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Article (Accepted Version)

Luiz, John M, Ganson, Brian and Wennmann, Achim (2019) Business environment reforms in fragile and conflict-affected states: from a transactions towards a systems approach. *Journal of International Business Policy*, 2 (3). pp. 217-236. ISSN 2522-0691

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**Business Environment Reforms in Fragile and Conflict-Affected States: From a
Transactions towards a Systems Approach**

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Forthcoming: JOURNAL OF INTERNATIONAL BUSINESS POLICY

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Acknowledgement: This paper is based on research funded by the UK Department for
International Development. The normal disclaimers apply.

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INTRODUCTION

The World Bank (2018b) states that two billion people live in countries where development outcomes are affected by fragility, conflict, and violence, and that by 2030, the share of global poor living in fragile and conflict-affected states (FCAS) is projected to reach nearly 50%. Furthermore, conflicts drive 80% of all humanitarian needs. It warns (p.1) that fragility and conflict is ‘a critical development challenge that threatens efforts to end extreme poverty, affecting both low- and middle-income countries’ and that ‘the fragility landscape is becoming more complex.’ Whilst the Sustainable Development Goals (SDGs) provide an ambitious set of development goals to be achieved by 2030 (Pogge & Sengupta, 2015), a subset of FCAS face particularly severe challenges in meeting these goals. SDG 16 explicitly targets peace, justice and strong institutions, and aims to significantly reduce all forms of violence, and work with governments and communities to find lasting solutions to conflict and insecurity. Yet such ambitions stand in contrast to the evidence that conflict and fragility are systemically associated with conditions of underdevelopment (Cilliers & Sisk 2013). Such evidence emphasizes the interconnection between the SDGs individual goals and, therefore, the importance of systems thinking and approaches to achieve them.

Our objective is to advance understanding of the nexus between business environment reforms (BER) and SDG 16 mindful of the interconnections between conflict, fragility, and underdevelopment. We examine the evidence and the lessons of BER in FCAS, based on the

experience of four African countries (Rwanda, Sierra Leone, Uganda, and Ethiopia) that have or are transitioning from a fragile environment to greater stability and more sustained economic growth. We develop a systems approach rather than a transactional approach to recognize the complex network of interconnected and interacting business interests, agendas, and systems in FCAS. Given the complexity of FCAS we are aware that our study is exploratory in nature but it raises important implications for the role of business in such contexts.

The SDGs are structured around a partner-centred approach with an explicit role for business involvement and this provides a challenge for the international business agenda. But van Zanten and van Tulder (2018: 208) caution that ‘extant international business research hardly covers the private sector’s role in achieving international policy goals.’ They also state the SDGs cannot be achieved without the contributions of multinational enterprises (MNEs), and indeed business enterprise more generally. Kolk, Rivera-Santos, and Rufin (2018) highlight the different impacts of business activity on underdevelopment and suggest that the relationship is still unclear but important. For many developing countries, a key component for achieving these goals will be the expansion of the business sector, both indigenous and multinational, and this has gone hand-in-hand with extensive BER aimed at lowering transaction costs and making institutional environments more attractive to enterprises. Donor agencies and multilateral financial institutions have promoted BER as a key component for the future development strategies of FCAS (Gates et al., 2012). Such reforms are rooted in policy assumptions about the positive role of the private sector in transitions from fragility to peaceful development. If the mere presence and operation of ethical businesses is peace and development positive – identified as a preeminent thrust of the business and peace literature (Kolk & Lenfant, 2015; Oetzel,

Westermann-Behaylo, Koerber, Fort, & Rivera, 2010) – then by extension BER that results in market development and increased investment will advance achievement of the SDGs.

Yet the assumption of a linear relationship between private sector promotion through BER and advancement of the SDGs in FCAS is put into question by research. Qualitative analysis from any number of fragile states (e.g., Afghanistan: DuPée, 2012; Nigeria: Idemudia, 2010; Colombia: Dunning & Wirpsa, 2004), shows how business operations may even prolong or exacerbate conflict, notwithstanding explicit ambitions to bring a ‘development dividend’ to local populations (Miklian, Schouten, & Ganson, 2016). A key dynamic is the intensification of competition between groups or actors in conflict through the introduction of new resources (Zandvliet & Anderson, 2009), meaning that private sector promotion may as easily undermine peaceful development as support it (Ganson & Wennmann, 2016).

The article is structured as follows. The next section examines how BER has been positioned to address the interconnections between the private sector expansion, economic development, and peacebuilding. This is followed by a systems-based critique of linear approaches to BER, founded in peacebuilding and complexity theory. The research methodology outlines the use of our qualitative case study approach that draws on several data sources to inform its analysis, including one-on-one interviews and focus groups. The country findings follow and thereafter we discuss the key themes which emerge from the country case studies. The conclusion proposes a systems-based framework which incorporates BER.

LITERATURE REVIEW

Business Environment Reforms in Fragile and Conflict-Affected States

We understand FCAS as states or regions ‘that suffer external and social stresses that are particularly likely to result in violence; lack the capacity to manage conflict without violence; and neighbour states that are especially susceptible to instability’ (DFID, 2015). These states often exhibit capacity gaps (in terms of their provision of core public goods), security gaps (in terms of the prevalence of conflict), and legitimacy gaps (which gauges whether the regime’s rules and/or processes are sufficiently transparent and accountable to permit popular free expression and participation) (Call, 2010: 304).

Since 2000, the average growth per capita for FCAS of 1.19% per annum is below that of low- and middle-income countries (the group to which almost all FCAS fall into) (World Bank, 2018a). Perhaps more telling is the high level of volatility associated with this growth; its standard deviation of 4.59 is more than three times that of the world average or that of LICs (calculated using World Bank data, 2018a). This indicates the high level of vulnerability these economies face with the consequential effects on their populations and their livelihoods.

Such poor economic performance is also reflected with respect to progress towards achieving the Millennium Development Goals, where on an aggregate scale about two-thirds of these states did not achieved a primary Millennium Development Goal of cutting poverty by half (OECD, 2015: 13). These dynamics will remain important as FCAS and their international partners are gearing up to achieving the 2030 Sustainable Development Agenda.

Given the assumption that a robust private sector has a critical role to play in development, many bilateral and multilateral donor agencies and institutions focus on transforming business environments as a way of supporting the development of a private sector (Fisher, 2015; Molenaers et al., 2015). At its core, BER is about reducing the transaction costs of doing business, decreasing risks, and providing greater levels of certainty as regards the quality

and stability of government policies, laws and regulations so as to increase investments, and to raise competitive pressures by reducing entry barriers and stimulating levels of efficiency and innovation (DCED, 2008). BER programmes have been premised upon several causal links about making markets work for the poor by harnessing the power of the private sector through increased investment, leading to higher economic growth and employment, a reduction in poverty and ultimately conflict (White & Fortune, 2015: 5-6). The evidence supporting these causal links, however, is not uncontested, and different dimensions find stronger support than others (Berman et al., 2011; Blair et al., 2012; Chibba & Luiz, 2019; Stewart, 2008).

Within FCAS it adds the additional premises that BER not only affects firm behaviour and economic outcomes, but also peace and security in these fragile environments – all within the particular challenging contexts of FCAS. Collier (2010) highlights the importance of economic recovery as vital to stability in FCAS. He finds that the lower the income, the higher the risk of conflict reversion, and the slower the economic recovery the more likely a reversion to violence (Manuel, 2015: 13). BER in FCAS programmes therefore aim to address the overall obstacles to growth that arise in countries emerging from conflict. They aim to create the conditions that promote private sector development, and that can lead to increased job creation, formalisation of economic activity and therefore tax revenues, and, presumably, lower poverty rates and strengthening of the state-society bond.

A Systems-Based Approach to Peacebuilding and Development

BER is premised upon a linear, deterministic model or theory of change approach to conflict resolution and development. BER is presumed to have impacts on markets that positively impact human development (for example, livelihoods, access to public and private services etc.), which in turn reduce conflict in the political economy. This line of thinking is also aligned with the

hypothesis of the dominant peacebuilding theory in the liberal era which argues that ‘societies will achieve sustainable peace when their norms and institutions reflect and maintain multi-party democracy [and] and a free-market economy’ (De Coning, 2018: 302). This ‘deterministic-design model’ saw peace and development as a guaranteed outcome if the design was followed (see also Ladley & Wennmann, 2019).

The conflict resolution literature has shifted away from this model and an alternative of ‘adaptive peacebuilding’ is emerging. This approach is embedded in complexity theory as applied to the social world (Fisher & Rucki, 2017). De Coning (2018: 305) explains that this theory posits that social systems are highly dynamic, non-linear and emergent: ‘Complex systems cope with challenges posed by changes in their environment through co-evolving together with their environment in a never-ending process of adaptation. This iterative adaptive process uses experimentation and feedback to generate knowledge about the system’s environment. It is this process, inherent in the behaviour of all complex systems, which the adaptive peacebuilding approach seeks to replicate and modulate’. Recognising that uncertainty is an intrinsic quality of complex systems requires a move away from ‘determined-design assumptions’ and accepting processes of emergence and the ‘complex, multilevel, dynamic’ attributes of conflict (p. 310, 314). This approach ‘aims to work with the constructive attributes of change by investing in the resilience of social institutions and thereby helping them to cope with and channel change positively’ (De Coning, 2018: 305).

Such a systems approach is aligned with the work on macromarkets which has moved away from transactional to systems approaches (Layton, 2007, 2009; Redmond, 2018). This research recognises that economic growth is not merely a technical function of savings and investment but that we need to be mindful of the marketing systems and how they are adapted to

the environment in which they operate and demonstrate resilience or responsiveness. Growth and development are affected by marketing systems that are ‘multilayered, multiagent, multiparticipatory’ in structure (Layton, 2009: 355). In less-developed settings ‘markets often have entrenched, systemic issues that are resistant to piecemeal interventions’ (Schultz et al., 2012:182) requiring an emergent systems approach to development. This line of macromarketing analysis has been applied to an analysis of conflict and economies in transition recognising the role of markets in the peace process (Shultz, Burkink, Grbac, & Renko, 2005; Shultz & Pecotich, 1997). Applying this thinking to the Bosnian conflict and post-war development Sredl, Shultz, and Brečić (2017: 300) conclude that ‘marketing systems are not merely random artefacts of human behavior; rather, they are adaptive, purposeful, can be pernicious and/or provisioning, and ultimately ... must be well integrated into other prosocial systems to affect the best possible outcomes for all stakeholders. By engaging with a marketing system in a post-conflict, divided society, we are better able to understand the genesis and evolution of markets and marketing systems; the relationships among war economy, peace accords, and the ways that post-war marketing systems create community, provide for community needs, and create new vulnerabilities for some community members.’

We thus have two very different approaches to BER and its implications for conflict resolution and development - one premised on a linear, deterministic model and the other rooted in complexity, emergence, and systems-thinking. Given our research objective of understanding the nexus between BER and conflict, fragility, and underdevelopment, we examine how these two approaches manifest in our exploratory analysis of four FCAS.

RESEARCH METHODOLOGY

Given the research objective being embedded in real-world problems and the importance of analysing the complex context in which our research takes place, the research lent itself to a pragmatist interpretive framework and a qualitative case study approach (Creswell & Poth, 2018). It examines four countries that have explicitly focused on BER and that are transitioning from conditions of conflict and fragility, namely Rwanda, Sierra Leone, Uganda, and Ethiopia. We wanted to concentrate on African countries given the dearth of research from an international business policy perspective on the continent, and because of the particular importance of promoting development and peace in this region.

The study draws on several data sources to inform its analysis, including one-on-one interviews, roundtable focus groups, and an analysis of documents, reports, and data. Between February and April 2017, the study team deepened evidence from the extensive literature review of FCAS in these countries, through semi-structured interviews with 42 individuals actively involved in BER in these countries, including country experts, investors, policymakers, civil society, and researchers working across sectors and geographical areas. Interviews were conducted in person or via Skype and lasted between 45 and 90 minutes. Thereafter in May and June 2017, expert roundtables were held in London, Freetown, and Kampala which convened a total of 41 participants to analyse and provide expert input on preliminary findings. Those roundtables lasted four to five hours each. The roundtables were conducted after the first round of interviews and once we had undertaken the initial coding of those interviews. The aim of these roundtables was to provide expert input on our preliminary findings to further assist us in the coding process and in enhancing the credibility of our findings. This is in line with Creswell and Poth (2018) who suggest that such focus groups are also advantageous to elicit more heated and open exchanges as a result of the interaction amongst participants. The roundtable in London was

the final workshop where we presented our initial findings to development and conflict resolution experts from academia, civil society, and policymakers. This allowed for further input and the final closing of the loop in terms of our methodology.

A total of 83 respondents therefore participated in our research as outlined in table 1. The study utilized a dual approach to sampling. Purposive sampling was used to select individuals who could purposefully inform our research question based upon their experience and knowledge of BER in the affected countries. This led to snowballing techniques whereby they recommended additional people who could enrich our cases.

Insert table 1 here

The interviews and workshops were guided by a protocol to harmonise primary data collection across the study and to support the documentation of data and narratives. Interviews were transcribed, analysed, and coded thematically. The themes that emerged included the varied motivations for pursuing BER and whether the reforms were internationally or locally catalysed, the level of participation or lack thereof in the analysis and design of reforms, the contested nature of BER and how it fitted fit into other social and political processes underway in the same period, the problems associated with implementation and sequencing of reforms, and the impact of BER both intended and unintended.

The validation and reliability of our research was supported through various strategies. Corroborating evidence through triangulation was provided through the use of multiple data sources including country reports, policy documents, academic literature, econometric studies, and secondary economic data. Member checking was achieved through several techniques including making the transcripts available to respondents for verification, and in engaging with

them regarding the interpretations and conclusions of the study. Furthermore, the roundtables were specifically structured to engage the participants more actively in the process of reaching conclusions and asking them to reflect on our analysis. Towards the end of the research process, the results were presented for feedback in various forums including with stakeholders in the BER policy environment. In addition, the data were collected in such a way as to enable external audits of both the processes and the data itself (through transcription) which enhanced the reliability. We adopted the procedures for reliability of intercoder agreement as suggested by Creswell and Poth (2018): we established a common platform for coding amongst the researchers and the principal investigators met repeatedly to examine the codes and to ensure their consistent application and to crosscheck each other's coding.

COUNTRY FINDINGS

The four countries differ substantially across a variety of dimensions. Politically, Ethiopia is a federal state explicitly recognizing its ethno-linguistic diversity, while the other countries downplay ethno-linguistic differences in pursuit of a unified nation state. Ethiopia and Rwanda have been highly effective in using laws and formal state institutions as tools for implementing state policies, while Uganda and Sierra Leone represent states where the formal system rarely describes how decisions are actually made or implemented. Ethiopia's current reform path can be traced back to 1992 and Rwanda's to 1994, while Sierra Leone's started more recently in 2002 and Uganda's in 2006 following transitions out of acute conflict in each country.

Table 2 presents comparative socio-economic data on our four country case studies. By the numbers, Ethiopia's population is nearly 100 million but Sierra Leone's only 6.5 million, and the size of the economies vary likewise from \$73 billion to \$3.5 billion respectively. Whilst agriculture accounts for 71% of GDP in Sierra Leone, but only 25% in Uganda. All four

countries demonstrate considerable differences and dualities between urban and rural areas. These differences make the substantial congruity of the findings with respect to BER effectiveness and ineffectiveness across the four countries all the more important. It suggests that the dynamics of FCAS BER are deeply rooted in socio-political factors that cut across even quite different FCAS countries, linking insights on FCAS BER to emerging understandings of fragility and state-building more generally.

Insert Table 2 here

Rwanda

Very few countries in modern history have targeted BER as systematically and explicitly as Rwanda has since the genocide of 1994. There is substantial evidence that it has successfully reduced the transaction costs of doing business and made the business environment more attractive (World Bank, 2016). Furthermore, interviewees for this country study generally associate BER with the country's rapidly improving macroeconomic trends as well as with progress against development indicators such as literacy rates, life expectancy, health outcomes, access to basic services, and declining poverty rates, reflecting the real progress experienced by broad segments of the population (World Bank, 2018a). The line of reasoning is further extended to argue that the growing economy and economic opportunities contributed towards higher levels of stability:

'There is a clear link between BER and peace. 1994 happened partly as a result of a lack of leadership and policy. The right policy creates the right socio-economic conditions and this requires the right leadership and BER is an important component thereof. BER creates jobs which then reinforces the process of peace building' (Respondent 3).

‘It has had a positive impact on every facet. It has enhanced growth, and developed the private sector. By developing the private sector it has promoted employment, and taxes to the government which has resulted in good public services. It is also promoted security because more people now have a stake in the economy and have an interest in making it work’ (Respondent 7).

As such, BER is subsidiary to, and part and parcel of, a broader strategy of mobilizing the state to plan and implement the country’s economic transformation and exit from fragility. Political elites were willing and able to impose high levels of urgency and discipline on different state organs.

Institution-building initially focused on security and justice, and the provision of basic needs, as the ruling party’s legitimacy and popular support was closely tied to a well-functioning state and the delivery of economic outcomes. It then turned to the construction of more advanced institutions required to implement more ambitious – in terms of scale and complexity – economic plans. These were in turn enabled by the previous large-scale social upheaval that disrupted traditional sources of power and vested interests, making radical planning possible.

Rwanda made economic and social progress in part by setting ambitious administrative targets and monitoring them carefully, and sound BER policy was an integral part of this executional excellence. BER succeeded as one element of a broader political strategy of the government. The country’s Vision 2020 identifies six interwoven pillars, including good governance and an efficient state, skilled human capital, a vibrant private sector, world-class physical infrastructure, and modern agriculture and livestock, ‘all geared towards prospering in national, regional and global markets’ (RoR, 2012: i). It is premised not only on economic outcomes, but also the implicit link between economic progress and peace and stability.

There are likely limits, however, on what BER can deliver. Rwanda's impressive growth comes from a very low base. World Bank data (2018a) suggest that its GDP per capita was USD 313 in 1993 falling to USD 126 after the genocide in 1994. Rwanda's small market size and geographical disadvantages have acted as a constraint in terms of attracting FDI and economic diversification. Rwanda remains highly dependent on foreign assistance, with 30-40% of the budget still coming from aid. 70% of the population still relies on subsistence agriculture (including roughly 85% of women), and over 63% live in extreme poverty (World Bank, 2018a). It is unclear how its largely state-coordinated economy can supply better livelihoods for the large majority of its population currently engaged in subsistence farming.

Questions also remain as to the sustainability of the Rwanda experience, particularly in light of the patrimonial and authoritarian nature of the government. BER has disproportionately advantaged the RPF and the military, which own or control a disproportionate percentage of the Rwandan formal economy (Mann & Berry, 2016). This was explicitly raised by both respondents two and eight. It was asserted that, in the early phases of economic development, these state actors were required to fill economic voids. But this raises questions of when and how they withdraw; how they engage with new private sector participants (particularly those that threaten their dominance); the extent to which they are crowding out private sector investment; and the extent to which they serve primarily to consolidate patrimonial control.

Additionally, as a relatively small elite consolidates economic and political power, it is unclear by which mechanisms the government can or will be held to popular account for development outcomes in the future. To the extent that the broader and deeper economic development will also require commensurate increases in social and political freedoms, it is unclear whether the ruling elite has the willingness or capacity to implement such reforms. As

one respondent noted with concern, *‘civil society has been marginalised and continues to be marginalised, and in fact the RPF has become less tolerant. BER has reinforced existing systems of power and perpetuated the dominance of the RPF’* (Respondent 2). This raises questions about how international businesses should structure their relationship with the government and if and how its participation in the economy could become an instrument for the achievement of SDGs, broad-based economic growth, and more inclusive politics.

Uganda

The election of President Museveni in multi-party elections in February 2006, followed by the signing of the truce between the Ugandan government and the Lord’s Resistance Army (LRA) in August, heralded a new era of hope for a more stable economic and political climate that would deliver peace and development for Ugandans. Over the course of a decade, a variety of high-profile initiatives and institutions sought to reform the business environment in ways that supported the government’s vision for private sector-led development and the attraction of foreign investment. These included structural reforms; a policy of divestiture of state enterprises; and the establishment of the Uganda Investment Authority, the Presidential Economic Council, and the Presidential Investors’ Roundtable.

The results of these efforts have been mixed at best. There have been some relatively clear successes, for example, the establishment of professionalised key economic institutions such as the central bank and ministry of finance. Where concerted investments have been made, some agencies have shown improvement in their administration of core functions, including the tax authority. Other initiatives transformed into political crises, including for instance *‘infrastructure projects intended to increase market access that were so rife with corruption that they imperilled international assistance to the country’* (Respondent 14).

Some key insights of potentially general applicability that emerge from the Uganda case, based upon the roundtable discussions with participants 43 to 57 in a collaborative validation process (as outlined in Creswell & Poth, 2018: 262), include the following. First, the bigger picture of political change and economic transformation matters. The typical, largely technical measures of BER success (such as days required to register a business) may say little about the country's trajectory out of fragility or towards development. The pertinent question is impact. How BER is (or is not) contributing to broader dynamics of conflict and development, and whether change is happening broadly enough and fast enough to meaningfully affect positive change within a fragile system: *'until there is a genuine and sufficient consensus on the nature of the economic playing field and the broad rules of the game, BER is likely to remain a weak lever for growth, inclusive development, and stability'* (Respondent 12).

Second, designers of BER programmes should be attentive to the informal sector. In a country in which over 50% of GDP and 80% of the labour force (World Bank, 2018a) are tied to the informal economy, the inter-relationship of BER to the informal sector requires more explicit attention. This has both potentially positive dimensions – e.g. the importance of international trade facilitation to smallholder farmers – and negative ones – e.g. the impact of large-scale agricultural promotion and oil development on land tenure and household economic security. Third, non-state interventions may be an easier entry point for genuine change. In Uganda, many state agencies remain in persistent crisis, such as the agricultural extension services that have been repeatedly reorganised. Often seeds and fertilizer on the market remain fraudulent or mislabelled due to lack of effective regulation. In such contexts, investment in donor- or NGO-led initiatives to provide finance, enhance market access or increase smallholder productivity, for example, may provide higher returns on BER investment.

Fourth, islands of excellence can be developed within a difficult context (Leonard, 2010). Despite the chronically poor state of Ugandan governance as measured by most all indicators, islands of excellence – for example, the central bank – exist. These appear to be explained by elite consensus that certain core functions – including macro-economic stability and perhaps also tax collection – are indispensable even within a patronage-based political economy (Green, 2008). This suggests the need to invest both in consensus-building as a foundation for effective reform, and to explore the possibilities for further investments in already-functioning institutions to broaden their scope and impact. However, this creates a perception that BER is mostly concerned with macroeconomic outcomes rather than meaningful development as articulated by respondent 13: *‘there is a growing sense that government’s primary motivations for BER are growth and tax revenues rather than genuine human development and broad based opportunity.’*

Fifth, attention to potentially and actually negative impacts is required. The Ugandan experience suggests that BER efforts, including infrastructure development and trade promotion efforts, may be concentrated in already more developed areas, exacerbating inequality and exclusion. Reforms geared towards sectors deemed important from the national perspective may have very different impacts locally. Sixth, infrastructure can promote growth, but be a magnet for corruption (Green, 2008). The Ugandan experience suggests that the sizeable funds invested in infrastructure projects are often irresistible magnets for predation within the context of a patronage state and endemic corruption. On the other hand, this infrastructure, once built, provides important enablers of market access for a variety of formal and informal private sector actors, even in the absence of other functioning state institutions and services. Lastly, the reality is far more complex than often portrayed within BER. For example, many economic analyses maintain that the access to banking and credit is limited, and that such limits are hindering

economic growth (Otchere et al., 2016). The fundamental assumption in this narrative is that the people want to open bank accounts and gain access to finance, but the lack of technical capacity is preventing this from happening. In the case of Uganda, many individuals, and especially owners of small and medium enterprises, often do not want to open official bank accounts because they believe that the government will tax these accounts or use them to identify wealthy individuals to satisfy their predatory greed. In this context, mobile banking has become extraordinarily popular because it is anonymous and operates largely outside of governmental oversight.

Ethiopia

Following the end of the Eritrean war and a change in government, Ethiopia entered a first phase of notable (if relatively unstable) economic growth in 1992 as it transitioned from a command economy through the set of structural reforms supported by the Bretton Woods institutions that also opened the door to substantial international financial aid. Following the severe drought of 2003/4, a sustained period of growth began. What makes the Ethiopian BER case distinctive is that the country did not prioritise private-sector liberalisation or BER in ways comparable to the other countries in this study. It is considered by the World Bank (2016) as a ‘laggard’ in structural reforms; with the exception of the trade reform index, Ethiopia falls below averages for low and lower middle income countries in Sub-Saharan Africa, across most reform dimensions. The government under the banner of the ‘developmental state’ has remained highly interventionist in the economy, influencing lending, prioritising state-led development projects, and restricting foreign participation in key economic sectors. A fundamental foundation of this growth is public investment, notably in infrastructure and agricultural productivity.

The economy remains at risk to both external and internal shocks. Most agriculture is still rain-fed, rendering the economy's largest sector, employer and source of household security prone to risks of drought; 80% of the population engages in subsistence farming, and as recently as 2010-2012 there was still a 40% prevalence of under-nutrition (UN, 2017). The country engaged in a border skirmish with Eritrea in 2016, and has intervened directly and indirectly in South Central Somalia. It is the world's fifth largest refugee hosting country. More than 50% of the national budget is underwritten by foreign aid. Internally, the ruling party dominates state institutions, and its allies receive preferential access to credit, land leases, jobs and public-private partnership opportunities, fuelling social and political tensions. The state of emergency imposed in 2016 in the wake of increasingly violent civic unrest, along with heavy-handed government responses to political opposition (see HRW, 2017), have somewhat dampened foreign appetite for new investment.

The government thus finds itself in a quandary. In an economy in which the manufacturing sector accounts for only 6% of GDP, dominated by food and beverage, textiles and apparel, and leather industries (World Bank, 2018a), the government's espoused priority is industrialisation, and its policy documents acknowledge the 'pivotal role' of the private sector. Yet respondent 20 pointed out the contradictions that:

There is little apparent progress towards joining the WTO, and a government typically committed to tight control seems loathe to address fundamentally questions of telecommunications, land acquisition, foreign exchange controls, transaction costs, institutional weaknesses, corruption, competition, access to ideas and information, or other issues critical to investor interest. The country does not appear to be on track to reach its aspiration of middle income country status by 2025.

Some key insights of potentially general applicability that emerge from the Ethiopian case include the following. First, BER for the informal sector is a priority if most people are to benefit. Ethiopia's policy of agriculture-led industrial development includes a sustained focus on smallholder productivity. Complementary investments range from seed and fertilizer programmes, to finance mechanisms for micro- and small enterprises, to rural road development, to issuance of certificates formalising 'holder rights', to one of the world's highest densities of agricultural extension agents (at least in the Highlands). This recognition that the rural poor are the largest cohort of the business community has supported not only economic growth, but a fall in the extreme poverty rate from 55.3% to just under 30% from 2000 to 2010 (UN, 2017).

Second, small scale-mining can be significant for large numbers of people. The 137 companies operating in the mining sector in Ethiopia are estimated to employ around 6,000 people. The government estimates some 500,000 artisanal miners in the country, with five to seven million people depending on mining for their livelihoods (Ethiopian Investment Agency, 2014). These numbers are considered by a study to be substantially underestimated, with more than 1.2 million artisanal miners identified in the gold and opal producing areas alone (Tadess, 2016). The government has introduced some initiatives to address regulation, technical assistance, and market access, for example, but not at the scale, quality or level of commitment seen in the agricultural sector.

Third, ongoing attentiveness to local conflict and developmental impacts is required. As recently as 2010, the ruling EPRDF recognised that 'rapid development which benefits all sectors of the population is a survival question' for the Ethiopian state. Yet *'BER policies that are perceived as unfairly benefiting a minority, exacerbating inequality or undermining community rights are among the drivers of resurgent domestic unrest'* (Respondent 19). Ethiopia

experiences high levels of investment-induced displacement and conflict, often on land that the government has classified as ‘unused’ or ‘marginally used’ to ready it for ‘development’ or urban expansion. Respondent 19 highlighted that *‘tensions are also growing due to internal economic migration that alters the balance among identity groups, and potentially the political power in what has been designed as an ethno-federalist state.’* There seem to be few answers for those most directly and negatively affected by such growth policies.

Lastly, the basis of a political consensus underpinning a period of stability is likely to change over time. In earlier years of Ethiopia’s development, the strong link between agriculture growth and poverty reduction provided a basis for consensus around reform policies, especially related to infrastructure and smallholder development. As the government aspires to migrate from strategies of improving yields within a primary production economy to an efficiency-driven economy capable of competitively producing advanced products and services, the nature and extent of the consensus – between the national government and the federal states, between government and civil society, and between formal and informal sources of power and authority – shifts in ways that are currently poorly managed.

How businesses adapt their strategies and offerings in these sorts of environments is an important area for future research (Hart & Milstein, 2003) but also brings into question how its engagement can contribute towards the SDGs and connect formal and informal, and rural and urban sectors more effectively for inclusive development. Such research should receive increasing relevance after the 2018 peace deal between Ethiopia and Eritrea placed economic revival at the forefront of these countries’ political agendas.

Sierra Leone

Since the end of the civil war in Sierra Leone, a variety of actors explicitly link BER to reduced fragility and accelerated development. UNCTAD (2010) asserts that the country has made significant progress towards achieving peace and stability through reforms to attract foreign direct investment and promote private sector development. Yet these BER efforts do not appear to have addressed long-standing dynamics of conflict and fragility. The Truth and Reconciliation Commission found in its review of the causes of the civil war that, ‘from the outset of the post-independence period, those in power plundered the state and its resources, putting self-enrichment before any form of real development or accountability’ (SLTRC, 2004: 13) using business as the direct and indirect medium to perpetrate their plunder. Comparing the pre-civil war period with the contemporary period, our respondents argued that the role played by businesses has not changed substantially:

‘Medium-sized businesses ‘win’ government bids, only to subcontract to professionals for a commission shared with public officials; large firms operating in the natural resources sector allow the extraction of considerable rents in return for waivers, concessions and lenient application of official regulations, making it difficult to separate state from private interests, or to distinguish between the interests of foreign businesses and local actors’ (Respondent 22).

The Auditor General, for example, has found that ‘Neither the will nor the discipline to make reforms is present and even if it was it is only the first step. Reform must be balanced with staff competency and there needs to be consequences for failure for all parties.... It’s not enough to have laws on the books – they need to be enforced with rigour, consistency and a strong sense of justice for all’ (Bah, 2016: vii). Yet so far these reports have not resulted in significant punitive action or changes in behaviour.

Sierra Leone remains highly vulnerable to external shocks. When commodity prices fell sharply, and the Ebola epidemic hit, the country suffered a devastating downturn, notwithstanding the increases in official aid transfers during the Ebola period. Some key insights of potentially general applicability that emerge from the Sierra Leone case based upon our consultative roundtable in Freetown (with respondents 58 to 71) include the following. First, in some contexts, a sub-region (such as a Regional Economic Community) may be the better unit of BER analysis. With a population of seven million – most of whom live below the poverty line of two dollars a day – the domestic market for goods and services in Sierra Leone is small. Businesses have therefore concentrated on commercial trading, infrastructure, small service-sector operations, and production of raw materials for export. The result is growth dependent on raw materials exports and a limited number of manufactured products. Yet the Mano River Union (MRU), comprising Sierra Leone, Liberia, Guinea and Côte d'Ivoire, has a combined market size of nearly 45 million people (half the size of Ethiopia, and roughly the size of Kenya).

Second, business interests must be balanced with other social and political interests. Incoherence and even contradiction in rules and policies meant to create a favourable business environment may also create tensions and even ignite violence at the local level. A case in point is the high court judgment in a case brought by a host community, finding that a particular mining company is exempt from the payment of all taxes according to the terms of the mining agreement between the state and the company. This outcome violated local expectations, espoused national policy, and international norms and standards. Third, making BER a priority may be contested in a largely informal economy. Over 80% of the population in Sierra Leone operates in the informal sector, with most of the labour force underemployed and less than 10% of the population having a bank account (UN, 2017). BER efforts to address the formal economy

– i.e. officially registered firms which pay taxes to the state – ‘*are largely decoupled from the livelihoods of the larger populace*’ (Respondent 25).

ANALYSES AND DISCUSSION

The thematic coding of the interviews (as outlined in our methodology section) investigating the nexus between BER and conflict, fragility, and underdevelopment, based upon our country case studies, are presented below. These are structured around the discussion of 1) the impact of BER programming in terms of transaction costs, competitiveness, broader development, and conflict; 2) how the sequencing of BER could best be undertaken mindful of the complexities of the local political economies; and 3) the implementation of BER and its embedding in the countries’ political economies and how it affected the various dimensions raised in point 1.

Impact of BER

The interviews demonstrated that whether one considered BER successful or not depended upon what one regarded as its primary objectives. If one measures success by a reduction in transaction costs, BER interventions such as one-stop shops have had positive results reducing transactions costs in some FCAS – e.g. in Rwanda. This connects to the public administration literature on ‘pockets of effectiveness’ that can occur in countries that have poor governance and weak public sectors and yet produce some well-functioning agencies or systems (Leonard, 2010).

Results, however, are not uniform, and point to the interplay of even ‘technical’ reforms with broader issues of institutional capacity and the political economy. In Uganda, for example, the one-stop shop was characterised as ‘*one-more stop*’ (Respondent 15), as it was unable to overcome inertia in sister agencies. Additionally, attempts to facilitate business entry may mask underlying problems. Advantages may be preferentially bestowed on foreign investors or

politically connected individuals, who get access to this ‘*oasis of efficiency*’ (Respondent 11). Smaller, often domestic, players are not always able to access advantages and have to survive the dysfunctional system, increasing their sense of grievance and exclusion.

BER impact on overall competitiveness in FCAS is similarly inconclusive. Transaction costs may not capture broader competitive dynamics of FCAS markets associated with the ‘cost of doing business’, which is important for investors. In Uganda, for example, reforms to lower transaction costs – like the reduction in registration times for new businesses from 15 to 5 days – did not meaningfully change business opportunity for applicants. Additionally, they were expensive for the state to implement, and perversely, they ‘*resulted in an increase in the bureaucracy to implement the change which in turn resulted in even more ethnically-driven patronage positions*’ (Respondent 11).

BER impact on inclusive development is not clearly established in FCAS. There is limited evidence that BER successes, in and of themselves, impact other developmental objectives. Evidence is stronger in Rwanda where BER was part of a broader strategy that includes both an efficient state and a vibrant private sector. In such cases, there is a clearer line of sight from discrete BER efforts to development outcomes.

BER performance is mixed with respect to direct and indirect effects of BER on economic development and greater inclusivity through the building of social capital. There is evidence that BER can act as a catalyst for economic growth (McIntosh & Buckley, 2015). But this effect is not universal across implementation contexts. The role of BER to attract FDI is not straightforward and other factors seem to be important in that regard (Iammarino, 2018). The evidence directly linking BER to socio-development and political outcomes, and to state-

building and peacebuilding, are contested (see White & Fortune, 2015; McIntosh & Buckley, 2015) and this was evident amongst our respondents.

BER may be an altogether less strong lever for greater stability or development in extractives economies (Respondent 42). BER is not meaningfully changing the predominance of investment in natural resources, such as oil in Uganda or minerals in Sierra Leone. Structural change appears to occur primarily through exogenous factors of the global economy that determine investment (in Sierra Leone) or disinvestment (in Uganda). BER has not created economic opportunities resilient to commodity fluctuations, and the experience of both countries suggests that investments in the extractives sector are particularly prone to conflict risks.

Sequencing of BER

More effective BER implementation occurred after establishing security, political commitment and capabilities to implement reforms. Of the four country case studies, Rwanda has pursued the BER agenda most explicitly and integrated it into major facets of its overall development plans. It was also one of the early adopters of BER and it therefore provides useful insights on the sequencing of reforms and was structured as follows.

- i. ‘Security first’ before major economic plans and reforms. In this case sequencing occurred as follows: security first, accompanied by institution building, and then the big economic plan and vision with capable implementation and monitoring. The process of institution building itself appears to follow its own sequencing which initially focused on security and justice, and the provision of basic needs, and then the construction of more advanced institutions required to implement more ambitious economic plans. This sequence of ‘security first before wider institutional reform’ is mirrored by the World Bank (2011: 11-16)

and findings by McIntosh and Buckley (2015) that humanitarian interventions and stabilisation should come first as they form a basis for further reforms. The sequence is also corroborated by respondents interviewed on Rwanda.

‘Rwanda wanted to be systematic. It first put the institutions in place and then undertook the systematic reforms to the business environment. It utilised the Doing Business Indicators (DBI) as its framework. ... The DBI provided a useful breakdown of what needed to be done and allowed them to track the progress which was important. ... [Specific BER reforms] were done early on were property rights and land titles, and the early push for decentralisation ... was important for service delivery’ (Respondent 6).

‘Pre-2000 the focus was on getting the institutions right and focusing on security both internally and along the borders. This was also important in the nation-branding process as investors needed a new narrative and not to focus on the past but on the future of Rwanda. Then putting in the processes for monitoring and evaluation are essential’ (Respondent 3).

ii. Public trust in institutions first before wider institutional reforms. Rwanda also highlights the importance of building trust in the state and in its capacity early on, as countries emerging out of conflict generally have very low levels of trust and especially low levels of trust as regards the state. This finding is corroborated by the World Bank, which asserts that there is a need to restore confidence in collective action in FCAS before embarking on wider institutional reforms, and that the priority is a transformation of institutions that provide security, justice and jobs (World Bank, 2011: 11-16).

Implementation and political economy of BER

Comparative analysis of the case studies suggests a number of promising directions for theorizing both the overall anaemic record for BER in FCAS, and the causes of variability in impact across markets. These might be characterized as the political economy of BER in FCAS: the degree to which it supports a focused and well-supported economic development agenda; the degree to which it reinforces negative power relationships and institutional arrangements; sensitivity in local implementation; and capacity within both governments and companies.

The success of BER as a tool for achieving development objectives appears to turn on the extent to which it is contextually tailored to advance a focused economic development agenda. For example, Ethiopia's economic and social successes came from its focused package of reforms – from extension services to infrastructure to trade facilities – in support of agriculture-led growth, even as reform efforts in other areas have faced substantial resistance.

Conversely, respondents noted that when generic application of BER formulas and assumptions was the entry point for policy – such as the introduction of commercial courts in Sierra Leone or of one-stop shops in Uganda – there was little appetite for real reform or chance of meaningful impact. Political economy issues have constrained the implementation of BER programmes, which have not always led to outcomes compatible with the objective of inclusive development. The very factors that make a context fragile – rent seeking, a tendency to perceive and act along well-worn conflict lines, contested power and legitimacy between the centre and the periphery, and other drivers of fragility – often undermine attempts to address fragility through BER. The economic sphere seems particularly prone to contestation that will reinforce rather than ameliorate fragility, for example (Ganson & Wennmann, 2017):

- In Rwanda, Uganda, and Sierra Leone, BER was associated to a greater or lesser extent with consolidation of economic and political power by a ruling elite, rather than with broad-based economic expansion.
- In Ethiopia, BER was in earlier years associated more directly with benefits to the country's broad base of smallholder farmers, but more recently has been contested as government focus shifts towards larger-scale enterprises.
- In Sierra Leone, conflict over large-scale investment practices – from land allocation to lack of prioritisation of local employment to deployment of military and paramilitary forces to suppress protest – is increasingly evidencing grievances and fault lines that echo the run-up to the civil war.

Additionally, in countries in which up to 80% of the population engages in subsistence agriculture, BER is to some extent an elite activity whose benefits accrue disproportionately to large players in the formal economy. The land- and resource-hungry enterprises it tends to promote, for example in mining or commercial agriculture, bring it into direct conflict with farming and pastoral communities whose livelihoods are disrupted (Kandel, 2016). This presents a particular challenge to international business which may mean to be part of the solution but end up crowding out indigenous enterprise.

A gap was widely noted between the intent at the national policy level and the reality of implementation at the local level. Projects negotiated at the national level may underplay or ignore the issues of greatest importance to local communities and traditional paramount chiefs, such as land acquisition, creation of local employment and business opportunities, and protection from the environmental and social risks associated with large-scale development. Across private-

sector actors, *'there is a lack of attention to the context, and a disconnection from how companies might be exacerbating tensions, violations, etc. This can lead to very negative ends. Companies have a significant impact on existing power structures, but they rarely think in this way'* (Respondent 31). This underlines the potential of BER to in practice contribute to the exacerbation of centre-periphery tensions between different levels of government and between formal and traditional authorities (Ganson & Wennmann, 2017). Respondents noted better results when companies invest more heavily in understanding the context, building relationships, and in some cases, engaging third party neutrals to help mediate socio-political conflicts related to BER and broader economic reform efforts.

The thematic analysis of our results point to the complexities and limitations of a linear approach to BER. We show that BER was itself the product of a highly contested and conflictual political economy. Conflict in the FCAS political economy was characterized by chronic tensions between ethnic or political groups, between the formal and informal states, between national and regional or local actors, or between actors in competing economic activities. Given the weakness of formal institutions, this led to the exercise of largely informal but highly partisan informal control over the levers of markets and the economy. To the extent that formal institutions were relevant, they also came under partisan control. Resulting market developments typically increased horizontal inequalities across these conflict divides (Stewart, 2008), while having marginal impacts on human development at either local or national levels. Within this dominant system, rule-driven BER was a relatively bit player in the shaping of FCAS economies and the distribution of costs, risks, and benefits within them, compared to the levers of informal and formal control available to powerful partisan actors in places such as Sierra Leone and Uganda. To the extent that BER had a discernible impact on markets and their impact on human

development and horizontal inequalities underlying conflict, they tended to mimic and reinforce the dominant political economy of conflict, rather than change them.

CONCLUSION

The four cases studies presented here demonstrate the various ways in which BER and related investment promotion efforts have in some cases exacerbated drivers of conflict and undermined development goals, from the project level (e.g., lack of prioritization of local employment in Sierra Leone) to the national policy arena (e.g., Ethiopia's shift in focus towards commercial agriculture that fuels deeply-rooted conflicts over land and participation in national decision-making). These are consistent with evidence that confrontations among companies, communities and governments in fragile states have been growing in number and intensity as investment flows increase (Ganson & Wennmann, 2016), and that BER may under some circumstances privilege foreign business interests at the expense of social progress (Barbara, 2006), putting market reform efforts in tension with the SDGs. How MNEs can be part of the solution and contribute towards meaningful development and conflict resolution, mindful of potential trade-offs, is an important area for further research (van Zanten & van Tulder, 2018).

Together, these questions begin to frame an overarching theoretical framework for BER in FCAS. It appears that BER has the greatest potential to advance achievement of the SDGs when it is attentive to three objectives at the same time: stimulating broad-based economic growth, expanding economic opportunity in formal and informal markets, and addressing drivers of conflict and fragility. When BER focuses predominantly on economic growth as an end outcome, it risks contributing to perverse impacts and fails as a policy instrument to foster inclusive development. In Uganda, for example, BER largely ignores the majority of the population that lives from subsistence farming or works in the informal sector, missing

opportunities for more broad-based impact. In Sierra Leone, growth- and tax-revenue oriented initiatives in mining and commercial agriculture seem blind to growing conflict risks from displacement of local communities. In Rwanda, conversely, there seemed to be a firmer understanding of the nexus of a well-functioning state and the delivery of economic outcomes to a broad-based constituency.

BER can be part of a broader development plan for FCAS but this requires a move away from linear, transactional approaches towards an emergent, systems-based approach that recognizes the complex network of interconnected and interacting business interests, agendas, and systems in FCAS. This systems approach is aligned with the work on macromarkets that identifies that growth and development are affected by marketing systems that are ‘multilayered, multiagent, multiparticipatory’ (Layton, 2009: 355) and are ‘resistant to piecemeal interventions’ (Schultz et al., 2012:182). In FCAS contexts, a more nuanced understanding of BER as a negotiated settlement of economic conflicts – rather than as a set of market-defining rules – opens both understanding of why BER often fails in FCAS, and how it could better succeed. Figure 1 illustrates our systems framework, which accepts processes of emergence and co-evolution through iteration and feedback loops.

In FCAS environments, the goal of economic growth should be a means to two ends: increased human development, and decreased horizontal inequalities underpinning conflict in the political economy. Within this framework, consensus-based BER is the balancing of competing dualities. The first relate to the exercise of power: between formal and traditional authorities, between national and regional governments, or between executive and legislative branches. The second relate to the prioritization of BER for human development: in the FCAS context in particular, the directness of benefit to smallholders and subsistence farmers, the benefits to the

urban poor, and the benefits to women. The third relate to the impact of BER on horizontal inequalities: between those in the formal and in the informal economies, between urban and rural populations, and between different regions, particularly where these are politically or ethnically defined (Luiz, 2015).

Where advocates for market reforms can account for, balance and reach sufficient consensus on the distribution of costs, risks and benefits of BER efforts across these three dimensions, reforms may not only cease to be undermined by the partisanship in the exercise of formal and informal levers of control over market impacts, but may even contribute to their reduction. This creates positive feedback loops in the system that, at the same time, allow markets to grow, human development to accelerate, and horizontal inequalities underpinning the political economy of conflict to be reduced.

Insert figure 1

Implications

For BER to accelerate the achievement of the SDGs and SDG 16 in particular, BER and related market reform efforts must not only claim to advance the SDGs, but must more faithfully mirror the underlying principles of the 2030 Agenda for Sustainable Development. Moving in that direction includes policy and research efforts more attentive to the following. First, a people-centred approach to BER in FCAS; which means BER programmes designed from the perspective of the people a programme intends to assist. Second, a multi-dimensional approach that goes beyond the limited focus on economic growth and towards a holistic approach to private sector investment with its impact – both positive and negative – on the systems that define conflict and fragility. Third, BER needs to be consensus building for the implementation

of reforms. Rather than focusing on pacts between international institutions and governing elites, BER might better focus on supporting platforms for discovery, collaborative analysis and planning, as well as new coalitions in support of inclusive development. Only then will BER likely be able to play its highest and best role as a disciplining mechanism for macroeconomic stability and for strengthening market accountability and efficiency in ways that more dependably advance the SDGs.

Lastly, the implications for international businesses entering or operating in FCAS are substantial. In order to contribute towards the achievement of broad development in FCAS, they must shift from a transactional to a transformative, systems approach which leverages meaningful relationships with stakeholders and is deeply embedded in the local context (George et al., 2016; Hanekom & Luiz, 2017; Williams & Shepherd, 2016). Recognizing that businesses are not only institution takers but impact significantly on local institutions (Luiz & Stewart, 2014; Witte et al., 2017), they must make the systemic BER agenda central to their organisations (Howard-Grenville & Hoffman, 2003). This may in turn require development of new and atypical capabilities to navigate FCAS dynamics.

Limitations and areas for future research

Given the complexity of FCAS we are aware that our study is exploratory in nature and that there are limitations attached to the selection of the four countries, and the sample of interviewees. We have not surveyed individuals at a more micro level but that was not our intention and our sample was composed of senior people that cut across business, government, civil society, NGOs, activists, and academics, and various farming and business associations bringing in multiple perspectives.

The paper raises important areas for further research. First, is the relationship of BER to the informal economy (Luiz, Kachika, & Kudzurunga, 2019). In Africa, more than half of GDP and more than 80% of the labour force are tied to the informal sector (in which most workers are women and youth) (World Bank, 2018a). So BER risks being irrelevant to much of the economy, particularly those parts affecting the most vulnerable parts of the population. Also, when governments (and international partners) prioritise formalisation as a driver of development, they risk perverse impacts. How international business promotion and foreign business attraction can contribute towards the development of informal economies and indigenous livelihoods and not crowd out these activities is important if multinationals and international business are going to contribute towards poverty alleviation, as has been called for previously in this journal (Kolk, Rivera-Santos, & Rufin, 2018).

Second, the case studies point towards a need to further examine impacts of BER on consolidation or dispersion of power and whether it further entrenches elite interests at the expense of broad-based development. All of the case study countries are characterised by ‘closed’ access orders, patronage, and rent-seeking in key sectors (North et al., 2009). Given their exclusive nature, such orders will not spontaneously provide a sufficient degree of justice and inclusion, but may rather further marginalize excluded communities (Oberland, 2014).

Third, the SDGs underline the need for international investors to be conflict sensitive - understanding the interactions of their presence and operations with key drivers of conflict and fragility – if they are to contribute to peaceful development and inclusive societies (SDG 16). Yet this does not always translate to the international business policy level. For example, in the case studies with large extractive sectors, interviewees suggested that a significant by-product of the intense wave of foreign investment was conflict. For instance, in Uganda, they highlight how

land reform gave government a mandate to take over land from indigenous people for the purpose of giving it to foreign business for commercial purposes, triggering violence on the ground. At the same time, tens of thousands of Ugandans migrated to oil producing areas in search of economic opportunities even before any meaningful number of new jobs were created, undermining arguments that job creation would spur development. As new sources of conflict and fragility – e.g., population pressures, climate change and rapid urbanisation – further increase pressures on existing political and social systems (Nørby Bonde & Wennmann, 2015), it appears particularly critical that the interplay between BER initiatives and these dynamics be understood and addressed, systematically integrating conflict-sensitivity and political economy awareness into BER planning and implementation.

As regards the international business policy agenda, our research has implications for the five policy areas identified by this journal, namely international business promotion, foreign business attraction, industrial policy, social and development policy, and transnational governance. What we have highlighted is the potential trade-offs between the first three areas (which are central to BER) and the fourth, and that this is magnified in the context of FCAS. How we reconcile these tensions and bring them to the fore within the international business policy agenda, and how this is enacted in future transnational governance agreements, is central going forward.

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Biographical sketch

John Luiz is a Professor of International Business at the University of Sussex Business School and the University of Cape Town. His research interests are focused on institutions and multinational enterprises in emerging markets, particularly in Africa. Consultant at numerous leading multinational enterprises, public entities, and NGOs.

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John Luiz: PhD, University of Stellenbosch, South Africa. Country of birth: South Africa.

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Brian Ganson: Juris Doctorate, Harvard Law School; Born in USA; US citizen

Achim Wennmann: PhD, Graduate Institute of International and Development Studies, Geneva Switzerland. Country of Birth: Germany. Citzenships: Germany & Switzerland

Table 1: List of respondents and participants

Respondent#	Interviewee	Country
Semi-Structured Interviews: Respondents		
1	International Development Agency, Rwanda Senior Director	Rwanda
2	Professor of Political Studies and specialist in development assistance in Africa, and Rwanda	Canada
3	Senior Manager, Rwanda government agency responsible for BER	Rwanda
4	Country Director of a social innovation centre, lawyer, and gender expert	Rwanda
5	Professor of Economics, Rwanda	Rwanda
6	Senior Manager in Rwanda, Multilateral Finance Institution	Rwanda
7	Professor of Management, Rwanda	Rwanda
8	Leading international scholar on Rwanda, Professor of Law and Politics	Belgium
9	Senior Manager at a development agency, Rwanda	Rwanda
10	Research Director at an international centre for tax focused on Africa	United Kingdom
11	Executive director, NGO Uganda	Uganda
12	NGO programme manager, Uganda	Uganda
13	Public policy advisor, mediator, environmentalist Uganda	Uganda
14	International development agency, Uganda	Uganda
15	CEO financial sector, Uganda	Uganda
16	International development donor, Uganda	Uganda
17	Macroeconomic analyst, Uganda	Uganda
18	Trade analyst, Uganda	Uganda
19	University academic, Ethiopia	Ethiopia
20	Senior Manager, Multilateral Financial Institution, Ethiopia	Ethiopia
21	Director, NGO Sierra Leone	Sierra Leone
22	Managing Director, NGO Sierra Leone	Sierra Leone
23	Manager Multinational Corporation, Sierra Leone	Sierra Leone
24	Director, government agency, Sierra Leone	Sierra Leone
25	Academic expert, Sierra Leone	Sierra Leone
26	Senior Development Specialist, Multilateral Financial Institution headquarters	USA
27	Director, consulting agency in development	United Kingdom
28	Manager, Fragile and Conflict Situations Africa, Multilateral Financial Institution	Kenya
29	Senior Programme Officer, UN Agency	Ethiopia
30	CEO: International mining agency	United Kingdom

31	Managing Director, development agency	USA
32	CEO: development agency	United Kingdom
33	Head of Sustainability: Multinational Corporation East Africa	Tanzania
34	Senior Researcher: development think tank	United Kingdom
35	Director of Corporate Responsibility, mining company	Mexico
36	Partner: Multinational law firm	France
37	Senior Extractives Advisor, UN agency	Switzerland
38	Stakeholder Affairs Director: Multinational Corporation	Germany
39	Associate Director, International Development Advisory Services - big four consulting firm	Kenya
40	Assembly Member International NGO and Chairman of Multinational Corporation	Switzerland
41	International NGO Manager	China
42	Independent advisor on energy in Africa	USA
Roundtable participant		
43	Academic on Peace and Conflict Studies, Uganda	Uganda
44	CEO of institute on governance, Uganda	Uganda
45	Africa Director: International NGO	Uganda
46	Previously CEO of a financial regulator Uganda	Uganda
47	Trade Analyst at a think tank in Uganda	Uganda
48	Head of Research and Advocacy in Ugandan NGO	Uganda
49	Executive Director Uganda: international NGO	Uganda
50	Director Advisory: big four consulting firm	Uganda
51	Research Fellow, Ugandan university	Uganda
52	Partner: major law firm Uganda	Uganda
53	Programme Director: NGO	Uganda
54	Executive Director: International NGO	Uganda
55	Senior manager: International NGO	Uganda
56	Senior manager : International NGO	Uganda
57	Senior manager: Ugandan financial agency	Uganda
58	Senior manager, business association Sierra Leone	Sierra Leone
59	Senior manager: regional development financial institution Sierra Leone	Sierra Leone
60	Country representative Sierra Leone: international financial institution	Sierra Leone
61	Senior manager Sierra Leone: international NGO	Sierra Leone
62	Independent consultant on development in Sierra Leone	Sierra Leone
63	Senior manager: government agency Sierra Leone	Sierra Leone
64	Senior manager Sierra Leone: Multilateral Financial Institution	Sierra Leone
65	Senior researcher: academic development institute	Sierra Leone
66	Senior researcher: academic development institute	Sierra Leone

67	Senior partner Sierra Leone: big four consulting firm	Sierra Leone
68	Senior researcher: academic development institute	Sierra Leone
69	Director: development institute in Africa	Sierra Leone
70	Senior manager: Multinational Corporation	Sierra Leone
71	Senior researcher: academic development institute	Sierra Leone
72	Head of development policy: big four consulting firm	Sierra Leone
73	Manager of development policy: big four consulting firm	Sierra Leone
74	Senior manager: international donor agency	United Kingdom
75	Senior manager: international donor agency	United Kingdom
76	Programme manager: international donor agency	United Kingdom
77	Programme manager: international donor agency	United Kingdom
78	Programme manager: international donor agency	United Kingdom
79	Programme manager: international donor agency	United Kingdom
80	Consultant: International development	United Kingdom
81	Consultant: International development	United Kingdom
82	Director: Government agency in international development	United Kingdom
83	Consultant: International development	United Kingdom

Table 2: Country socio-economic data (2016)

	Ethiopia	Rwanda	Sierra Leone	Uganda
Population	99.4m	11.6m	6.5m	39m
GDP (current US\$)	73bn	8.5bn	3.5bn	24.1bn
GNI per capita \$	1730	1870	1320	1820
Agriculture % GDP	36	35	71	25
EAP Population in agriculture	83	90	60	72
% in poverty	87.3	53.8	81	69.9
Global Hunger Index	33.4 (serious)	27.4 (serious)	35 (alarming)	26.4 (serious)
Violent deaths per 100,000 (average p.a. 2010-2015)	9.3	4.6	2.2	11.4
Doing business indicator (100 being best performance)	47.25	69.81	50.23	57.77
Access to electricity, urban (% of urban population)	85.4	80.0	46.9	57.5
Access to electricity, rural (% of rural population)	26.5	17.8	2.5	18.0
Fertility rate, total (births per woman)	4.2	3.9	4.5	5.6
Foreign direct investment, net inflows (% of GDP)	5.5	3.1	3.9	2.6
Gross capital formation (% of GDP)	38.0	25.3	20.1	25.5
Inflation, consumer prices (annual %)	7.3	7.2	10.9	5.7
Life expectancy at birth, total (years)	65.5	67.1	51.8	59.9
Military expenditure (% of general government expenditure)	3.6	4.9	3.4	10.9

Source: World Bank (2018)

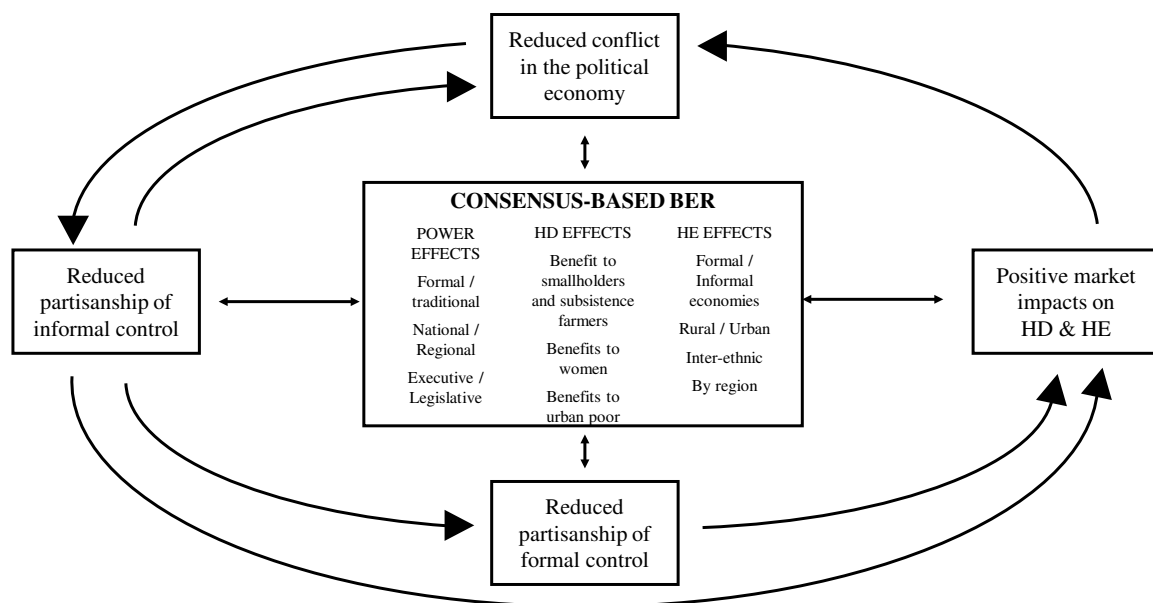


Figure 1: A systems-based approach to BER in FCAS

Notes: HD - human development; HE - horizontal equality