with local populations concerning the desired nature of ‘market-state’ relations.

The effects of the exclusion of local business actors are considered throughout the thesis. The pervasiveness of the three dichotomies and their ability to inform, shape and constrain global affairs broadly and the practice of peace mediation specifically is of concern, and demonstrates the extent to which discourses construct realities, with specific, enduring and, often, negative effects. The belief that political and economic realities are separate, or at least function according to different sets of norms and rules contributes to a form of peace mediation in which it is considered entirely acceptable, indeed *normal*, to treat these two issues independently of one another (as alluded to in the famous ‘operating table’ metaphor)⁵ - if the latter is to be treated at all. The notion, furthermore, that public and private realms are two different spheres of action has led to a false and highly problematic separation between peace mediation efforts to resolve conflict on the one hand, and macro-economic stabilization programmes with the potential to exacerbate it on the other. And, lastly, the distinction between licit and illicit actors belies a reality in which both are institutionally embedded in the same societal realms; the discourse of criminalisation, implemented in part through the sanctions regime, creates unnecessary hurdles for mediators to be able to engage with actors who may be best placed to find solutions to foster the end of the conflict. Just as people take up arms against a ‘political’ system from which they are excluded, perhaps it is time to consider that people take up

⁵ De Soto, Alvaro and del Castillo, Graciana, ‘Obstacles to peacebuilding’, *Foreign Policy*, No. 94, 1994, page 72-73.

alternative forms of livelihoods against an ‘economic’ system from which they, too, are endemically excluded. Neither violence nor crime is condoned by acknowledging these social ‘facts.’ These three issues combined highlight the missed opportunities associated with the exclusion of local business actors, whilst simultaneously suggesting that such an oversight may be contributing to *unsustainable* peace, and cyclical patterns of violence.

Implications for policy and practice

This thesis, therefore, has wide ranging implications for both policy and practice. It suggests that what is standing between the constructive engagement of local licit and illicit business actors in peace mediation is the recognition by UN mediators and the leading mediators it works with of the normative underpinnings of their work, the enduring effects of the definitions they use, and of the importance of engaging meaningfully with local power dynamics – including local licit and illicit business actors. More specifically, the research suggests that broadening the normative and pragmatic aspects of the discourse on inclusion is imperative given the political and economic roles local business actors play in war to peace transitions and, therefore the potential they have to contribute to and/or undermine peace mediation efforts at all levels. It thus points to the need to reconsider the binaries underpinning the social categorisations of actors in order to engage more meaningfully with all local actors in a constructive manner, including through a ‘local business lens in peace mediation’.

The ‘local business lens in peace mediation’ suggests that licit and illicit business actors can play key roles in three aspects of peace mediation. The lens can be applied to bolster *mediation strategies and processes* by turning to local business actors to influence the parties, mobilise support for certain actions and use their leverage both in terms of national-level and local-level

‘bottom-up’ processes. Mediators should recognise that some business actors behave as spoilers with vested interests in conflict – and must, therefore, develop comprehensive strategies to engage with and/or marginalise them, in much the same way they would with NSAGs. Given that business actors are deeply embedded in the social contexts in which they operate, mediators can leverage the diverse relationships they hold with government actors, political parties, parliamentary members, armed groups, ‘pariah groups’ and other critical social actors. In addition to the bilateral linkages business actors may have with these particular groups - and given the nature of markets to ‘cross’ political lines - many business actors are inherently well-placed to move vertically and horizontally across the conflict landscape, an ability which can be used to the benefit peace through roles as ‘insider mediators’.

A local business lens in peace mediation can also be applied in terms of *mediation content* in two key ways. First, since business actors are rarely confined solely to the licit or illicit sector, their participation can foster dialogue about the nefarious effects of the liberal economy, while similarly shedding light on what Carolyn Nordstrom refers to as “shadow economies.”⁶ Just as neo-liberal economic systems can be disastrous for countries emerging from conflict - often exacerbating and confounding the dynamics of inequality at the heart of violence - organized crime groups can use political transitions “to shape the state, the economy and society to fulfil their own interests.”⁷ Ignoring these dynamics or expecting the emergence of post-conflict ‘peace’ to make them magically disappear is highly detrimental to the prospects for sustainable peace: state-society-market relations must be part of the dialogue and there is no reason to distinguish criminal groups from the host of other ‘difficult actors’ international mediators engage with, and ‘include’. Second, the inclusion of business actors can help ensure that peace

⁶ Nordstrom, ‘Casting long shadows: war, peace and extra-legal economies,’ in (Eds) Darby and Mac Ginty (2008), page 197.

⁷ Wennmann, Achim, ‘Negotiated exists from organized crime? Building peace in conflict and crime-affected contexts’, *Negotiation Journal*, July 2014, page 256.

agreements contain locally-relevant economic provisions and economically-sensitive political provisions – vital since “provisions determine the conditions for post-conflict peace.”⁸ Susan Woodward, Graciana Del Castillo, Achim Wennmann, and Hugo De Vries all agree that “leaving economic issues like the control and exploitation of and trade in natural resources unaddressed permits the structural conditions for violence to persist”⁹ and that the failure to address economic issues early on makes mediation attempts increasingly difficult and subject to spoiler behaviour.¹⁰ Agreements can, and should, serve as tools for post-conflict peacebuilding¹¹, which requires moving the issue of ‘war economies’ more ‘upstream’ into the peace agreement.¹² Indeed, local business actors often have an in-depth understanding of the economy, its key actors and what is required for peace. While mediators must avoid ‘capture’ by business actors – much like with NSAGs - knowledge of the formal/informal, licit/illicit economy can be used to promote locally-sensitive and inclusive post-conflict development through the inclusion of appropriate provisions in peace settlements.

Lastly, a local business lens in peace mediation can help overcome two key challenges associated with *mediation ‘structure.’* The first concerns the siloed international approaches to peacemaking on the one hand and post-conflict reconstruction on the other; this thesis suggests that local business actors can serve as a ‘bridge’ between these two realms. As underscored by Wennmann, “peace negotiations and post-conflict economic recovery are often perceived as two distinct operations that are conducted in different contexts and by different institutions”¹³ This is evidenced by the ‘blind spot’ of the international community towards business actors

⁸ Eriksson and Kostic (2013), page 13-14.

⁹ De Vries, Hugo, Lange, Paul, Specker, Leontine, ‘Economic Provisions in Peace Agreements’, Institute Clingendael, 2009, page 9.

¹⁰ Ibid, page 9.

¹¹ Ibid, page 18.

¹² Wennmann, Achim, ‘Economic provisions in peace agreements and sustainable peacebuilding, no.11, 2009/1, page 44.

¹³ Quoting Wennmann in: Molloy, Sean, ‘Business and Peace Agreements’, Economic Series, PA-X, University of Edinburgh, 2018, page 34.

during the peace mediation phase who become the ‘darlings’ of international peacebuilding during the post-conflict reconstruction phase - suddenly responsible for and capable of fostering job generation, economic rejuvenation and of producing economic peace ‘dividends.’ Furthermore, the approach to supporting businesses in post-conflict reconstruction efforts tends to follow the well-documented ‘development as usual’ approach, “as if economic development were not constrained by the consequences of war.”¹⁴ By including local business actors in peace mediation, the linkage between these two isolated spheres can better resemble a continuum, where the requirements of development from an economic perspective are informed by the realities of the (post-)conflict context from a ‘peace’ perspective. Second, the inclusion of business actors can help address the dichotomy between economic and political issues and, therefore, economic and political actors. These divides manifest themselves in particular through the stabilization model/structural adjustment programmes pursued by IFIs, which are often in direct “conflict with the goals of social peace and reconciliation.”¹⁵ In this regard, peace mediation teams lack economists, just as IFIs lack experts in peace mediation. Since this thesis demonstrates that local business actors are *both* political and economic actors, their inclusion may serve as an entry-point and a catalyst for greater collaboration between the UN and IFIs: an actor around which these two actors can come together, balanced by the local, thoroughly contextualised understanding of the conflict that local business actors provide.

In this sense, it is important to recognise that the way things have ‘always been’ is not the way they need to be moving forward. The question will be the ‘*how*.’ How to engage business actors in a manner that transforms rather than entrenches power relations? How to bring political and

¹⁴ Del Castillo, Graciana, *Rebuilding War-torn States, The Challenge of Post-Conflict Economic Reconstruction*, Oxford University Press, Oxford, 2008, Page 26.

¹⁵ Woodward, Susan L, ‘Soft intervention and the puzzling neglect of economic actors’, in Hoddie, Matthew and Hartzell, Caroline A, Eds., *Strengthening Peace in Post-Civil War States, Transforming Spoilers into Stakeholders*, University of Chicago Press, 2010, page 191.

economic relationships out of the shadows to positive effect? How to provide a space, amidst the often crushing dominance of the international economic system for diverse local expressions of the desired relationship between the state and the market? How to ensure peace processes become the site for local expressions of the *meaning* afforded to political and economic dynamics? How, when and in what manner to engage licit and illicit business actors to best effect? The answers to these tough questions are not presented here; the difficulty or the ‘novelty’ of answering these questions, however, should not justify shying away from exploring meaningfully the responses. Just a decade or two ago, it was common to state “we don't negotiate with terrorists!” just as today, if considered at all, it is common to state that both that “we don't negotiate with profit-making entities!” and that “we don't negotiate with criminal groups!” The boundaries of the *acceptability* of engaging with terrorist groups has given way to the *practicality* of doing so i.e. with time, the issue of whether or not to engage has been over taken by more practical questions of how to go about it. These type of shifts come about with a dose of pragmatism, and a recognition that those actors who are part of the problem must become part of the solution. Moreover, just as different courses of action are fraught with risks, inaction itself is also not risk-free: the failure to act also has consequences.

Part of the response to the *how* lies in taking seriously the ‘local’ turn in peacebuilding. If taken seriously, this means not necessarily arriving at peace mediation challenges with templates, pre-defined project documents and best practice models, which too often result in technicised approaches with little meaning or relevance to local populations. Part of the *how*, therefore, requires relying on what local business actors bring to the table, so to speak, and on the communities in which they are embedded. By turning to local business actors in their capacities as *local actors*, i.e. actors who are from particular areas within a given country or territory, whose relevance to any peace mediation process is tied to but also goes beyond their relevance

to the national level, it may be possible to craft locally-relevant solutions. In addition to the Track 1 level, business actors have knowledge, power and influence with the local communities they originate from - who may be their staff and colleagues, friends and family members. In these communities, business actors – whether supposedly ‘licit or illicit’ - may have the required legitimacy to serve as valuable intermediaries or insider mediators, well-positioned to promote ‘bottom-up’ peace as part of ‘Track 3’ initiatives or broader local peace initiatives connected directly or indirectly to ‘official’ peace processes. By engaging them and their communities meaningfully and providing, where necessary, a space for such initiatives to flourish, business actors may well be able to help craft meaningful local peace agreements.

Since both licit and illicit business actors are often able to thrive in conflict contexts despite or because of the vast challenges they face, they form in fact part of the natural, ‘home-grown’ resilience of societies. It should be noted that this form of resilience is not meant to absolve international actors of their complicity in creating and sustaining conflicts by laying responsibility for conflict dynamics at the feet of local actors.¹⁶ Rather, local licit and illicit business actors represent, in diverse ways, the epitome of actors willing and able to cross so many of the binaries and categorisations imposed on societies from the ‘outside’, and which are often so prevalent in countries in conflict. Whether these are lines: between local and international – since business actors are adept at connecting the two; between ethnic, religious or political – since business actors are often more likely to cross these lines than any other actors through their connections with supply and demand chains and extensive business networks; or the lines of the *everyday peace* – encapsulated by the “routinized practices used by individuals and collectives as they navigate their way through life in a deeply divided

¹⁶ Mac Ginty, Roger, ‘Everyday peace: Bottom-up and local agency in conflict-affected societies, *Security Dialogue*, Vol. 45, Issue 6, 2014, page 559; and, Willett, Susan, ‘Trading with security – Trade Liberalization and Conflict’, in Pugh, Michael; Cooper, Neil and Turner, Mandy, Eds., *Whose peace? Critical perspectives on the Political Economy of Peacebuilding*, Palgrave, McMillan, 2008, page 81.

society”¹⁷ - and the more formal, top-down peace, as a result of their connections with local communities on the one hand, and elite political leaders on the other. Indeed, perhaps this research indicates that, more than many other societal actors, businesses can provide the vital linkage between the two. These are the attributes that make local business leaders uniquely positioned to foster and sustain peace at Track 1, 2 and 3 levels, and between them. At a time when conflicts are increasingly internationalised, often freezing the Security Council or hampering top-down peace mediation efforts, the potential of such actors should be seized upon and explored more seriously by international mediators and their institutions.

As stated by William Wallace, however, the “study of international relations is not an innocent profession. It can do harm as well as good.”¹⁸ It is imperative, therefore, to underscore that this thesis in no way seeks to imply that the inclusion of licit and illicit business actors will be a *panacea*, or some magic wand solution to the multiple and highly complex challenges of peace mediation. Engagement with business actors is not without risks. And indeed, many of those were brought into sharp focus by the differences between international and local approaches to peace mediation, as demonstrated by the case studies on Yemen and Somaliland respectively. Whilst in Yemen, licit and illicit business actors in the 2011-2016 were marginalised from the peace process, leading to many missed opportunities and a flourishing war economy, in Somaliland business actors played a fundamental role in the construction of peace, with long-term consequences for the *type* of political settlement that has emerged. Without the participation of local business actors, it is questionable whether the peace would have held, and flourished. Underscoring the need to consider carefully *how* to include business actors, therefore, it is important to recognize that the state-market relationship that has emerged has

¹⁷ Mac Ginty (2014), page 549.

¹⁸ Wallace, William, ‘Truth and power, monks and technocrats: theory and practice in international relations’, *Review of International Studies*, Vol/ 22, 1996, page 305.

created a ‘fragile’ peace which is, in many ways, exclusionary and elitist and, left unchecked, potentially contains the seeds of its own demise.

Avenues for future research

This thesis presents a novel theoretical framework for understanding the roles played by licit and illicit business actors in countries in conflict broadly speaking and in war-to-peace transitions specifically. The framework contains three key elements: first, it is based on an understanding of businesses as both political *and* economic actors, which have agency in both the public *and* private realms, and which transition through worlds that may be considered both licit *and* illicit. Second, the roles played by business actors can be understood through the four categories used in the course of the case studies: as supporters and/or humanitarian aid providers (or ‘benefactors’); as beneficiaries of the government and the war economy (‘profiteers’); as mediators and peacemakers (‘intermediaries’); and, as conflict actors or spoilers (‘agitators’). It is important to try to suspend normative judgement about these roles: benefactors and intermediaries are not necessarily and/or only *positive* from the perspective of peace, in the same way that profiteers and/or agitators are not necessarily and/or only *negative* from the perspective of peace. Third, local business actors must be understood through a comprehensive understanding of power dynamics at the national/sub-national, ‘regional’, and international levels - recognising implicitly that such ‘levels’ evidently inform and co-constitute one another and cannot be so ‘neatly’ separated. This analysis sheds light on the meaning business actors give to their actions, whilst providing insights on their inter-linkages with political actors, communities, formal and informal institutions in the territories they are from, as well as those in neighbouring countries and in their broader international communities. This third aspect, therefore, is a request to embed any understanding of business actors not in

Western analyses of what we *think* motivates businesses, or how we *think* business actors behave, but on meaningful ‘grappling’ with local power dynamics, based on their history, culture, language and meaning.

This theoretical framework, combined with the ‘business lens in peace mediation’ outlined above, provides useful starting points for other avenues of research. First, the framework can be ‘tested’ against other case studies of both an international and local nature to explore if business actors in other contexts played similar roles and the extent to which these roles were reflected or not in peace mediation processes, content and structures by UN and non-UN peacemakers. Second, similar research could also explore the potential differentiation alluded to by the Somaliland and Yemen case studies between local and international approaches - through an exploration of other cases where peace mediation has been predominantly local and ‘bottom-up’. Third, the challenges and risks highlighted by the Somaliland case study could be usefully analysed by selecting some of the (albeit rare) historical case studies where business actors have been engaged, in order to explore the medium- and long-term consequences of such involvement. Fourth, more quantitative work - in line with that of Anthony Wanis-St. John and Darren Kew¹⁹ for civil society actors, and Jana Krause, Werner Krause and Piia Branfors²⁰ for women’s participation – could focus on the 13.3 per cent of agreements that include licit references, 4.4 per cent that include illicit references and 2.5 that include both in order to ascertain whether there is a correlation between business inclusion and the durability of peace. Fifth, disaggregating such data, efforts could seek to elucidate whether in fact there are meaningful differences in terms of business inclusion between peace agreements led by

¹⁹ Wanis-St. John, Anthony and Kew, Darren, ‘Civil society and peace negotiations: confronting exclusion’, *International Negotiation*, Volume 13, 2008.

²⁰ Krause, Jana; Krause, Werner; Branfors, Piia, ‘Women’s participation in peace negotiations and the durability of peace’, *International Interactions*, Volume 44, Issue 6, 2018.

multilateral organisations, regional organisations and Member States and/or other others²¹ as well as between intra-, inter- state and internationalised conflicts. Lastly, the ‘how’ question requires further investigation; this could proceed by focusing on the small minority of cases where mediators *have* engaged directly with licit and illicit business actors, to provide insights on the when, how, and to what effect. The examples provided by Julian Hottinger and Jonathan Powell in this thesis provide good places to start, along with the much-cited case studies of Northern Ireland, South Africa and Colombia, for example; given that Colombia, Afghanistan and Philippines Mindanao were ‘outliers’ in terms of their inclusion of formal and informal business actors in the peace agreements, these examples may also prove fruitful for the purposes of research.

Concluding remarks

An important quote served as the opening line to this thesis: “Men and nations have been waging war – and making peace – for centuries. If they will not learn to prevent wars, we may hope that they will at least learn to end them better.”²² This thesis aspires to contribute, in some small yet important way, to just that. May the recognition that local licit and illicit business actors play decisive roles in war to peace transitions lead to a more meaningful engagement with local power dynamics, a more honest recognition that the economy is a political tool of domination and contestation, and a more thorough examination of our inter-subjective biases with a view to developing more inclusive processes that help end cyclical violence and promote more just and sustainable peace.

²¹ The relevance of this strand of research is underscored by the fact that both Hottinger and Powell, in the ‘exception category’, have mediated and/or taken part in negotiations on the part of governments.

²² Randle, Robert F., *The Origins of Peace: A study of Peacemaking and the Structure of Peace Settlements*, The Free Press, New York, London, 1973, page 507.

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Appendices

1. Appendix One: List of interviewees

No.	Name	Title	Mode	Location/ based in	Date
Interviews with mediation professionals (general)					
1.	Anonymous	Academic- practitioner	In-person interview	Geneva, Switzerland	9 September 2018.
2.	Andrea Iff	Mediation practitioner and academic	Phone interview	Berne, Switzerland	21 November 2018.
3.	Anne Gloor	Founder of PeaceNexus Foundation and Director of NexusVesting	Phone interview	Prangins, Switzerland	20 November 2018.
4.	Tuija Talvitie	Executive Director of CMI	Phone interview	Helsinki, Finland	18 October 2018
5.	Anonymous	Mediation Practitioner	In-person interview	Beirut Lebanon	9 April 2019
6.	Endre Stiensens	Senior UN Official	Phone interview	Oslo Norway	9 November 2018.
7.	Gerald Pachoud	Former Special Advisor to SRSG Ruggie and independent expert on business and human rights	In-person and phone interview	Geneva, Switzerland	10 and 18 September 2018
8.	Graciana del Castillo	Academic-practitioner, economist.	In-person interview	New York, USA	14 November 2018
9.	David Harland	Executive Director, Center for Humanitarian Dialogue	In-person interview	Geneva, Switzerland	27 September 2018
10.	Anonymous	UN Official	In-person interview	New York, USA	17 April 2018
11.	Jeffrey Feltman	Former United Nations Under Secretary-General for Political Affairs	Phone interview	New York, USA	3 June 2019.
12.	Jonathan Powell	CEO and Founder, Inter Mediate	Phone interview	London, United Kingdom	22 November 2018
13.	Julian Hottinger	Senior mediator, Swiss Federal Department of Foreign Affairs.	Phone interview	Berne, Switzerland	2 November 2018
14.	Michael Keating	Former United Nations Special Representative of the Secretary-General, Somalia, Executive Director of the European Institute of Peace (EIP)	Phone interview	Brussels, Belgium	9 November 2018
15.	Laurent Goetschel	Director, swisspeace	Phone interview	Berne, Switzerland	19 November 2018
16.	Marc Jacquand	Former senior UN Official	Phone interview	New York, USA	23 November 2018.
17.	Anonymous	Senior Government Representative	Phone interview	NA	16 October 2018.
18.	Scott Smith	Senior UN Official	Phone interview	New York, USA	1 December 2018
19.	David Lanz	Co-head of the mediation programme, swisspeace, and lecturer, University of Basel	In-person interview	Berne, Switzerland	11 September 2018
20.	Anonymous	Senior UN Official	In-person interview	New York, USA	13 November 2018.
21.	Christopher Coleman	Former Chief of Policy Planning and Mediation, Department of Political Affairs, Deputy Special Representative of the Secretary-	Phone interview	New York, USA	11 October 2018

		General, Kosovo (UNMIK) and leading the Transition Team on Reform of the UN Peace and Security Pillar (temporary assignment, New York),			
22.	Anonymous	UN official	In-person interview	New York, USA	13 April 2018
Interviews with mediation professionals (Yemen specific) NB. Since the Yemen team is small, locations have been anonymised to protect the identity of those who participated)					
23.	Anonymous	UN Official	Phone interview	NA	16 July 2018
24.	Anonymous	UN Official	Phone interview	NA	29 October 2018
25.	Anonymous	Mediation practitioner	Phone interview	NA	31 October 2018
26.	Erwin van Veen	Senior Research Fellow Security & Justice, Clingendael - Conflict Research Unit	Phone interview	The Hague, The Netherlands	13 July 2018.
27.	Anonymous	UN Official	Phone interview	NA	29 June 2018.
28.	Marie-Christine Heinze	President, CARPO - Center for Applied Research in Partnership with the Orient	Phone interview	Bonn, Germany	9 October 2018
29.	Anonymous	Mediation practitioner	Phone interview	NA	24 July 2018.
30.	Jos de la Haye	Team Leader, Governance and Peacebuilding Cluster, United Nations Development Programme	Phone interview	Amman, Jordan	22 June 2018.
31.	Anonymous	UN Official	Phone interview	NA	12 July 2018
32.	Anonymous	UN Official	Phone interview	NA	11 July 2018
33.	Anonymous	UN Official	Phone interview	NA	17 July 2018
34.	Anonymous	UN Official	Phone interview	NA	1 November 2018
Interviews with business leaders, political figures and experts – Yemen case study					
35.	Anonymous	Business leader	Phone interview	Middle East region	24 October 2018
36.	Anonymous	Business leader	Phone interview	NA	10 October 2018.
37.	Anonymous	Business leader	Phone interview	NA	12 October 2018.
38.	Khaled Abdel Wahed Mohamed Noman	President of Abdel Wahed Mohamed Noman & Sons Ltd	Provided written comments	Aden, Yemen	18 December 2018.
39.	Dr. Bilqis AbuOsba	Professor, Political Science, University of Sana'a	Phone interview	Sana'a, Yemen	2 November 2018.
40.	Anonymous	Business leader	In-person interview	NA.	14 February 2019
41.	Anonymous	Business leader	In-person interviews	NA	3 December 2018
42.	Anonymous	Yemeni diaspora	Phone interview	United Kingdom	23 October 2018

43.	Khlood Al-Hagar	Development practitioner	Phone interview	Washington D.C, United States of America	27 September 2018.
44.	Anonymous	Business leader	Phone interview and in-person interview	NA	2 and 17 November
45.	Anonymous	Yemen expert	Phone interviews and in-person meeting	NA	September and November 2018
46.	Mohammad Shihab	Vice President, Operations and Business Development, Shihab.co	Phone interview	Aden, Yemen.	26 November 2018
47.	Mustapha Noman	Former Deputy Foreign Minister at Ministry of Foreign Affairs, Yemen, former Ambassador of Yemen to Spain	Phone interview	Sana'a, Yemen	26 November 2018
48.	Anonymous	Business leader	Phone interview	NA	28 November
49.	Anonymous	Yemen researcher-practitioner	In-person interview	NA	10 September 2018
50.	Anonymous	Yemen researcher-practitioner	Phone interview	NA	14 September 2018
51.	Anonymous	Yemen researcher-practitioner	In-person interview	NA	22 June 2019
Interviews with business leaders, political figures and experts – Somaliland case study					
52.	Haron Ahmed Youssef	Director SORADI	In-person interview	Hargeisa, Somaliland	10 July 2017.
53.	Dr. Adan Yusuf Abokor	Country Representative Rift Valley Institute, Somaliland	In-person interview	Hargeisa, Somaliland	10 July 2017.
54.	Mohamed Farah Hersi	Executive Director, Academy for Peace and Development, Somaliland	In-person interview	Hargeisa, Somaliland	11 July 2017.
55.	Abdiilahi Dahir 'Ukuse'	Minister for Livestock, Somaliland	In-person interview	Hargeisa, Somaliland	11 July 2017.
56.	Mustafa Sa'ad Dhibil	Chairman, Somaliland Non-State Actors Forum (SONSAF), journalist and managing director of newspaper	In-person interview	Hargeisa, Somaliland	11 July 2017.
57.	Adan Ahmed Diriye 'Baradho'	Member of SNM Guurti and SNM veteran, former businessman and one of the peace negotiators, Secretary of Burao conference and read the communique of the conference	In-person interview	Hargeisa, Somaliland	11 July 2017.
58.	Mohamed Hashi Elmi	Independent politician (current), Former Minister for Trade and Investment, Former Minister of Finance, Former Mayor of Hargeisa one of the founding members of SNM, and finance manager of SNM	In-person interview	Hargeisa, Somaliland	11 July 2017.
59.	Mohammed Ali Boqore	General Manager, Omar International Company	In-person interview	Hargeisa, Somaliland	12 July 2017.

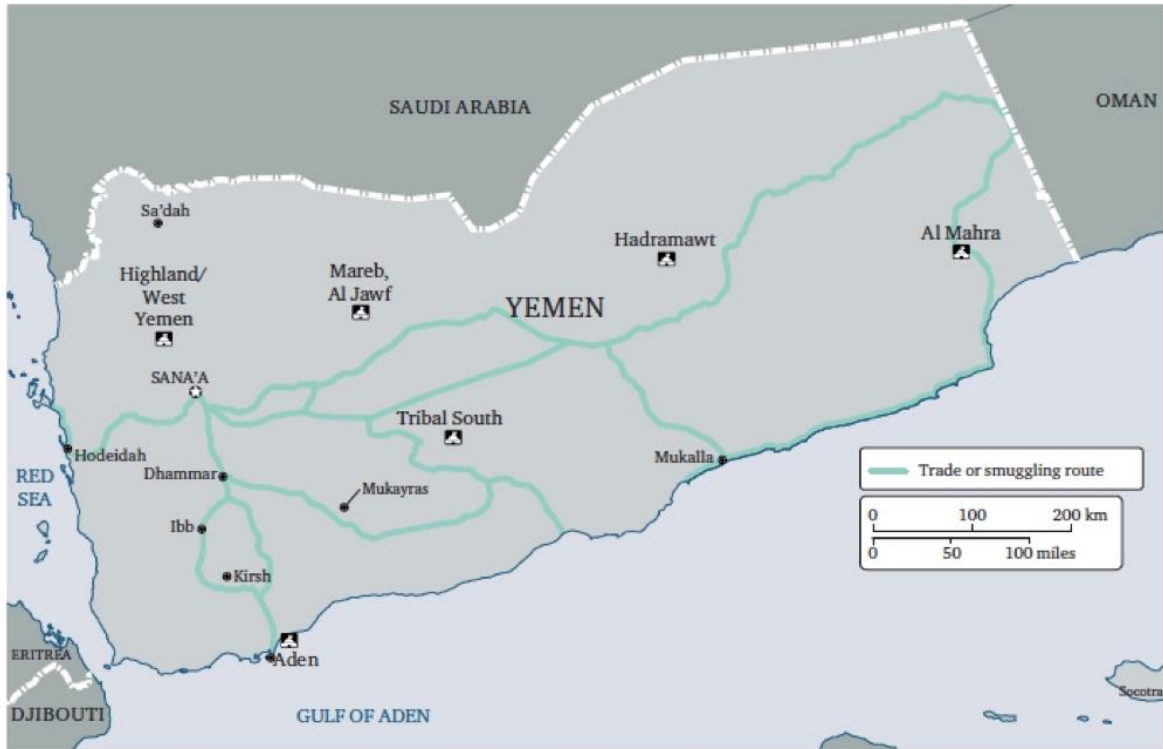
60.	Anonymous	Former business representative	In-person interview	Hargeisa, Somaliland	12 July 2017.
61.	Abhdirahman Yousef Duale ('Bobe')	War veteran of SNM, Researcher	In-person interview	Hargeisa, Somaliland	11 July 2017.
62.	Mohamed Hasan 'Najib'	Independent human rights worker and archaeologist, part of diaspora	In-person interview	Hargeisa, Somaliland	13 July 2017
63.	Mahamoud Abdi Sh. Ahmed	Academic.	In-person interview	Hargeisa, Somaliland	14 July 2017.
64.	Anonymous	Academic	In-person interview	Hargeisa, Somaliland	14 July 2017.
65.	Minister Shugri H Ismail	Minister for the Environment and Rural Development, former organiser of the peace conferences, founder of Candlelight (NGO), former electoral commissioner, former diaspora member	In-person interview	Hargeisa, Somaliland	15 July 2017.
66.	Musa Hersi "Dalab"	Former business leader, livestock trader, real estate businessman and fuel trader (import), former Guurti member, former Mayor Berbera, Chairman Sahil region	In-person interview	Hargeisa, Somaliland	15 July 2017.
67.	Sultan Omar Sultan Mohamed Sultan Farah	Traditional elder, General Sultan, Somaliland	In-person interview	Hargeisa, Somaliland	15 July 2017.
68.	Hassan Issa 'Jama'	One of founding members of SNM; first Vice President of Somaliland; former BBC journalist; former lawyer; former deputy chairman of SNM; chairman of Burao conference	In-person interview	Hargeisa, Somaliland	15 July 2017.
69.	Sheikh Abdilahi Sheikh Ali Jawhar	Sheikh Borama, former mayor of Borama and mediator of Borama and Sheikh conference	In-person interview	Borama Somaliland	16 July 2017.
70.	Abdirahman Jimaleh	Teacher, NGO practitioner	In-person interview	Borama Somaliland	16 July 2017
71.	Ahmed Ali Adami	Minister of Defence, Somaliland	In-person interview	Hargeisa, Somaliland	18 July 2018.
72.	Abdilahi Ibrahim Habane	Minister of Education, Somaliland	In-person interview	Hargeisa, Somaliland	18 July 2017.
73.	Abdillahi Hussein Dirawel	Former Minister for Education, Settlement and Rehabilitation	In-person interview	Hargeisa, Somaliland	18 July 2017.
74.	Mohamed Sahel	Traditional elder.	In-person interview	Berbera, Somaliland	19 July 2017.
75.	Abdirizak Madena	President of Nugaal University	In-person interview	Laascaanood, Somaliland/ Khatumo State.	20 July 2017.
76.	Garad Jama Garad Ismail	Traditional elder ("king") for the Sool region	In-person interview	Laascaanood, Somaliland/	20 July, 2017.

				Khatumo State.	
77.	Anonymous	Businessman	In-person interview	Laascaanood, Somaliland/ Khatumo State.	20 July, 2017.

2. Appendix Two: Contextualised and non-contextualised text analysis for ‘licit’ and ‘illicit’ business terms.

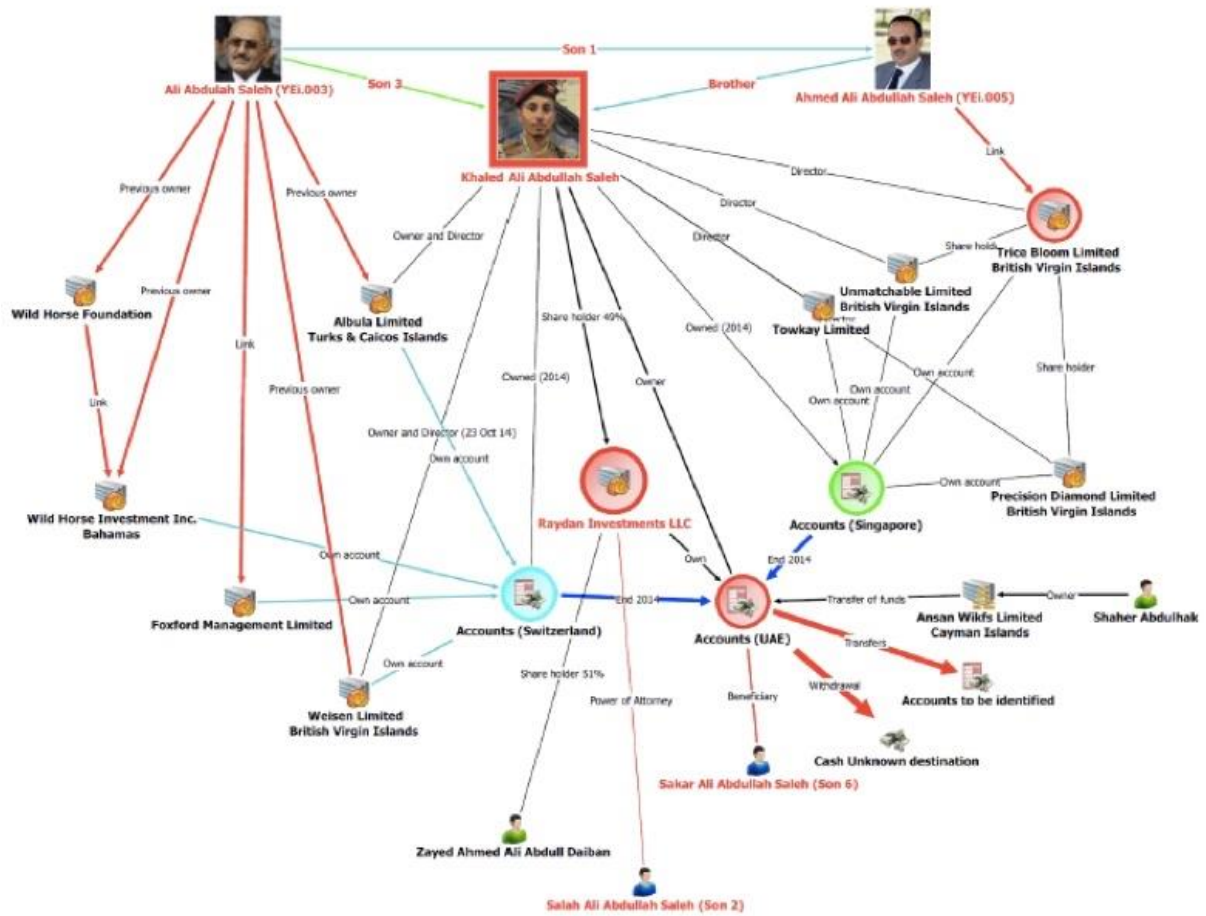
		Pre-negotiation/process (out of 505 peace agreements - PA)						Ceasfires, partial and comprehensive agreements (out of 889 peace agreements - PA)							
		Generic term search		Contextualised term analysis				Generic term search		Contextualised term analysis					
		No. PA	%PA	No.PA	% PA	Total prov.	A. no prov/agree	Scope of prov	No. PA	% PA	No.P A	% PA	Total no. prov	AV. no prov/a	Scope of prov
Licit actors	Business	23.00	4.55	13.00	2.57	####	1.31	1.38	113.00	###	88.00	9.90	####	2.31	1.41
	Corporation	12.00	2.38	5.00	0.99	6.00	1.20	1.60	58.00	6.52	26.00	2.92	####	1.15	1.38
	Company	24.00	4.75	4.00	0.79	4.00	1.00	2.00	65.00	7.31	21.00	2.36	####	2.10	1.76
	Private sector	6.00	1.19	5.00	0.99	4.00	0.80	1.40	40.00	4.50	34.00	3.82	####	1.62	1.32
	Informal actor	13.00	2.57	0.00	0.00	0.00	0.00	0.00	3.00	0.34	3.00	0.34	1.00	0.33	1.33
	Illicit	14.00	2.77	2.00	0.40	2.00	1.00	2.00	28.00	3.15	25.00	2.81	####	5.08	1.52
	Trafficker/smuggler	13.00	2.57	11.00	2.18	####	1.00	1.64	26.00	2.92	13.00	1.46	####	1.46	1.62
	Cartel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.11	1.00	0.11	1.00	1.00	2.00
	Criminal group	3.00	0.59	3.00	0.59	2.00	0.67	1.67	5.00	0.56	4.00	0.45	1.00	0.25	1.25
	Armed Group	25.00	4.95	24.00	4.75	####	0.88	1.79	85.00	9.56	78.00	8.77	####	2.77	1.96
Militia	11.00	2.18	10.00	1.98	####	1.60	1.70	71.00	7.99	71.00	7.99	####	2.35	1.61	
Average formal references	16.25	2.57	6.75	1.34	####	1.08	1.60	69.00	6.21	42.25	4.75	####	1.79	1.47	
Average informal references	8.60	1.19	3.20	0.63	####	0.53	1.06	12.60	1.35	9.20	1.03	####	1.62	1.54	
Average armed actors	18.00	3.56	17.00	3.37	####	1.24	1.75	78.00	8.77	74.50	8.38	####	2.56	1.78	
Peace agreements with < one licit/illicit reference			35.00	6.93							####	####			
Peace agreements with < one licit reference			24.00	4.75							####	####			
Peace agreements with < one illicit reference			14.00	2.77							39.00	4.39			
Peace agreements with licit and illicit references			4.00	0.79							22.00	2.47			
Peace agreements with < one armed group			33.00	6.53							####	####			
Peace agreements with armed group & militia			1.00	0.20							20.00	2.25			
TOTALS															

3. Appendix Three: Smuggling and trade routes in Yemen¹



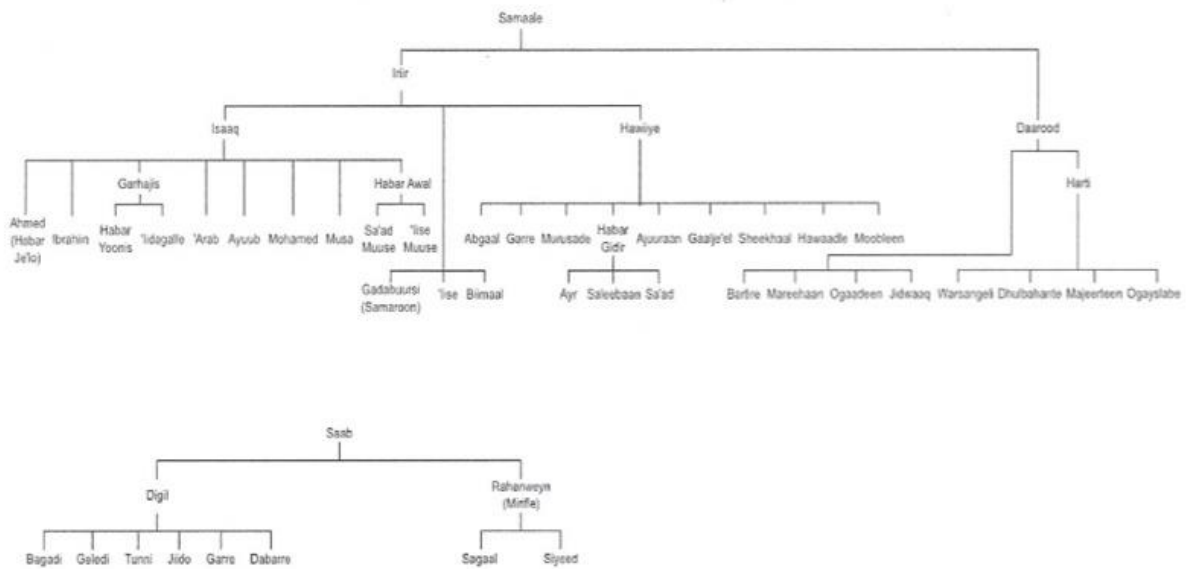
¹ Salisbury, Peter, 'Yemen, National chaos, local order', MENA Programme, Chatham House, December 2017, page 31.

4. Appendix Four: Links between Khaled Ali Abdullah Saleh and his assets with listed individuals¹



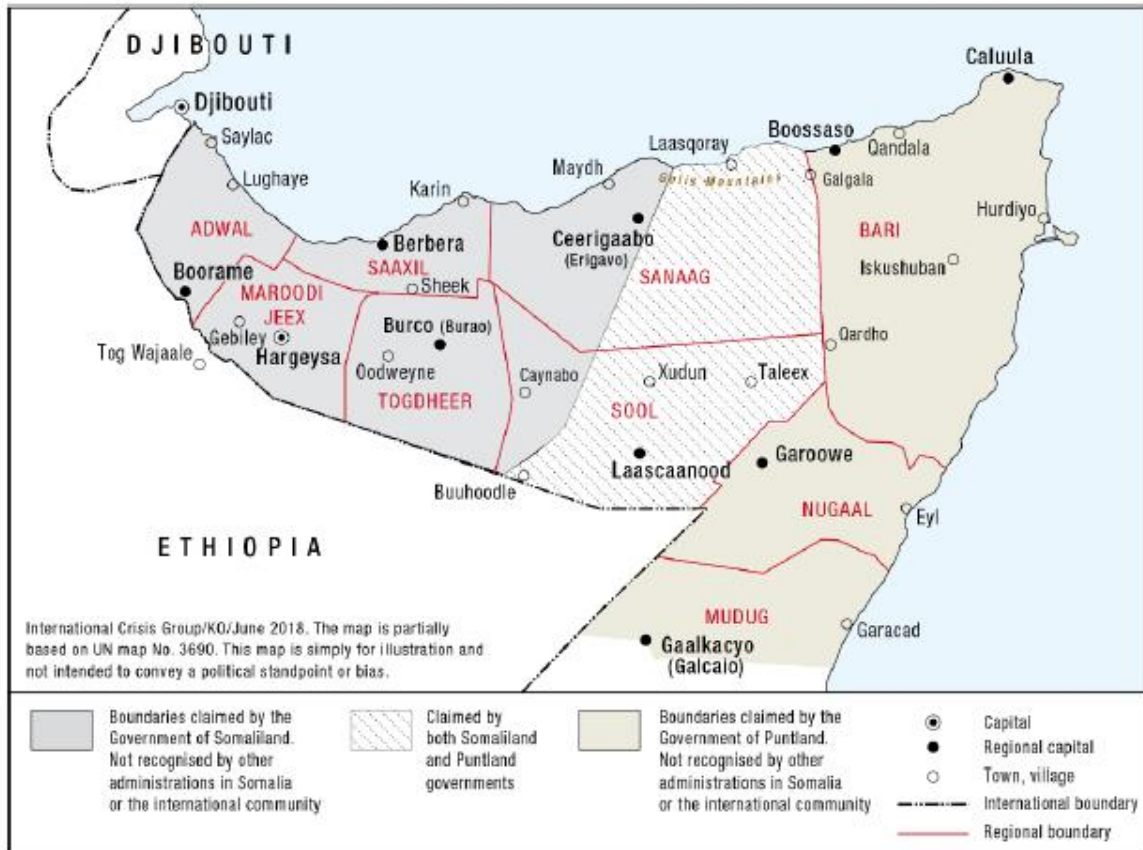
¹ S/2017/81, Figure VI: Links of Khaled Ali Abdullah Saleh and his assets with listed individuals.

5. Appendix Five: Somali clan lineages¹



¹ Taken from, Walls, Michael, *A Somali Nation-state: History, Culture and Somaliland's Political Transition*, Ponte Invisible, August 2014, Appendices, Figure 1, 'Genealogical Chart'.

6. Appendix Six: Map of Somaliland and Northern Somalia¹



¹ Taken from Appendix A: 'Map of Northern Somalia', in International Crisis Group, 'Averting War in Northern Somalia', Crisis Group Africa Briefing No. 141, 27 June 2018, page 8.