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INTERNATIONAL REVIEW of the Red Cross

EDITORIAL: GLOBALISATION WILL ONLY MEAN PROGRESS IF IT IS RESPONSIBLE

'The world is my country'. Those famous words by Thomas Paine express the idea of a common thread linking all humankind and transcending distances, borders, and nations. The industrial revolution first, and then globalisation, gave that idea new impetus. Today, we are more connected than we have ever been – because of our travels, our means of communication, and our business exchanges. The private sector has largely contributed to this development: the business activities of our national and multinational companies have woven a complex web of mutual interdependencies.

Globalisation is for the better when we derive mutual benefit from our respective advantages but for the worse when what takes place is not an exchange but exploitation. The ambivalence of this phenomenon is sensed the most acutely in those parts of the world that are plagued by conflict and violence: economic factors are often either the direct causes of violence, or are at least likely to inflame and perpetuate violence.

Like the thirst for wealth that drove the conquerors of the New World, countless wars have been driven or prolonged by dynamics associated with acquiring property or resources, gaining control over new markets, and economic expansion. For several decades, Africa has witnessed its share of conflicts being fuelled, among other things, by the existence of resources sought by the opposing parties – one could mention Sierra Leone, Liberia, the Democratic Republic of the Congo and its neighbours, Nigeria, and so on. Central and South America have also had their fair share of conflict or social turmoil linked to the desire to gain access to resources or control of export routes – Colombia, Peru and Mexico come to mind, for example. Turning to Asia, and Afghanistan in particular, the current fear is that the recent awareness of its vast mining potential will cause Afghanistan to experience a deterioration in rivalries, violence, and corruption at the expense of a peaceful transition after the withdrawal of international forces.[1] Afghanistan would thus become a new illustration of what is sometimes called 'the resource curse', or the paradox by which countries rich in resources tend to be less developed and to experience less rapid growth than countries that have none.[2]

While economic stakes have nurtured conflict throughout history, the imprint of multinational business enterprises on international relations and security matters has never been greater. Thus, in some areas plagued by armed conflict or violence, public authorities can barely exercise any control, whereas business actors have acquired more and more influence and have assumed some functions

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traditionally incumbent on the state. It is therefore not uncommon to see private enterprises being directly responsible for the security of a geographical area or equipping and providing supplementary training for public security forces – with minimal involvement by the state or even a total absence of state structures.

What are the main facets of the relationship between business actors and conflict today? What rules exist to regulate their activities? This issue of the *Review* does not address all the relations between war and the economy, such as arms trade, black market economies and trafficking, or the economic aspects of humanitarian aid. Instead, the *Review* has decided to highlight the rights and responsibilities of companies working in areas of armed conflict and other situations of violence. Having devoted a previous issue to the subject of international regulation of private military and security companies, the journal now looks at the latest developments in the interaction between business and conflict.[3]

Whether they have already been established in a country before a conflict or whether they are investing in a region already in crisis, business enterprises will influence the course of the conflict by virtue of their actions, their influence, or their mere presence. As Hugo Slim explains in his article, business actors play a number of different roles. Only some of them are covered here.[4]

First of all, business actors often find themselves the victims of acts of violence, as illustrated by the recent attack on and hijacking of the oil plant in Amenas, Algeria. They expose themselves to direct risks such as the exertion of pressure, extortion, pillage, hostage-taking, and attacks.

Second, business actors may contribute to the violence – directly or indirectly, voluntarily or involuntarily. They may represent a source of income for the conflict parties or even provide them with the means of fighting. In the most extreme cases, they may take advantage of war, chaos, and violence to engage in criminal activities, like the German enterprises that contributed directly to the implementation of Nazi policies and/or exploited the slave labour in the Nazi camps during the Second World War.

Finally, business actors can play a *positive* role by contributing to relief and the prevention or reduction of violence. Investors who, despite the risks, keep their business operations going in conflict areas enable their employees to maintain an income and may help to ensure a degree of stability. History also provides numerous examples of direct humanitarian action by business companies and their managers. Henry Dunant, who was at the origin of the foundation of the International Red Cross and Red Crescent Movement, was himself a businessman who happened

1 See Graham Bowley, 'Potential for a mining boom splits factions in Afghanistan', in *The New York Times*, 8 September 2012, available at: www.nytimes.com/2012/09/09/world/asia/afghans-wary-as-efforts-pick-up-to-tap-mineral-riches.html?_r=3& (all internet references were accessed in December 2012).

2 A study of developing countries conducted by Jeffrey Sachs and Andrew Warner in 1995 revealed that the more an economy is dependent on mineral resources, the weaker its growth rate. See Jeffrey D. Sachs and Andrew M. Warner, 'Natural resource abundance and economic growth', in *NBER Working Paper Series*, Working Paper 5398, Harvard Institute for International Development, 1995.

3 See the edition on the subject of 'Private military companies', *International Review of the Red Cross*, Vol. 88, No. 863, September 2006.

4 See the article by Hugo Slim in this issue.