This book offers a novel approach to understanding responsible business practice. Global protests against multinational companies often give the misleading impression that the interests of multinationals and of peaceful societies are at odds. By contrast, Fort and Schipani contend, not only does business benefit from a peaceful environment but it can in fact effectively foster peace through adopting responsible and open working methods. Firms that promote economic development, that allow external evaluation of their affairs and that build a sense of community both within the company and in their local areas make a great contribution to building a more harmonious culture. Relevant for academics and practitioners, the book shows how companies can encourage collaborative working across borders, discourage corruption and create citizenship and problem-solving practices which tend to reduce violence and increase social harmony.

Timothy L. Fort is Associate Professor of Business Law and Business Ethics at the University of Michigan Business School and Co-Area Director of Corporate Governance and Corporate Social Responsibility at The William Davidson Institute.

Cindy A. Schipani is Chair of Law, History and Communication, Professor of Business Law at the University of Michigan Business School and Co-Area Director of Corporate Governance and Corporate Social Responsibility at The William Davidson Institute.
The Role of Business in Fostering Peaceful Societies

TIMOTHY L. FORT
University of Michigan Business School and
The William Davidson Institute

and

CINDY A. SCHIPANI
University of Michigan Business School and
The William Davidson Institute
To Kaela and Lana

To Kurina and Steven
Contents

List of tables  page viii
Acknowledgements  ix
Introduction  1

Part I  The plausibility of connecting business and peace
1  The role of business in fostering sustainable peace  11
2  Balances of power and mediators of justice  41

Part II  Current standards and their amenability to peace
3  Corporate governance and sustainable peace  91
4  Ethical business behavior and sustainable peace  109

Part III  Two illustrative issues: gender equality and ecology
5  Gender, voice, and correlations with peace  143
6  The ecological challenges of war: the natural environment and disease  183

Conclusion  223
Index  227
Tables

1.1 The 2000 Corruption Perceptions Index  
1.2 Corruption Perception and Conflict Resolution

Comparison  

4.1 The Adapted Firm as a Corporate Decision Type  
5.1 Gender Development and Conflict Resolution Rankings  
5.2 Gender Development and Conflict Resolution

Comparison

page 13  
18  
118  
147  
151
Acknowledgements

Joint Acknowledgements

We would like to thank Professor Jan Svejnar, Everett E. Berg Professor of Business Administration and Director of The William Davidson Institute at The University of Michigan Business School for his support of the Corporate Governance and Sustainable Peace Conferences, especially when these ideas were in their infancy. The conferences provided the initial spark for this book.

In addition, we would like to express gratitude to The William Davidson Institute, the Aspen Institute’s Business and Society Program and Dr. Erika O. Parker for their co-sponsorship of the Corporate Governance and Sustainable Peace Conferences. This work benefited greatly from the initial airing of ideas at those conferences.

We would also like gratefully to acknowledge the support of our colleagues, Professor George Siedel and Professor Dana Muir at the University of Michigan Business School. Both George and Dana participated in the conferences and have supported us in this work in so many ways.

Finally, we would like to thank Shannon Droz, Krysia Johnson, Avec G. Gomez Lee, Elizabeth Peirce and Jill Van Dalen for valuable research assistance, and Connie Allen for all of her administrative assistance in pulling this book together.

Professor Schipani’s Personal Acknowledgements

I would also like to note that this work would not have been possible without the support and encouragement of a number of people. I would like to thank my coauthor, Professor Timothy Fort, for everything he brought to this project. It has been a tremendous experience working with him on this endeavor from beginning to end. Tim’s creativity and energy knows no bounds.
Acknowledgements

This work would not be complete without noting the inspiration from the music of Bruce Springsteen and the E Street Band. Throughout the course of this project I attended over thirty of their concerts and each concert provided additional ideas and energy for this project. I hope this work in some way, supports Bruce Springsteen’s “Land of Hope and Dreams.”

Finally, I am most grateful for the love and support of my family without whom this work would not have been possible – my parents, my sisters, my husband and my daughters. My husband, Bob Van Til and daughters, Kaela and Lana have supported this project day to day and have been my deepest inspiration. I hope that this work in some way contributes to a more peaceful world in which my daughters can grow and thrive.

Professor Fort’s Personal Acknowledgements

I would like to acknowledge the indispensable work of my coauthor Cindy Schipani. Cindy has the wisdom and good sense to keep my flights of fancy anchored in scholarly research and to carefully ground our theory.

Music is a repository for my inspiration as well. Ralph Vaughn Williams’s *Dona Nobis Pacem* and, in particular, the setting of Walt Whitman’s “Beat, Beat Drums” is a painful, searing, reminder of the disruptive angst of war. Listening to it prods me to stay up a little later at night to try to contribute something that might mitigate the prevalence of bloodshed.

My gratitude to my wife, Nancy Nerad, is infinite. Impatient with academic meanderings, she bolstered me at every turn to make this contribution as writing that might really make a difference to the world. My multicultural children – Kurina Mei Ke Nerad Fort whom we adopted from China and Steven Yohanes Nerad Fort whom we adopted from Ethiopia – remind me of the opportunities to grow from openness both as children of their native lands and, more profoundly, as my daughter and my son.

Publication Acknowledgements

We would like to acknowledge and to thank two scholars with whom we previously published joint work and who graciously allowed us to use that work in this book.
Professor Terry Dworkin collaborated with Professor Schipani on chapter 5 of this book in an article entitled “Gender Voice and Correlations with Peace.” Professor Fort collaborated with Professor Thomas Dunfee on an article entitled “Corporate Hypergoals, Sustainable Peace, and the Adapted Firm,” portions of which appear in chapter 4 of this book. Both of these articles were originally published in vol. 36 of the *Vanderbilt Journal of Transnational Law*.

We would like further to acknowledge the *Vanderbilt Journal of Transnational Law*. In addition to the above-referenced articles, this book draws on three other articles initially published with the *Vanderbilt Journal of Transnational Law*: “Corporate Governance in a Global Environment: The Search for the Best of All Worlds,” appearing in vol. 33, “The Role of the Corporation in Fostering Sustainable Peace,” appearing in vol. 35, and “Adapting Corporate Governance for Sustainable Peace,” appearing in vol. 36. Portions of the Conclusion were originally published in *Corporate Environmental Strategy*, vol. 10 as an article entitled “Scandals and Sustainable Security.” An earlier version of this article was also presented by Professor Fort as the Prudential Lecture in Business Ethics at Rutgers University in 2002.

Finally, we would like to acknowledge, the *Columbia Journal of Environmental Law*. The chapter entitled “Ecological Challenges of War: The Natural Environment and Disease” appeared in vol. 29.