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Business and conflict in fragile states

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INTRODUCTION

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In October 2006, Ugandan president Yoweri Museveni announced the confirmation of commercial-quality oil reserves in Uganda's Albertine Graben region, attracting the immediate attention of international companies who by 2009 had invested over US$700 million in exploration.[1] Commercial production of recoverable reserves estimated to be well above the one billion barrel mark is anticipated to begin by 2017 or 2018.[2] With oil operations a potentially important source of government revenues, jobs and economic growth, the assertion is that oil will, as stated by the president during the run-up to the 2016 elections, 'help us transform the country'.[3] Contributions of oil exploitation to peaceful development would be a critical positive achievement in a country with a per capita GDP below US$700 in 2014, and where measures of sustainable economic opportunity, welfare and education seem stuck or are trending downwards.[4]

Yet communities blockade oil company operations, protesting against forced removals from communal lands and the hiring of non-Ugandans as truck drivers.[5] Traditional authorities fight with the national government, with the king of Bunyoro – the titular head of a regional government in the west of Uganda – appearing unannounced in parliament to demand a greater share of oil royalties for local communities, a greater voice in decisions for communities and protection from violence tied to development activities.[6] Rival groups fight with each other for the control of land they believe will benefit from oil exploitation, resulting in scores of deaths, while even fishermen who had long coexisted across the Democratic Republic of the Congo (DRC)-Uganda border now feel compelled to defend their territory from one another.

The politics of oil unfold in an atmosphere of substantial tension and fear. The Albertine Graben region follows the country's border with the DRC and has South Sudan as its northern limit. Ugandan local districts that overlap with the oil resources in the country's impoverished north have been an arena for many of the region's conflicts, from colonial-era troubles through Uganda's civil wars to the ongoing insurgency by the Lord's Resistance Army against the current government.[7] The national intelligence infrastructure monitors non-governmental organisations (NGOs), acting with particular aggression towards 'activity that could threaten government and private company investments' by stopping meetings, detaining NGO members and accusing them of 'economic sabotage'.[8] Bishops in this highly religious country raised issues of justice, only to be told by the president to rather attend to baptisms.[9] Whereas the World Bank had noted improvements in Ugandan governance from 1986, since the confirmation of exploitable oil resources in 2006 measures of voice and accountability, regulatory quality, control of corruption and rule of law are trending negatively.[10] Just as ominously, a coordinated attack in 2014 on 13 government installations including police stations and an army base in the oil-rich districts of Kasese, Bundibugyo and Ntororo, killing 90 people, recalls the oil-producing region's dark history since the country's independence.[11]

As conflict escalates and an already complex environment becomes perhaps even more fragile, some companies are accused of exploiting the country's weak rule of law and divisive politics for economic gain. Others, such as Tullow Oil, find that they cannot realise their own objectives, and so reduce their stakes in the country and seek opportunities elsewhere.[12] With the promised sustainable business profitability or social outcomes nowhere to be seen, so far the main by-product of the intense wave of foreign investment in oil exploration and development appears to be conflict, often enough violent.

New lenses on business and conflict in fragile states

This book is about conflict related to large-scale investments in fragile states like Uganda. It is written for the global enterprise that seeks to manage conflict risks and help create a stable operating environment; the government that hopes to deliver on the promise of private-sector development as an engine of inclusive growth; the multilateral institution or development agency that is frustrated by lack of progress in reducing fragility and is searching for new strategies to implement the 2030 Agenda for Sustainable Development; and the advocates who question whether foreign companies can play a role in peaceful development for communities at all. It explores why the 'win–win' promise of private-sector jobs, tax revenues, and economic growth to help lift a fragile country out of poverty and instability often enough becomes a story of lost opportunity for businesses, communities, peacebuilders and good governance advocates alike as a result of persistent and often violent conflict. In particular, the book takes a hard look at the international policy regime for business and conflict in fragile states: both the initiatives to regulate, control and hold to account multinational enterprises that profit from, or become complicit in, conflict and violence; and the attempts to create a strong legal and institutional framework to facilitate an expanded private-sector role in peaceful development.

Its conclusions are straightforward. Both sustainable business and inclusive growth require stability, underpinned by broadly legitimate institutions, the effective recognition of human rights, an enabling environment for human enterprise, and the rule of law. The aims of international policy at an aspirational level are therefore not subject to critique. But international focus on multinational companies as the lever for change – whether by restraining or unleashing them – fails to account for the changing dynamics of conflict and violence in fragile states. These can be summarised as an evolution from the pre-eminence of inter- and intra-state armed conflict to a more complex world of conflict and violence. In this new strategic landscape, multinational enterprises may indeed sometimes cause conflict more or less directly; but more often their operations are one set of stress factors among many – including environmental change, rapid urbanisation, political fragmentation, a demographic shift towards youth, the growth of transnational criminal networks, and others – that in aggregate result in destructive conflict or violence.

Effective policy must therefore address the entire conflict system, not just the company. The international rule of law and state-building agendas for fragile states aspire to address systemic issues, but 'basic governance transformations may take 20–40 years'.[13] All the while, conflicts related to large-scale business operations in fragile states that are endemic, increasing in number, and in many places growing in intensity undermine both business and social goals – including the good governance agenda itself. The ability to manage the acute conflicts of today and the many outbreaks of violence that can be anticipated tomorrow thus remains beyond the reach of contemporary international policy on business and conflict.

What is needed are solutions to business and conflict in fragile states that can be implemented successfully in the reasonably immediate term. They should be able to succeed despite the constraints of fragile environments themselves – including weak institutions, lack of trust in government, legacies of abuse by economic actors, or spoilers in the form of company managers, government officials or rebel leaders content to use, or at least tolerate, conflict and violence to meet their narrowly defined goals. Recognising the essentially local nature of both business operations and of conflict and violence, effective approaches must also be responsive to the particular social, political, economic and conflict dynamics among a specific set of actors in a particular time and place.

What may be surprising to those focused more narrowly on private-sector actors and approaches is that such solutions exist. The solutions are well enough established in the realms of peacebuilding, conflict prevention and violence reduction to be broadly considered mainstream. They are underpinned by reasonably well-articulated principles and well-understood mechanisms of action. Furthermore, the available evidence from emerging business practice suggests that these solutions – based on strong analysis, engagement of progressively larger coalitions for change, and iterative, well-monitored actions – can also be applied to prevent and manage conflicts in the context of large-scale business investments. The book concludes that it is indeed possible to put the promises of 'security, justice and jobs'[14] together to mitigate conflict and ultimately reduce fragility. This will not happen through a process of syndicating and then implementing universal norms from the international to the national levels in fragile states, however, but rather through pragmatic and holistic approaches implemented at the local level.

The rising tide of business and conflict

Companies, multilateral institutions, donor governments, and even some development and peacebuilding NGOs argue that large-scale foreign direct investment (FDI) should be a boon for Uganda and other fragile states. Such states can be defined as those particularly susceptible to crisis, associated with government failures to provide security, economic opportunity or rule of law to significant proportions of its citizens, and with institutional structures that may reinforce rather than mitigate conflict.[15] Multinational enterprises enter fragile contexts with promises of jobs, infusion of capital, technical know-how and training, linkages to global markets, value chain development, best practices for managing social, environmental, and labour issues, and some influence with fragile state governments. It is therefore hoped that FDI can 'generate the kind of economic development which both addresses the underlying economic dimensions of conflict and also provides for the urgent priorities of creating jobs and ensuring basic services are delivered to the population'.[16] The provision of jobs and services may in turn reduce socio-political tensions in ways that create space for consensus-building and practical progress on security, civil rights, good government and other challenges.[17] Given the reinforcing dynamics of economic hardship, grievance and political rivalry present in fragile states, the economic and broader social benefits of large-scale investments are therefore held out as one way of helping to cut the Gordian knot of fragility.

Yet over the last two decades, confrontations among companies, communities and governments in fragile states related to large-scale business operations have been growing in number and intensity. In Guatemala, right-wing paramilitary forces are implicated in violence, including killings and gang rapes, against opponents to Canadian and Guatemalan mining interests; in Zimbabwe, government forces reacted violently towards the 20,000 victims of flooding from the Tokwe-Mukorsi Dam (constructed by an Italian industrial group) who opposed plans to resettle them on government-supported sugar cane plantations; in Indonesia, a Singapore-based agri-business company is alleged to have acted in concert with local police to destroy indigenous villages in order to establish palm oil plantations; in Malaysia, a blockade by villagers to stop the construction of the Baram Dam enters its second year; in Peru, community groups have halted the development of Newmont Mining Corporation's multibillion-dollar Conga copper and gold project; and in Liberia, projects to boost the export agriculture sector are dramatically behind the timeline agreed to by industry and government because of conflicts with communities over land acquisition and compensation.[18]

These are not isolated incidents. A review of the lowest-ranking 100 countries on the Fragile States Index shows that virtually all have confronted significant, and often deadly, conflict in connection with large-scale business investments in the past five years.[19] Such deadly conflict can range, for instance, from illicit trade in natural resources in war-ridden Central Africa to more isolated deaths related to protests over mine operator Barrick Gold Corporation's Pueblo Viejo project in the relatively stable Dominican Republic.[20]

Push and pushback in fragile states

This increase in destructive conflict related to large-scale business operations, characterised by protest, upheaval and violence, is explained by a number of dynamics. By the 1990s, it was broadly understood that a global corporation could not ignore the opportunities represented by less-developed countries,[21] and companies found that they could find there higher returns despite instability.[22] Countries such as Colombia, Indonesia, Algeria and the Philippines attracted high levels of FDI even during periods of overt armed conflict;[23] flows of FDI to Côte d'Ivoire remained positive during the entire civil war.[24] Countries like Brazil, South Africa and Mexico also highlight that FDI occurs despite high levels of criminal violence.[25] Companies also look for first-mover advantages in newly opened markets such as Myanmar, or those just emerging from conflict such as the DRC or the Balkans, and benefit from government incentives to be on the leading edge of investment in still-unstable places such as Afghanistan and Iraq. As *The Economist* noted in 2000, 'For brave businessfolk, there are rich pickings in grim places'.[26]

Both exogenous and endogenous factors are at play here. The former include the rise of Asia and a resulting scramble for available agricultural lands. According to one advocacy organisation, 'More than 81 million acres of land worldwide – an area the size of Portugal – has been sold off to foreign investors'.[27] At the same time, mining 'has moved from developed to emerging economies ... Huge investments have taken place in Latin America, Africa, and parts of Asia and these are likely to escalate in the next ten years.'[28] The latter include the need for infrastructure in fragile states, leading the World Bank to advocate, for example, the doubling of investments in Africa for dams, roads, railways and ports.[29]

These factors add up to the more than US$700bn in FDI in developing economies across Africa, Latin America, and Asia in 2014, representing 56% of global FDI flows; as one example, FDI doubled year on year in highly fragile Myanmar.[30] Additionally, under Chinese leadership, the Asian Infrastructure Investment Bank will lend money for road, mobile phone and other infrastructure projects for Asian countries.[31] Conflict in the context of large-scale business investments is on the rise in part because of the trend of international capital increasingly migrating to more conflict-prone environments.

At the same time, pushback to these investments is likely to increase. Many fragile states exhibit growing populist wariness towards Western economic models and an increasingly globalised economy. The disconnect between economic liberalisation and GDP growth on the one hand and broad-based improvements in quality of life on the other has not gone unnoticed. Zambia's per capita GDP of US$1,722, driven by investments in the extractives sector, for example, is roughly twice that of neighbouring Zimbabwe (US$896)[32] – yet 57% of the population in Zambia live in poverty as defined by the Multidimensional Poverty Index, compared to 30% in Zimbabwe.[33] In the agricultural sector, a European Union-funded guide notes that 'Increasing global demands for food and biofuels are resulting in foreign governments and big companies buying or leasing millions of hectares of land in Africa … in 'land grabs', so-called because of the human rights abuses that often occur when such land is acquired';[34] the UN special rapporteur on the right to food asserted flatly that 'The current food systems are efficient only from the point of view of maximizing agribusiness profits.'[35]

A complex landscape of fragility

Such perceptions fuel a neo-colonial narrative in which the foreign corporation is a familiar enemy. 'There could hardly be a more effective form of colonialism,' stated Dr Tewolde Egziabher, head of the African Group and Like-Minded Group of Developing Countries in the negotiations toward the Cartagena Protocol on biosafety, in relation to the opening of emerging markets for proprietary seeds of American and European companies. 'The genetic engineering industry will effectively be able to hold us hostage.'[36]

Formerly monolithic government structures show signs of unravelling in many places. Parties such as the African

National Congress in South Africa that formerly represented the people's revolution find themselves attacked from the left, with calls by the newly formed Economic Freedom Fighters for the nationalisation of mines and expropriation of land without compensation, characterised as 'resistance against colonial and economic domination and exploitation'[37] and backed up by confrontational tactics at the national and local levels. Emergent human rights concepts such as the requirement of 'free, prior and informed consent'[38] by indigenous peoples to the use of their land – whatever the views of their national governments – as well as heightened environmental sensibilities, create rallying points for popular mobilisation and international support. Furthermore, technology has changed the calculus of protest and upheaval by enabling links between like-minded groups across developing countries, and between opponents of multinational corporations in fragile environments and their allies in Western capitals.

Conflict in the context of large-scale business investment is therefore on the rise also because of deep divisions in how international capital is perceived and responded to in complex environments. With both the shift towards more investment in fragile states and the emergent opposition to the perceived excesses of liberalisation and globalisation being growing trends, we can expect that there will be more business-related conflict in fragile states in the future.

These tensions and stress factors associated with large-scale investment in fragile states in turn interact with pre-existing conflict systems. The drivers of conflict dynamics differ from place to place. They may be socio-economic, including high unemployment, food shortages, rapid urbanisation, low levels of education, labour unrest or high levels of inequality. They may be socio-political, including ethnic or religious competition, inter-regional or regional–national tensions, real or perceived discrimination, unresolved grievances or pronounced disagreements over the role of the state. They may be governance and justice challenges, including severe corruption, human rights abuses, lack of a functioning legal system, or inconsistent or erratic government decision-making. They may be security challenges, including armed conflict, regional instability, a legacy of violence or trauma, criminal networks, high levels of violent crime, terrorism or challenges for demobilised combatants.

At the same time, fragile states are characterised by a diminished capacity to manage tensions and stress factors in a complex environment. Challenges can include lack of government legitimacy in the eyes of significant segments of the population or deep distrust in the aftermath of conflict.[39] The ability of different political and social groups to reach consensus or resolve disputes can also be diminished by a variety of pressures. These comprise demographic trends, such as population growth and rapid urbanisation; power shifts among political factions and between state and non-state actors; climate change, including more natural disasters and climatic fluctuations; and new conflict dynamics, including geopolitical tension and more chronic violence.[40] Pre-existing conflict dynamics in which multinational corporations become entwined, diminished government capacity and legitimacy, and stresses on conflict resolution systems mean that large-scale investments in mining, agriculture or infrastructure projects in fragile states will occur in the context of a heightened risk of conflict and violence.

The business case for better management of business and conflict

Increasingly, the evidence of the direct cost to business of such conflict is incontrovertible. Unmanaged and unmitigated conflict risks can lead to fatalities and injuries, lapses in safety, destruction of assets, operational disruptions, project abandonment and management distraction from business issues. A study of direct costs to business of company–community conflicts found one nine-month construction delay that resulted in US$750m in additional project costs. Stoppages at another company's project carried a price tag of US$100m per year, and a community's ability to protest against a third company by cutting its power lines cost it US$750,000 per day. Of 50 company conflicts surveyed, more than a third involved at least one fatality.[41] Platinum group metals producer Lonmin PLC saw its share price drop 30% within a week of the 2012 massacre of workers protesting at its Marikana platinum mine, the protests linked to long-standing tensions between the company, rival labour unions, local government and communities.[42] A subsequent five-month industry-wide strike cost Lonmin, Anglo American Platinum and Impala Platinum a combined US$2.25bn in lost revenues.[43]

When conflict and violence are turned against a company – whether for political or criminal ends – it can also be costly to protect against these factors. Oil firms in Algeria have been estimated to allocate 9% of their operational budgets to security, while a small business in Jamaica may spend 17% of revenues.[44] And, in a world where business increasingly looks to emerging markets for growth and profitability, costs to business must also be measured in delayed market entry and lost opportunities.

Markets increasingly understand and account for these risks and dynamics. One study found that the value of the gold in the ground now represents as little as 22% of the market valuation of a gold company; socio-political support for or opposition to the company's mines, in contrast, may represent from 45% to as much as 65% of the company's share value.[45]

The social costs of business and conflict are also high. Over 1bn people, including about 340m of the world's extreme poor, live in the 50 most fragile states.[46] Additionally, 'the gap between fragile, violence-affected countries and other developing countries is widening'; conflict-affected and fragile states 'are the furthest away from achieving the Millennium Development Goals'.[47] By 2030, 'poverty could become increasingly concentrated in fragile states: even under the best-case scenario, 62% of the global poor will be located in fragile states'. This may include as many as 500m people living on less than US$1.25 per day.[48] State fragility is also 'linked with a range of transnational security threats and humanitarian concerns, including mass migration, organized crime, violent conflict, communicable diseases, environmental degradation and, more recently, terrorism'.[49] This deprivation and conflict have a strongly local component: marginalised neighbourhoods have been found to be flashpoints for violence in cities;[50] poorer regions within the same country may also be more prone to conflict.[51]

At the same time, measured voices such as that of Harvard economics professor and Nobel laureate Amartya Sen remind us that 'no economy in world history has ever achieved widespread prosperity, going beyond the high life of the elite, without making considerable use of markets'.[52] To the extent that a vigorous and inclusive private sector can play a role in providing broad-based hope and opportunity, fragility should be reduced. But when business causes, exacerbates or is drawn into conflicts in fragile states, peacebuilding and development opportunities are lost, social expectations remain unmet, trust is undermined, narratives of conflict continue, and the dynamics of fragility are reinforced. Until the interrelated dynamics of business, conflict and development can be managed in fragile states, there is little prospect for raising the global poor out of poverty.

A new logic for business risk mitigation and conflict prevention

In contemporary international discourse, the assertion that large-scale foreign investments can help reduce fragility has confronted the reality of global corporations becoming embroiled in fragile state conflict and violence. This has of late sparked significant international attention: from the World Bank's review of the link between conflict and development in its *World Development Report 2011: Conflict, Security and Development*; to the adoption of the Guiding Principles on Business and Human Rights by the UN Human Rights Council also in 2011; to successes and frustrations in litigation against multinational businesses in US and European courts; to changes in development and peacebuilding policies to favour private-sector solutions from Colombia to Myanmar; and many other initiatives.

This book explores these contemporary international responses to business and conflict in fragile states: their histories and underlying premises, how they may be helping, where they are falling short and what might be done about it by multinational corporations and others. The book starts from the premise that corrosive conflict has high costs for companies, governments and communities alike, undermining their interests and aspirations. It argues that new approaches are not only called for, but also available by turning to mainstream peacebuilding and conflict prevention practice applied to the private-sector arena.

The book's focus on 'fragile states' recognises that state capacities and functions are challenged in many regions of the world. Governments in the capital may not exercise complete territorial control, and in many cases state control is contested or resisted at national, regional or local levels. States that fail to provide people with security, welfare and representation often lack government legitimacy.[53] Such states and societies are encountering 'fragile situations', defined by the World Bank as representing 'periods when states or institutions lack the capacity, accountability, or legitimacy to mediate relations between citizen groups and between citizens and the state, making them vulnerable to violence'.[54] In fragile states, the structures of government tend to reinforce rather than mitigate dynamics of conflict and violence.[55]

The focus of this book is particularly on 'large footprint' investments in fragile states. The measure is not necessarily the size of an enterprise or the scale of the investment, but rather the extent of its impact on the ground. The companies in question, such as those in the extractives industries, agriculture or infrastructure development, inevitably become entangled with, and part of, broader systems and dynamics that create and maintain fragility. The book emphasises the sharp edge of business and conflict, characterised by heightened intergroup tension, community protests and labour unrest, political upheaval, increased criminality, or heavy-handed responses by besieged governments, all of which increase the risk of violence; it looks at those situations where the promised 'win–win' for business and development has instead manifested 'lose–lose' outcomes.[56]

In its first two chapters, the book explores the two dominant contemporary discourses on business and conflict in fragile states, tracing their sources and surveying their expressions in contemporary international policy.

Chapter One explores the view of the multinational corporation as a cause of conflict and violence in fragile states. It shows how NGOs concerned with democratisation and development, international human rights bodies, accountability advocates and others draw on an enduring legacy of global enterprises willing to exploit fragile conditions, strike deals with unsavoury actors, and foment conflict for economic gain; in this context, multinational corporations are seen as fundamentally profit-hungry, soulless and seemingly stateless. The chapter explores the logical extension of this perspective, namely advocacy for a variety of legal-regulatory approaches to contain the worst forms of corporate conduct in fragile states, both through legal accountability in the companies' home countries and through international regulation.

Chapter Two explores the competing view of the multinational corporation as a force for conflict reduction in fragile states. It shows how multilateral financial institutions, growth-oriented fragile state governments, business advocates and others draw on an almost equally long-standing liberal economic history to understand a vigorous and inclusive private sector as the foundation for peaceful development. The chapter explores state-building approaches that support the regulation of an open economy and the protection of private-sector interests, as well as advocacy for ever-greater roles for multinational corporations in fragile state affairs. The analysis concludes that these two dominant discourses concerning business and conflict in fragile states have few points of intersection and exist largely in tension with one another.

The book then analyses why these contemporary international responses have not added up in any systematic way to successful management of business and conflict in fragile states, whether defined as the containment of corporate wrongdoing or the establishment of a firmer private-sector foundation for peaceful development.

Chapter Three starts with the recognition that both dominant international policy frameworks put the international corporation at the centre of the story, the main difference being whether the global corporation is described as hero or villain. Both frameworks draw on understandings of conflict rooted in inter-state and civil warfare, and the role of companies within them. This chapter widens the lens on business and conflict to describe a changing landscape of conflict and violence in fragile states. It examines both local factors such as urbanisation, the infiltration of criminal networks and the fragmentation of political power, as well as more global factors such as environmental change and geopolitical tension to which fragile states may be particularly sensitive. It concludes that the contemporary international focus on the behaviour of multinational corporations – and in particular those within reach of multilateral financial institutions and Western policymakers – is inadequate to address the many intertwined dynamics of business and conflict in fragile states. A variety of critical actors – from multinational companies from the Global South to traditional authorities in conflict with national governments – are left out of the equation; and even a company that achieved compliance with international regulatory requirements and emerging social responsibility norms could not, on that basis, ensure a stable operating environment free of destructive conflict.

Chapter Four takes as its starting point the time frames required for desired changes in the dynamics of business and conflict in fragile states under the dominant international policy regimes now being pursued. The chapter notes that the impacts of state-building, microeconomic responses to macroeconomic transformation and legal/regulatory reform are typically measured in decades, if not generations. Furthermore, contemporary approaches appear to largely ignore the political economy of fragile states themselves, in effect exhorting them to be less fragile by adopting the trappings of the Western liberal state. It concludes that attempted reforms will at best only deliver their intended results in the long term – and at worst, the ways in which reforms are now being pursued in many places will exacerbate conflict. Taking these factors together, the analysis concludes that contemporary international policy responses to business and conflict in fragile states – however important they may turn out to be for the long haul – will remain seriously hampered in their attempts to address the underlying drivers of risk and conflict in difficult places in the short to medium term.

The book then explores alternatives to the dominant international approaches that could perhaps better address destructive conflicts related to large-scale business operations in fragile states as they unfold today and can be anticipated to increase in number and intensity tomorrow.

Chapter Five looks outside the private sector for inspiration. It draws from mainstream peacebuilding and conflict prevention practice in areas as diverse as electoral conflicts and urban violence reduction to demonstrate that even acute conflict is preventable and manageable. The chapter notes that successful conflict mitigation strategies in highly complex environments share common principles and approaches, and well-understood mechanisms of action. Examining available evidence from the private sector, it shows that these principles and practices, when applied to the corporate domain, can be predicted to have the same positive impacts. It concludes that solutions are there, but are to be found largely outside the current debates about either regulation or enablement of the private sector; conflict and violence are their own phenomena and need to be dealt with on their own terms. The analysis underlines that, in order to be effective, international policies must address not only the 'what' of better approaches to business and conflict, but also the 'how' of implementation in fragile contexts that have frustrated state-building and regulatory approaches alike. The chapter explores how promising approaches can be applied in fragmented and even hostile political environments. It concludes that progress is most quickly and dependably achieved by focusing on localised solutions that address the currently perceived risks and future aspirations of the broadest possible range of stakeholders.

The book concludes that neither company shareholders nor advocates for peaceful development need, or should, accept the growing cost of business-related conflict in fragile environments. It is unhelpfully naïve to ignore the actors inside and outside companies and governments who are perfectly willing to profit from fragile state dynamics, including violence; but it is irresponsibly cynical to ignore the increasingly strong evidence of conflict mitigation strategies that all the same work.

The analysis that follows therefore steers clear of any attempt to play referee between the dominant, competing contemporary international discourses on the private sector in fragile states – it finds ample evidence that the story of the predatory company and the story of the healthy private sector as one foundation for peaceful development both are true and both are incomplete. Neither does the book in any way argue against continuing efforts to pursue justice, human rights or an enabling environment for an inclusive and sustainable economy through institutional and legal reform – it simply notes that rule-of-law and state-building approaches are unlikely to provide solutions to conflict on the ground any time soon, and that the failure to address festering conflict with greater urgency will undermine these laudable goals.

The book rather argues that international policy debates caught up in old ways of looking at business, conflict and fragility are for the most part ignoring violence reduction and conflict management approaches that can mitigate today's conflicts. Moving pragmatism to the fore, the book concludes that those who want to provide positive leadership on business and conflict in fragile states – whether businesses looking for sustainable profitability, advocates seeking greater positive impact for vulnerable populations, or international institutions seeking reduced fragility and inclusive development – have much work to do, but many places to start.

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