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## Transnational organisations and security

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The fields of international relations and criminology analyse security from different directions, but both have had a dominant focus on states and state agencies until recently. Even as they looked at a wider range of actors as security providers, an important category of security actors has not been analysed so far – ‘non-violent’ transnational organisations. Transnational non-governmental organisations (NGOs) and transnational corporations (TNCs) are not security organisations per se, but the strategies these transnational non-state actors pursue in response to violence affect security for both themselves and the societies in which they operate. We argue here that security at the local level is an outcome of interactions among diverse actors including transnational organisations and call for a research agenda focused on how transnational actors choose their response to insecurity and how those choices affect security governance.

**Keywords:** conflict zones; governance; NGOs; security; transnational corporations

### Introduction

In international relations (IR), ‘security’ has traditionally been understood as the prevention of foreign attack on a nation, whereas in criminology, security is typically viewed as the prevention of crime. Both fields commonly see states and their agencies (militaries or police) as the entities responsible for strategising about and providing for security. Over the past 20 years, however, scholars and policymakers in both fields, responding to events in the world, have broadened and redefined their concepts of security as well as the range of actors involved in providing it.<sup>1</sup> In IR, concerns about instability and terrorism have challenged the idea that foreign attack is the primary security threat, while the extensive use of military and security contractors undermines the exclusive role of the state in responding to threats. Criminologists have noted how the line dividing internal and external security has been blurred with the rise of transnational crime and terrorism, and they talk

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1. J. Mathews, ‘Redefining Security’, *Foreign Affairs* 68 (1989): 162–77; Keith Krause and Michael C. Williams, ‘Broadening the Agenda of Security Studies: Politics and Methods’, *Mershon International Studies Review* 40, 2 (1996): 229–54; B. Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era 2e* (Boulder, CO: Lynne Rienner Publishers, 1991); and Roland Paris, ‘Human Security: Paradigm Shift or Hot Air?’, *International Security* 26, no. 2 (2001): 87–102.

about ‘policing’ rather than ‘the police’, given the role of private and customary actors in providing security.<sup>2</sup>

This attention to transnational actors as potential purveyors of threats in both IR and criminology reflects contemporary changes, as the focus on commercial and customary ‘responders’ does. However, an important category of security actors has *not* been analysed so far – ‘non-violent’ transnational organisations. Transnational non-governmental organisations (NGOs) and transnational corporations (TNCs) increasingly operate in regions affected by conflict, corruption, and criminality. These are not security organisations per se, but the strategies these transnational non-state actors pursue in response to violence affect security for both themselves and the societies in which they operate. Their efforts to obtain protection from threats can affect levels of local violence and the quality of local governance. So far, IR scholars have not analysed the ‘non-violent’ non-state actors that shape the security environment, although they pay more attention to violent non-state actors involved in terrorism and transnational crime. While criminologists have noted the way in which customary and other actors interact to provide security within a particular state, they often are less attentive to the transnational actors that affect security outcomes.<sup>3</sup>

We argue here that security at the local level is an outcome of interactions among diverse actors beyond the usual suspects identified by either security scholars or criminologists. Current theoretical approaches are unable to adequately account for how security is produced in a globalised context. While some observers have pointed to the impact of one or the other of these transnational actors at particular times and in specific places, no one has yet provided the bigger picture we frame here. We call for a research agenda focused on how transnational actors choose their response to insecurity and how those choices affect security governance. Our approach builds on disparate literatures that have examined commercial and not-for-profit organisations – separately – in violent areas over the past 20 years. In doing so, we note the important and surprising similarities in the trajectories of commercial and non-profit transnational actors that have been missed by others. From this, we identify important questions for research relevant to both the security studies and the criminology fields. Drawing on insights from IR, criminology, and global governance, we propose some tentative answers to these questions and illustrate their usefulness with relevant examples.

### Background and puzzle

Many observers assume that corporations and NGOs are quite distinct actors with different missions, motivations, and behaviours.<sup>4</sup> Indeed, the labels of the two summarise the fundamental difference in character – ‘non-profit’ versus ‘for-profit’ organisations. Although we agree that their missions and motivations are distinct, we are struck by intriguing

2. L. Johnston and C. Shearing, *Governing Security: Explorations in Policing and Justice* (London: Routledge, 2003); Albrecht et al., *Perspectives on Involving Non-state and Customary Actors in Justice and Security Reform* (Rome: International Development Law Organization, 2011).

3. For exception, see R. Abrahamsen and M. Williams, *Privatising Africa's Everyday Security* (London: openDemocracy, 2010).

4. M.E. Keck and K. Sikkink, *Activists Beyond Borders: Advocacy Networks in International Politics* (Ithaca, NY: Cornell University Press, 1998).

similarities in their trajectories over the past 20 years in their overseas operations.<sup>5</sup> We find the following three broad parallels which are discussed below.

First, both types of organisations claim to face more violent threats than in the past. The data on the actual level of violence faced by corporations and NGOs in conflict zones are incomplete, but the general perception is that they were more likely to work in violent areas and to be specifically targeted beginning in the 1990s. Individual reports included some jarring incidents such as six International Red Cross workers killed in Chechnya in December 1996 and 35 local CARE employees in Zaire in the fall of 1994. Oil workers were prime targets in Nigeria and kidnapping (often targeting business executives) was half-jokingly referred to as one of Colombia's major industries. The violence continued into the first decade of the twenty-first century. Reports in 2010 counted 242 NGO workers killed or injured.<sup>6</sup> Data on terrorist attacks targeting business and NGOs show an upward trend in the 1980s with a dramatic spike around 1991; this was followed by a precipitous drop until 1998, but a significant increase in the last few years (see Figure 1). The spike in violence and targeting of firms and NGOs heightened their perception of risk, particularly for their operations in the developing world.

Second, both types of organisations endured stern criticism for behaviour that exacerbated violence or undermined stability in specific cases. In the 1990s, when the perception of violence increased, corporations and NGOs initially relied on strategies they had developed during the Cold War to handle situations of conflict and instability. Companies generally allied with either their home government or the host governments where they operated. Humanitarian NGOs relied on acceptance of their presence by government and society, with the hope they would be accorded 'humanitarian space'. Both organisations,

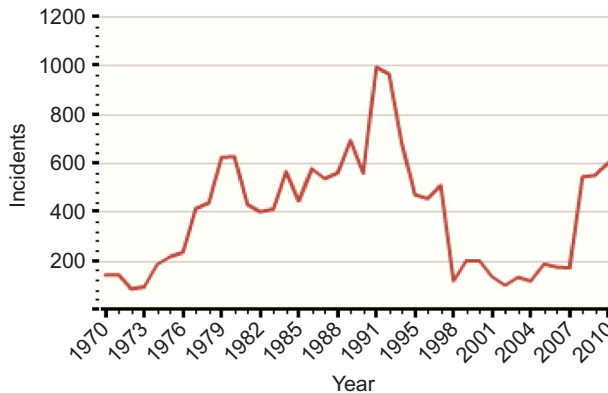


Figure 1. Terrorist incidents targeting business and NGOs (1970–2010).

Source: National Consortium for the Study of Terrorism and Responses to Terrorism (START) (2011). Global Terrorism Database [Data file], <http://www.start.umd.edu/gtd> (accessed February 25, 2012).

5. Our examples are drawn primarily from transnational organisations with headquarters in Europe and the United States. Nevertheless, we suspect that our points apply more broadly and call for further research on non-Western transnational organisations.

6. *Aid Worker Security Report 2011*, <http://www.humanitarianoutcomes.org/resources/AidWorkerSecurityReport20111.pdf> (accessed August 7, 2012).

however, faced a difficult backlash as a result of these policies. Although the logic behind the critiques were different – corporations were seen as complicit, whereas NGOs were viewed as naïve – critics argued that the resources provided by both types of organisation often were diverted to fund violence by governments, rebels, and others. Both organisations were believed to have undermined stability and, often, their missions.

Critics of corporations held that the business interest in making profits and protecting property led companies in conflict zones to choose strategies that undermined human rights and exacerbated conflict.<sup>7</sup> Corporations were accused of allying with and strengthening repressive host governments and raising issues of corporate complicity in violence.<sup>8</sup> For example, consider the accusation that Shell in Nigeria was allied with the military regime of Sani Abacha, as it repressed the Ogoni peoples in order to facilitate oil exploration and development. Other companies were accused of indirectly supporting strongmen or rebels through the rents provided from trade and investment, which foster corruption and undermine local government, as with the trade in rough diamonds in Africa.<sup>9</sup> Even when they avoided these pitfalls, company efforts to secure facilities on their own or in conjunction with governments created literal fortresses that appeared threatening to local populations. Corporations complained that they were put in an impossible position – if their activities benefited governing elites even indirectly, or they accepted protection from government forces, they were viewed as complicit in government repression and corruption. If they took security into their own hands, their actions were seen as illegitimate and a threat to government authority as well as to citizens. Regardless, their responses were seen to exacerbate violence and undermine stability in the country, and ultimately both made it harder for companies to do business.

Critics of NGOs argued that despite the good intentions of aid and relief groups, their assumption that they would be seen as neutral, impartial, and independent and thus gain ‘acceptance’ in conflict situations sometimes paradoxically undermined human rights and exacerbated conflict. In the relief camps in Goma, Zaire, in 1994, the resources provided by humanitarian groups were taxed, stolen, and used by rebel groups to fund attacks against the new government in Rwanda. This ultimately led the Rwandan government to attack the camps.<sup>10</sup> Even in less dramatic instances, aid groups often redistributed opportunities in a way that increased the incentives for conflict or fed into war economies. Both of these imposed costs on the populations they served.<sup>11</sup> NGOs complained that parties to

7. Global Witness, *A Crude Awakening: The Role of Oil and Banking Industries in Angolan Civil War and the Plunder of State Assets* (London: Global Witness, 1999); Global Witness, *Rough Trade: The Role of Companies and Governments in the Angolan Conflict* (London: Global Witness, 1998).

8. International Commission of Jurists, *Corporate Complicity & Legal Accountability* (Switzerland: International Commission of Jurists, 2009); A. Ramasastry, ‘Corporate Complicity: From Nuremberg to Rangoon – An Examination of Forced Labor Cases and Their Impact on the Liability of Multinational Corporations’, *Berkeley Journal of International Law* 20, no. 1 (2002): 91–159.

9. W. Reno, *Warlord Politics and African States* (Boulder, CO: Lynne Rienner Publishers, 1998); M. Berdal and D.M. Malone, *Greed and Grievance: Economic Agendas in Civil Wars* (Boulder, CO: Lynne Rienner Publishers, 2000); and J. Banfield, D. Lilly, and V. Haufler, *Transnational Corporations in Conflict-Prone Zones: Public Policy Responses and a Framework for Action* (London: International Alert, 2003).

10. F. Terry, *Condemned to Repeat: The Paradox of Humanitarian Action* (Ithaca, NY: Cornell University Press, 2002); S. Lischer, ‘Collateral Damage: Humanitarian Assistance as a Cause of Conflict’, *International Security* 28, no. 1 (2003): 79–109.

11. M. Anderson, *Do No Harm: How Aid Can Support Peace – or War* (Boulder, CO: Lynne Rienner Publishers, 1999).

conflict did not respect their status as impartial actors and efforts by donor government to use aid for political purposes exacerbated the insecure position of relief groups. Despite these objections, NGO responses in unstable situations were seen to feed into violence, complicating their ability to provide humanitarian relief.

Third, after a time, many corporations and NGOs alike have refined their security strategies in ways that reflect similar principles: pragmatic attention to physical safety, active engagement with local and international stakeholders and a focus on collaboration with others to develop standards and best practices. Organisations of both types pay more attention to the safety of their employees and the security of their facilities than in the past, although they attempt to be sensitive to the impact of their efforts on local communities. They make efforts to actively engage with ‘stakeholders’, which include members of the local community (not just the host government) and members of the international community (not just governments interested in intervening in the conflict). Both have worked to develop standards or best practices for operating in conflict zones. The strategy based on these principles – what we label an ‘engagement strategy’ – departs from the dominant security responses of both corporate and relief/aid organisations in the past.

The similar perception that these organisations faced increased violence, the parallel criticisms of their initial response, and their convergence on similar strategies suggests something to be gained from examining these different types of non-state actors side by side. How did transnational organisations deal with increased violence in particular situations? What options did they consider? What are the consequences of different strategies for internal security in a region? What are the consequences for the organisation’s mission as well? Why have many within these seemingly different types of organisation converged around a similar strategy? How do we best think of the interaction among these actors and others to understand security governance?

We draw on intersections among a range of literatures from both IR and criminology to provide some initial answers to these questions. We do not argue that these types of organisations are identical. In fact, they differ in important ways. But they share a similar environment and set of dilemmas due, in part, to their *transnational* status and their ‘non-violent’ missions. For reasons that we discuss below, their responses to violence draw them into the fabric of security governance.<sup>12</sup> We illustrate our argument with recent analyses of corporate and NGO behaviour in conflict zones.

### What are the options?

We examined the public record of what companies and NGOs said and did in response to violence to better understand the options each type of organisation considered and whether these overlapped. The first item of note is that in the mid-1990s both types of organisation saw violence as somehow different from what they had faced in the past. In statements and meetings, representatives from both of these communities complained that the world had changed. As put in the 1999 World Vision Security Manual, ‘The rules of security have changed. And so must our practices’.<sup>13</sup> Corporations that operated abroad, particularly

12. Wakefield refers to the ‘quilt’ of security in the United Kingdom, in which multiple agencies provide security. A. Wakefield, *Selling Security: The Private Policing of Public Space* (Cullompton: Willan Publishing, 2003).

13. C. Rogers and B. Sytsma, *World Vision Security Manual: Safety Awareness for Aid Workers* (Geneva: World Vision, 1999), 2.

in some parts of the developing world, also felt that the level and type of violence had changed. The degree of anxiety is reflected in the fact that insurers, including Lloyd's of London, began offering insurance on domestic war risks for the first time in decades.<sup>14</sup>

For now, we leave aside a detailed exploration of the timing of the spike in violence against these actors, and instead focus on the types of responses they considered.<sup>15</sup> Based on internal reports, conference proceedings, interviews, and a range of secondary literature, we inductively identified five basic options that transnational NGOs and corporations adopted at different times. Although some alternatives were more popular with one or the other type of organisation, both companies and NGOs considered each of the alternatives at some point.

The first, and perhaps most unsurprising, strategy is called 'avoidance' – withdrawing from high-risk areas or never even entering them. Based on a survey of executives, Berman points out that foreign investors seldom go into countries suffering territorial conflict.<sup>16</sup> Political risk is one of the important determinants of location decisions for foreign direct investment.<sup>17</sup> Most companies withdraw from conflict-torn areas and move elsewhere. For instance, in 2001, ExxonMobil shut down its oil and gas operations in Aceh, Indonesia, when the security situation there deteriorated, threatening its staff and nearby communities. Similarly, many humanitarian organisations consider withdrawal, and some actually do, when faced with an absence of 'humanitarian space'. Médecins Sans Frontières (MSF) pulled out of Afghanistan in 2004 for just this reason.<sup>18</sup>

Second, some organisations chose to respond to violence in what many traditional security studies scholars associate with a 'natural' response – circling the wagons. What we call a 'fortress' strategy emphasises the physical security of an organisation's people, assets, and mission and seeks to thwart or debilitate – often through extreme claims and actions – those who threaten them. Analyses of this kind of 'securitisation' suggest that the discourse surrounding security carries with it a history of association with the state and connotations

14. Bolger, 2001. From 1966 to 1990, the number of cash settlements paid out by the Overseas Private Investment Corporation (OPIC) for war damage or civil strife averaged only 0.583 per year, with almost all being war damage settlements. From 1990 to 2004, however, these categories became one – 'political violence' – and the average number of claims was 2.230 per year, drawing on figures from R.C. O'Sullivan, 'Learning from OPIC's Experience with Claims and Arbitration', in *International Political Risk Management: Looking to the Future*, ed. Theodore H. Moran and Gerald T. West (Washington, DC: The World Bank, 2005); see D. Avant, 'NGOs, Corporations, and Security Transformation in Africa International Relations', *International Relations* 29, no. 2 (2007): 143–61.

15. For initial analysis of violence against humanitarians, see L. Hammond, 'The Power of Holding Humanitarianism Hostage and the Myth of Protective Principles', in *Humanitarianism in Question: Politics, Power, Ethics*, ed. Michael Barnett and Thomas G. Weiss (Ithaca, NY: Cornell University Press, 2008); A. Stoddard, A. Harmer, and K. Haver, *Providing Aid in Insecure Environments: Trends in Policy and Operations* (London: Overseas Development Institute, 2006).

16. J. Berman, 'Boardrooms and Bombs: Strategies of Multinational Corporations in Conflict Areas', *Harvard International Review* XXII, no. 3 (2000), 28–32.

17. M. Busse and C. Hefeker, 'Political Risk, Institutions and Foreign Direct Investment', *European Journal of Political Economy* 23, no. 2 (2007): 397–415; N.M. Jensen, *Nation-States and the Multinational Corporation: A Political Economy of Foreign Direct Investment* (Princeton, NJ: Princeton University Press, 2008).

18. E. MacAskill, 'Aid Agency Quits Afghanistan over Security Fears', *The Guardian*, July 29, 2004. Risks have probabilities that can be calculated and therefore managed. Uncertainty, in contrast, cannot be quantified and therefore cannot be managed. Both NGOs and companies tend to overestimate the degree to which they face risk and not outright uncertainty, which means that the avoidance strategy is relatively rare.

of absolute divides and enmity that it cannot escape.<sup>19</sup> One might expect from this that as organisations perceive more security threats, they will increasingly favour a ‘fortress’ strategy to guard themselves, even acquiring violent capacities of their own. And some did. A 2008 article on mining companies operating in the Democratic Republic of the Congo described how the transnational mining firm Freeport-McMoRan literally turned their concessions into ‘secure fortresses’ in the face of potential unrest.<sup>20</sup> Even some NGOs considered acquiring violent capacity. CARE Canada, in the wake of the Rwandan debacle, published a report entitled ‘Mean Times’ that advised relief organisations to consider hiring private security companies directly to maintain ‘humanitarian space’:

Since the core dilemma humanitarians face is the ability of predators to prey on civilians and NGO staff at will, and since nations and the UN are increasingly hesitant to furnish the necessary means to provide that security, it is worth exploring whether in the face of the privatization of assistance, the privatization of security is also appropriate.<sup>21</sup>

A third ‘alliance’ strategy is similar in some ways to the fortress strategy, but involves joining forces with other actors. This means allying with governments, either home or host state (or both), or cooperating with local violent actors for protection against threats. The alliance strategy was very common during the Cold War, and is particularly associated with foreign corporations drawing upon the resources of their home government or cultivating the protection of an often-authoritarian host government. Corporate–government alliances have been typical of corporate policy from the beginning, especially since early firms such as the British East India Company were essentially arms of the state. During the Cold War, private firms were often quick to call on their home government for assistance. The infamous cooperation between ITT, Anaconda Copper, and the US government against Allende in Chile provides a prominent example of this, along with the US support for companies in Iran, Guatemala, and elsewhere. In a more recent example of corporate alliance with violent actors, Chiquita Brands paid off both rebel and paramilitary forces in Colombia in order to protect their plantations there.<sup>22</sup> Because foreign corporations typically require a licence to operate from the government, they are almost invariably drawn into a close relationship with the existing authorities.

NGOs have also considered alliance strategies, although they are viewed as controversial within the humanitarian community. Terry argues that NGOs were, in fact, frequently allied with one side or another during the Cold War. In Afghanistan in the early 1980s, she claims, ‘many NGOs were direct tools of US foreign policy’.<sup>23</sup> Terry includes CARE,

19. Ronnie D. Lipschutz, ed., *On Security* (New York, NY: Columbia University Press, 1995); B. Buzan, O. Waever, and J. de Wilde, *Security: A New Framework for Analysis* (Boulder, CO: Lynn Rienner Publishers, 1998).

20. Stephanie McCrummen, ‘Across Congo, Freelance Miners Dig In against Modern Industry: Firms Forced to Deal with Scrappy Independents’, *Washington Post*, April 24, 2008.

21. Michael Bryans, Bruce D. Jones, and Janice Gross Stein, ‘Mean Times: Humanitarian Action in Complex Political Emergencies – Stark Choices, Cruel Dilemmas’, *Report of the NGOs in Complex Emergencies Project, Coming to Terms*, vol. 1, no. 3 (Toronto, ON: Center for International Studies, University of Toronto, 1999).

22. Special Litigation Committee, ‘Executive Summary – Report of the Special Litigation Committee Chiquita Brands International, Inc.’, U.S. District Court, Southern District of Florida Case 0:08-md-0916-KAM February (2009).

23. Terry, *Condemned to Repeat*, 74.



Catholic Relief Services, the International Rescue Committee, and Church World Services in that category. However, many NGOs professed commitments to neutrality, impartiality, and independence even during the Cold War. In the 1990s, even as NGOs were delivering aid under contract to donor governments and in the same area as troops in places like Somalia, many went to even greater lengths to proclaim independence and neutrality and deny any affiliation or alliance. But critics dismissed the charade of an apolitical humanitarian role and claimed that humanitarianism accommodated political violence, and therefore was a failure. In their quest to be ‘apolitical’, the critics held that humanitarians were insensitive to power, which led them to be incorporated into the very violence they sought to work against. Therefore, they suggested a more forceful political role, even taking sides in some instances, to pursue the ideals on which humanitarianism is based – protecting people from cruel, inhuman or degrading treatment, and/or promoting human rights.<sup>24</sup> Barnett and Snyder suggest that those humanitarian organisations that wanted to change the constraints under which they worked and were willing to become political tended to choose a strategy called ‘back a decent winner’, which is consistent with an alliance strategy.<sup>25</sup> Most NGOs, however, rejected overt alliances as an affront to their principles.

The fourth option considered was an ‘acceptance strategy’, in which an organisation operates only in a territory when local actors – governments, rebels, and civil society – accept it as an apolitical party. First proposed by the International Committee of the Red Cross (ICRC) in the nineteenth century, this strategy was officially adopted by many NGOs as they began to proliferate in the middle of the twentieth century and dominated among the NGO community during the Cold War. In response to the increase in violence in the 1990s, NGOs sought guidance about how to operate in these ‘complex emergencies’. In response, the ICRC issued the ‘Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Response Programmes’.<sup>26</sup> It spelled out standards to which disaster response NGOs should aspire, reiterating neutrality, impartiality, and independence as core components of NGO behaviour. The ‘Code of Conduct’ advised NGOs on these principles, but it was also a tool for informing other audiences that the delivery of humanitarian aid to those in need, regardless of any other consideration, was not a partisan or political act and should not be seen as such. So long as humanitarian groups were delivering aid to those in need, they should be given ‘humanitarian space’ (and thus not be shot at) to carry out their mission.<sup>27</sup>

Historically, many companies have also sought to maintain a neutral posture. Instead of claiming ‘humanitarian space’, they seek out ‘commercial space’ in which they can operate without being viewed as political entities allied with one side or the other. Litvin provides a historical overview of corporations abroad in which he repeatedly highlights their claims to neutrality in local politics, and describes the many ways in which they fail

24. M. Duffield, ‘Symphony of the Damned’, *Disasters* 20, no. 3 (1996): 173–93; N. Stockton, ‘NGOs – Humanitarian Cure or Curse?’, *DHA News, Focus: Aid Under Fire – Relief and Development in an Unstable World* (Geneva: Department of Humanitarian Affairs, May–June, 1995).

25. M. Barnett and J. Snyder, ‘The Grand Strategies of Humanitarians’, in *Humanitarianism in Question: Politics, Power, Ethics*, ed. Michael Barnett and Thomas G. Weiss (Ithaca, NY: Cornell University Press, 2008).

26. ICRC, *Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Response Programmes* (Geneva: ICRC, 1994).

27. Code of Conflict for the International Red Cross and Red Crescent Movement and NGOs in Disaster Response Programmes, <http://www.icrc.org/Web/Eng/siteeng0.nsf/html/57JMNB#a3> (accessed August 2006).

and get drawn into political contention often through a deliberate shift to another strategy (such as allying with local powers in the face of violence).<sup>28</sup> Oil corporations, for instance, typically claim neutrality in local conflicts – Unocal in Myanmar, Talisman in Sudan, and elsewhere. This claim to neutrality is viewed by critics as a tool to protect the corporation even as it benefits from an implicit alliance with government.<sup>29</sup> When a major corporation enters an unstable area, the different sides in the conflict often seek to draw it in as either an ally or a target.

Finally, we identify a fifth strategy that emerged during the last two decades – what we call an ‘engagement strategy’ (also sometimes called ‘active acceptance’ in the NGO community). Under this alternative, an organisation actively seeks to understand their own role in producing or mitigating violence, pursues relationships with all those affected by violence, develops codes and best practice standards in cooperation with other transnational actors, and makes a proactive commitment to reduce the prospect for violence.<sup>30</sup> Both corporations and NGOs have pursued this strategy in recent years, and some variant of it is now considered to be best practice in both communities.

In the corporate world, the engagement strategy grew out of the corporate response to intense criticism from activist organisations, and increasing concern over the effect of violence on commercial operations. In the 1990s, companies faced accusations of complicity with repressive regimes and involvement in human rights violations. British Petroleum was accused of facilitating human rights violations by both public and private security forces in Colombia. Shell was (and still is) targeted for its alliance with the Nigerian government repressing Ogoni activism. Unocal and Total were accused of aiding government repression in Burma. In addition, a range of financial and other firms were accused of aiding and abetting the long-running civil war in Angola, including facilitating international transactions that constituted illegal sanctions busting.<sup>31</sup> The extractive sector was accused of providing resources that financed war and violence through trade in valuable commodities (oil and banking in Angola, diamonds in Sierra Leone, and timber in Liberia).

By the end of the decade, corporate leaders engaged in a new discourse about corporate responsibility. They began to assess the impact of company operations on the likelihood of conflict, instability, and human rights violations. Individual corporate efforts to respond to crises, such as Shell’s development of the Shell Principles, highlighted a role for engagement with community stakeholders as well as governments. This evolved into a general appeal to companies to become directly engaged in conflict prevention as a way to assure corporate security – security of access to resources, security for their markets, and physical security from attacks. A recent RAND report on corporations and counter-insurgency pointed to the increasing use of ‘soft’ security measures through adoption of codes of behaviour and investment in community relations. It comments that ‘Although difficult to quantify, a hearts-and-minds strategy can serve important corporate interests’.<sup>32</sup>

28. D. Litvin, *Empires of Profit: Commerce, Conquest and Corporate Responsibility* (New York: Texere, 2003).

29. R. Dufresne, ‘Opacity of Oil: Oil Corporations, Internal Violence, and International Law’, *Journal of International Law and Politics* 36, no. 2 (2003): 331–94.

30. The term ‘engagement’ was introduced as a security strategy in the US National Security Strategy of Engagement and Enlargement in February 1994. This document promoted principles similar to the engagement strategy we describe for non-state actors here.

31. R. Fowler, *Fowler Report* (New York: United Nations, 2000).

32. Rosenau et al., *Corporations and Counterinsurgency* (Occasional Paper. Santa Monica, CA: RAND, 2009), 6–7.

A prominent 2000 report, 'The Business of Peace', made the 'business case' for corporate conflict prevention as a means to enhance both security and profits through the creation of a stable environment.<sup>33</sup> Throughout the last decade, some companies have been experimenting with how to implement an engagement strategy, often collaborating with transnational NGOs such as the Collaborative for Development Action (CDA) or International Alert.<sup>34</sup>

A similar approach emerged in the NGO field at the end of the 1990s. Koenraad Van Brabant at the Overseas Development Institute developed a multitrack approach to security management that integrated protection (hardening the target and reducing vulnerability), acceptance (gaining approval from the population as well as from official and de facto authorities), and deterrence (promising punishment, including the threat of pulling out) to reduce the likelihood of violence. His so-called 'security triangle' was only the beginning of his strategic advice though. He critiqued NGO staff who had little understanding of the dynamics of particular conflicts and simply assumed that they would be accepted, rather than working with local communities to obtain their acceptance. Van Brabant discussed the importance of developing cooperative relationships as a security approach – with local players, other aid agencies, donors, and international political actors – including states as well as private business actors, diasporas and other interested parties. He took pains to emphasise that these relationships must be balanced and managed with constant attention to what would best reduce the threat of violence so as to ensure the success of the NGO mission. This integrative approach to security has gained widespread acceptance and been developed into best practices for NGOs.

These five strategies are neither an exhaustive list nor mutually exclusive approaches. However, they describe the dominant range of options that have been on the table, so to speak, among both types of transnational organisations in the recent past. Now we turn to how these strategies might feed into security governance and why different types of organisations have been drawn to the same strategy.

### **What is the impact of different strategies?**

The security options transnational organisations choose portend different behaviour. We expect to see various strategies having different impacts on three particular outcomes: achievement of the organisation's mission, whether it is profits or humanitarian aid; changes in the level of violence and threat, to both the organisation itself and the wider community; and local governance capabilities, particularly in the arena of security. Using the empirical literature on corporations and NGOs and the logic implied by analyses of nodal governance, we suggest the different dynamics introduced by various strategies.<sup>35</sup> It is often implicitly assumed that the 'right' strategy will yield a productive mission, less violence, and better governance. Our survey of the field suggests there is more contingency and variability than that. But because the strategies of transnational organisations interact with those of other actors on the ground, their behaviour is unlikely to determine security

33. J. Nelson, *The Business of Peace* (London: International Alert, Council on Economic Priorities, The Prince of Wales Business Leaders Forum, 2000)

34. L. Zandvliet, 'Working in a Changing World: A New Approach to Risk Mitigation in Zones of Conflict', in *Annual Review*, ed. CDA Collaborative Learning Projects Website; International Alert (London: International Alert, 2005).

35. Johnston and Shearing, *Governing Security*.

governance outcomes on their own. The outcomes of any choice by a particular organisation are mediated by the choices of others. The quality of security governance results from the interactions among all relevant actors.

### *Avoidance*

Organisations that opt to avoid violence potentially sacrifice their mission in the locale they leave. Removing staff members from danger can preserve the rest of the organisation and its capacity to achieve its global mission. This strategic choice is one of the distinguishing features of *transnational* NGOs and firms, since domestic actors can rarely leave (although local companies can go out of business and local NGOs can fold).

Withdrawal from violent areas certainly removes the organisation from a direct role in causing violence. This has led some to argue that there are conditions under which companies should simply withdraw in order to cut the link between their operations and the local violence – what has been referred to as ‘red flags’ which create liability for the company.<sup>36</sup> For instance, some companies today are not investing in South Sudan or are withdrawing, as they foresee increased violence as the country establishes its independence. The decision on whether to stay or go is one of the most contentious aspects of corporate investment abroad.

Similarly, Fiona Terry argues that NGOs should resist becoming instruments of others by pulling out when they cannot remain independent. Although withdrawing removes NGOs from violence, it can nonetheless contribute to a spike in violence overall. With fewer actors watching, violent forces may be unleashed. This is something that analysts have pointed to in a variety of conflicts including Rwanda.<sup>37</sup> Withdrawal can also affect governance at both the local and global levels. Locally, it rewards the violent parties who may seek to drive out foreigners. As Laura Hammond argues, violence against humanitarians may be performative – designed to send a message – and the withdrawal of NGOs can bolster the violence.<sup>38</sup> NGO withdrawal in Iraq led other organisations such as private contractors and the US military to step in to carry out relief and reconstruction work, playing into the hands of those who – either locally or globally – reject humanitarian assistance for its political purposes.

A similar dilemma can plague TNCs. The Institute for Human Rights and Business argues that the presence of large companies in a fragile state can exacerbate the potential for conflict – but their departure can also destabilise society.<sup>39</sup> Companies that withdraw take with them both economic opportunities and potentially higher social and environmental standards. Talisman Energy, which had an indirect stake in oil development in Sudan, eventually divested due to political pressure; it argues today that the situation only worsened upon its departure, as Chinese firms with less commitment to transparency and ethical behaviour took its place.<sup>40</sup> When ExxonMobil shut down its operations in Aceh in 2001 due to insecurity, the government increased military troop movements in the area

36. International Alert, *Red Flags: Liability Risks for Companies Operating in High-risk Zones* (International Alert: London, 2008).

37. D. Keen, *Complex Emergencies* (London: Polity Press, 2008).

38. Hammond, ‘The Power of Holding Humanitarianism Hostage’.

39. Institute for Human Rights and Business, *Conflict* (London: Institute for Human Rights and Business, 2011), <http://www.ihrb.org/about/programmes/conflict.html> (accessed March 2012).

40. R. Manhas, ‘Talisman in Sudan: Impacts of Divestment’, *Compact Quarterly* March, no. 1 (2007), <http://www.enebuilder.net/globalcompact/index000170471.cfm> (accessed March 2012).

in an effort to persuade the economic giant to return, leading to heightened insecurity for local residents.<sup>41</sup>

### **Fortress**

Some organisations that have pursued a fortress strategy have been able to maintain their mission in the short run. Greater attention to protection measures by NGOs has reduced the potential for armed groups to skim off resources and thus helped maintain stability at the margins. The same may be true of corporations, at least in the short term.

Non-violent actors frequently undertake fortress strategies by contracting with armed actors from outside the organisation. This introduces the problems associated with a principal–agent relationship, as the interests of the contractor may diverge from those of the organisation that hired them. Take, for instance, the strategy of MSF for dealing with insecurity in Somalia in the early 1990s. In response to having its workers forced at gunpoint to tend to some patients in preference over others, MSF sought security from both of the rival sub-clans in Mogadishu. When an informal arrangement for Aidid’s forces to provide police proved ineffective, the team on the ground accepted a proposal from Osman Ato (a top official under Mohammed Farah Aidid) to pay him for the supply of armed guards. Payment created more reliable guards and some independence from the political situation. But the revenue increased the power of Osman Ato. Soon guards were needed for travel as well – and if MSF tried to organise a trip without guards, they risked attack from Ato’s own men.<sup>42</sup>

This strategy also risks turning a corporation or an NGO into a ‘player’ in the conflict. To the degree that an organisation identifies ‘threats’ from ‘others’ which should be treated in extraordinary ways, it risks exacerbating ongoing violence. When Freeport McMoRan mining operations in Indonesia were threatened by the Aceh independence movement, the company paid local soldiers and police to help protect them. But this was seen as a sign that the company had allied with the government, which further exacerbated the situation. The situation in Aceh deteriorated to the point that the company suspended operations there.<sup>43</sup>

The fortress strategy can lead to islands of security within a larger insecure environment, which undermines relations between local citizens and the transnational organisation. This may happen when a company or NGO hires a private security firm to protect its own people while leaving local neighbours vulnerable to violence. When the only people and places that are safe belong to foreign firms and non-profit organisations, this can undermine the legitimacy of the incumbent government, increase the sense of injustice within local communities, and potentially create the conditions for more violence.

### **Alliance**

When an organisation selects an alliance strategy, it typically chooses to collaborate with the host government. This has been the most common strategy among TNCs, for a variety of reasons, including the need to obtain an operating permit and to gain access to government resources. Corporations are able to invest and establish their business with government support, successfully achieving their mission. On the other hand, this alliance can open the way for the government to influence corporate decisions, and it can lead

41. Residents of Aceh have brought suit in the US courts against Exxon for human rights abuses.

42. Terry, *Condemned to Repeat*, 37–8.

43. Freeport McMoRan, *Annual Report* (Phoenix, AZ: Freeport McMoRan, 2010).

to a backlash from societal groups if the government loses legitimacy. Shell in Nigeria, Total in Burma, and Talisman in Sudan all allied with the government in order to pursue their investment goals. Shell continues to be attacked for its alliance with the Nigerian dictator, Sani Abacha, who summarily hanged Ogoni activists in 1995. Talisman divested from its interests in Sudan in 2003 because its position had become untenable. By taking sides, corporate alliances with repressive regimes can lead to more violence when corporate resources are used to heighten the government's capacity to repress. Alliances with unscrupulous governments or other violent actors can provide temporary protection, but in the end may provide resources for the continuation or intensification of violence.<sup>44</sup> Chiquita found itself paying both rebels and paramilitaries to secure its property in Colombia, which contributed to the difficulty of ending the conflict and establishing a stable environment.

Humanitarian groups may also establish alliances on the ground in the areas where they operate. They may work cooperatively with host governments in the distribution of humanitarian resources, for instance, in order to gain access to the groups they seek to aid. In doing so, they may have to operate under government rules, which limit their ability to deliver aid in a neutral manner. This was the case with the aid agencies that worked in Afghanistan in the early 1980s. As Terry puts it, 'The aid agencies were dependent on the protection and assistance of the mujahideen; negotiations for the practical application of humanitarian values, such as ensuring that aid reached the most needy, were tainted by support for 'the cause'.<sup>45</sup>

Beyond that, alliances with one side or another can lead aid agencies to be targeted by different sides in a conflict. This was particularly true during the Cold War. For instance, suspicions that aid agencies were helping Salvadoran guerillas as they tended to the refugees in Honduras led Honduran government forces (who were sympathetic to the US backed regime in El Salvador) to use violence against both refugees and aid workers.<sup>46</sup> More recently, aid workers in both Iraq and Afghanistan have been targeted as collaborators with the US or NATO efforts.

### *Acceptance*

An acceptance strategy attempts to maintain the organisation's mission without affecting violence or governance by proclaiming neutrality, impartiality, and independence in a way that is assumed to lead to acceptance among (and access to) those on the ground. Although many NGOs abide by these proclamations, the sheer amount of resources that NGOs typically bring to an area almost guarantees that they will have an impact. In response to the exodus from Rwanda following the genocide in 1994, for instance, the international community spent \$1.2 billion between April and December – 20% higher than the yearly gross domestic product (GDP) of pre-war Rwanda.<sup>47</sup> Similarly, while corporations can proclaim purely commercial interests, a single oil development deal can be worth tens of billions of dollars, as demonstrated by the recent agreement between the Malaysian state oil company and Shell. In 2011, the oil company Total committed to investing \$200 million in oil exploration in Sao Tome and Principe – a country whose official GDP last year was

44. Reno, *Warlord Politics*.

45. Terry, *Condemned to Repeat*, 80.

46. *Ibid.*, 94.

47. B.D. Jones, *Peacemaking in Rwanda: The Dynamics of Failure* (Boulder, CO: Lynne Rienner, 2001), 139.

\$200 million.<sup>48</sup> These resources provide a tempting target for diversion and can facilitate corruption and sometimes increase violence.

Diversion of aid can enhance violence in a number of ways. Resources can be stolen by soldiers to finance the war effort, or relief workers and aid recipients can be taxed on the money that they earn or are given. In addition, aid recipients can free up local resources to be used for conflict. During the refugee crisis in the Democratic Republic of Congo (then Zaire) that followed the Rwandan genocide, Hutu perpetrators of the genocide were able to use each of these to their advantage. Violence increased against both the populations of the camp and, eventually, the Rwandan government. Although this is the most dramatic example, there have been many others. Concerns over the transfer of resources are common among most critiques of NGOs' use of acceptance strategies.<sup>49</sup> The use of an acceptance strategy by NGOs also has consequences for governance. At the most basic level, relief affects who lives and dies. It can also, however, affect who gains and loses authority vis-à-vis their work with transnational organisations. For instance, Anderson suggests that Operation Lifeline Sudan (OLS – a consortium of aid groups) became a legitimising force for aspiring commanders who use negotiations to increase their power as legitimate wielders of authority.<sup>50</sup> The impact of an acceptance strategy on governance is sometimes judged to be beneficial and sometimes not. Terry claims that a consortium of aid agencies who worked through local partners in Eritrea in the 1980s had a positive outcome, given the strong commitment the partners had to the public welfare of citizens. The UN-led association with the Sudan People's Liberation Army (SPLA) in Sudan, however, has been harmful, given the SPLA's predatory practices.<sup>51</sup> In both cases, the pattern of governance in the territory was different than it might have been because of the humanitarian effort.

Similarly, the 'purely economic' behaviour of companies has significant effects on the distribution of resources within a local community. The division of benefits is a contentious issue and one that is difficult for companies to resolve. They provide jobs, salaries, contracts, infrastructure, and other benefits, but these are often distributed unevenly within a country. Zandvliet and Anderson point out that 'the single most troublesome issue that companies face in benefits distribution is the resentment that communities feel when they think that the *wrong* people gain a lot while other *deserving* people get nothing'.<sup>52</sup> This perception of unfairness can undermine the ability of a firm to operate and earn profits. If unchecked, this resentment can undermine the legitimacy of local governance and turn into violent attacks on the company. This is essentially what we see highlighted in the case of Shell in Nigeria today.

### **Engagement**

Finally, organisations pursuing an engagement strategy seek to maintain their mission by opening up non-violent processes of addressing local grievances and working with a wide

48. CIA, *Sao Tome and Principe* (Washington, DC: CIA, 2012), <https://www.cia.gov/library/publications/the-world-factbook/geos/tp.html> (accessed March 2012).

49. A. De Waal, *Famine Crimes: Politics and the Disaster Relief Industry in Africa* (Bloomington: Indiana University Press, 1997); Anderson, *Do No Harm*; Terry, *Condemned to Repeat*; Lischer, 'Collateral Damage'.

50. Anderson, *Do No Harm*, 50.

51. Terry, *Condemned to Repeat*, 36–7.

52. L. Zandvliet and M. Anderson, *Getting it Right: Making Corporate-Community Relations Work* (London: Greenleaf Publishing, 2009), 24.

array of actors, including those outside the state – at multiple levels from local through global – to enhance governance. This stakeholder engagement requires organisations to be more transparent about their goals and behaviour, and to proactively seek to promote peaceful resolution of conflict. Engagement strategies are often justified as a means for the firm or NGO to achieve its mission despite a difficult environment. For both transnational NGOs and corporations, stakeholder engagement has become an increasingly accepted strategy, although there is still uncertainty about how to implement it and whether it really works.<sup>53</sup>

By their very nature, engagement strategies draw transnational actors into existing political processes or lead them to create new ones. While the idea behind the strategy is predicated on the hope that this will lead to a reduction in violence and an improvement in governance, this is not always the case. Larissa Fast, for instance, has argued that engagement strategies are associated with *higher* levels of particular kinds of violence towards NGO personnel.<sup>54</sup> Her study of NGOs in Angola, Sierra Leone, and Ecuador distinguishes among different types of threats: safety threats (accidents or health risks), security threats (acts of violence), ambient security risks (by virtue of simply being in a dangerous environment), and situational security risks (aggression directed at an individual or organisation). She finds that organisations face higher situational security risk when they carry out multiple activities along with providing material aid, are operational NGOs, and act impartially and integrate with the community in which they operate. Her analysis presents something of a ‘security dilemma’ for NGOs. The very practice of engagement may increase the insecurity of people who work for NGOs.

Violence can thus vary in a number of ways. It can not only go up and down but also target different people. This targeting may be tied to the success of an organisation’s mission, particularly when, through engagement, the organisation is building political support to reduce conflict. As Mary Anderson argued, violence against aid workers (international or local) or the populations they work around is sometimes a desperate response by those who would benefit from the continuation of conflict. Similarly, the violence sometimes targeted at corporate operations may be an indirect attack on the prevailing order by those who seek to gain from either violence itself or another order as they are a proxy for the real source of grievance.

To date, no similar survey of the impact of corporate engagement policies and security risks has been undertaken, but perverse outcomes may operate for transnational firms too. This is particularly true of large corporations, whose very presence may raise expectations among the local populace that cannot be met. In addition, given the perceived power and wealth of corporations, there are those who would advocate against the kind of collaboration and cooperation implied by the stakeholder engagement strategy, arguing that it simply reinforces the existing status quo in places where the main threat to local communities is from their own government.<sup>55</sup> In other words, the engagement strategy may enhance security for the corporation but not for the local community because engagement cannot

53. Ibid.; Rosenau et al., *Corporations and Counterinsurgency*.

54. Larissa Fast, ‘Characteristics, Context and Risk: Ngo Insecurity in Conflict Zones’, *Disasters* 31, no. 2 (2007): 130–54.

55. One of the strongest advocates of a corporate stakeholder engagement strategy is the Collaborative for Development Action, a US-based NGO. Another NGO – Earth Rights International – has critiqued this approach as applied in Burma/Myanmar, where engagement policies support the existing military regime – a critique that echoes the debate over the US government engagement with dictators in the 1980s.



address the risks a population may face from a repressive regime. That said, those who advocate engagement stress the importance of providing security for both the corporation and the community.<sup>56</sup>

The relationship between engagement and governance is similarly complex. The engagement strategy recommends a deep and ongoing involvement with actors at both the global and a range of local levels. The commitment is to reduce violence not only in a way that reflects respect for human rights and democratic processes of involvement (as this is seen as the benchmark of legitimacy by the ‘international community’) but also in ways that reflect local knowledge and values (so it will be seen as legitimate at the local level). Engagement strategies require transparency and consultation, often in political environments characterised by state repression. The desire for engagement by the corporation or NGO may be in tension with the dangers this can pose to community participants from those outside the process – government, rebels, and criminal organisations. How engagement ‘works’ depends on a political process involving global, national, local, and transnational actors.<sup>57</sup>

There are a variety of tensions in the practice of engagement. First, there is a tension between its support of efforts to deeply engage with local actors on the ground in highly variable circumstances but also to develop global standards for what an engagement strategy entails. There is also a tension between the global human rights values that drive the choice of an engagement strategy and the respect for local input that it demands. Scholars have noticed similar kinds of tensions in the more general engagement of the international community in local or internal conflicts as peacemakers or post-conflict peacebuilders<sup>58</sup> as well as in their efforts to develop justice and security in these societies.<sup>59</sup> Successful management of these tensions is contingent on whether engagement efforts can simultaneously affect global and local conversations and bring them into greater congruence – or at least understanding.

Engagement strategies can thus be seen as distinct from the other strategies in a number of ways. They are more accepting of the input of the range of others around which transnational organisations work than fortress or alliance strategies, for instance. They are also more reflective about the political impact that transnational actors are likely to have than acceptance strategies. In addition, they are more interactive than avoidance strategies. These differences should lead engagement strategies to shape the social dynamic in ways that other strategies do not. Governance outcomes, though, depend on the skill with which these strategies are undertaken and on the response they generate from others.

The relationship between the security strategies transnational organisations choose and outcomes for the organisation and for local violence and governance is worth a good deal more thought. What is eminently clear, though, is that these transnational non-violent organisations affect the security environment in the areas in which they operate. Their actions have political consequences. Historically, the strategies have been somewhat different among corporations and NGOs, with corporations more likely to admit to fortress and alliance strategies and NGOs more likely to claim adherence to acceptance. The consequences of strategies have also been somewhat different for corporations and NGOs, given

56. Zandvliet and Anderson, *Getting it Right*; UN Global Compact, *Doing Business While Advancing Development and Peace* (New York, NY: UN Global Compact, 2010).

57. Zandvliet and Anderson, *Getting it Right*; Rosenau et al., *Corporations and Counterinsurgency*.

58. R. Paris and T. Sisk, *The Dilemmas of Statebuilding: Confronting the Contradictions of Post-war Peace Operations* (New York: Routledge, 2008).

59. Albrecht et al., *Perspectives on Involving Non-state and Customary Actors*.

their different missions and motivations, although there is more overlap than one might have thought. Most importantly, no organisation alone can determine the result of their strategies. The result has to do with the relations *among* actors on the ground.<sup>60</sup>

### **Why have engagement strategies become dominant among both corporations and NGOs?**

Given the different motivations of NGOs and corporations, we might have expected them to pursue different strategies when faced with increased violence. To understand why their strategies look similar today, we traced debates among the corporate and NGO communities on security issues over the past 20 years. We find the literature on diffusion useful here – particularly those analyses that focus on the interaction between ideas and relationships as they respond to events in the ‘real world’.<sup>61</sup> Increased violence shocked both the corporate and NGO communities at the end of the Cold War, unsettling the conventional wisdom about how to guarantee their ability to pursue their missions. The old paradigm did not provide effective guidance on policy choice, leading to a search for new solutions.<sup>62</sup> New ideas about the broadening of security beyond the nation state and the emergence of a global society with common norms – such as social responsibility, transparency, and good governance – provided a new frame for thinking about how to respond to violence.

NGOs and corporations increasingly interacted with each other – both constructively in cooperative partnerships, and contentiously as activist NGOs criticised corporate behaviour. These interactions included consultation with an increasingly wide array of actors, in multi-stakeholder meetings. They participated in a larger discourse regarding the nature of conflict and peace, the impact of transnational non-violent actors on violent environments, and the policies that were most likely to reconcile security with other values such as human rights and democratic processes. The engagement strategies that resulted from this interaction drew on prominent ideas, took account of expanding relationships, and were pragmatically useful, allowing organisations to continue to pursue their mission but in a way that was deemed consistent (by many) with their broader claims to authority.

There is significant evidence in the composition of conferences, the focus of articles in journals, the reports of policymakers, and the conversations and practices among practitioners in both the commercial and NGO communities that the level and type of violence in the 1990s was seen as something new and unsettling.<sup>63</sup> There is also evidence that a broadened notion of security established the basis for new thinking about how to deal with this shock.<sup>64</sup> An emerging corporate accountability agenda contributed to the development

60. D. Avant, M. Finnemore, and S. Sell, *Who Governs the Globe?* (Cambridge: Cambridge University Press, 2010).

61. F. Dobbin, B. Simmons, and G. Garrett, ‘The Global Diffusion of Public Policies: Social Construction, Coercion, Competition, or Learning?’, *Annual Review of Sociology* 33, no. 1 (2007): 449–72; G. Garrett and B. Weingast, ‘Ideas, Interests, and Institutions: Constructing the European Community’s Internal Market’, in *Ideas and Foreign Policy*, ed. Judith Goldstein and Robert Keohane (Ithaca, NY: Cornell University Press, 1993); and D. Avant, ‘From Mercenary to Citizen Armies: Explaining Change in the Practice of War’, *International Organization* 54, no. 1 (2000): 41–72.

62. J. Campbell, ‘Ideas, Politics, and Public Policy’, *Annual Review of Sociology* 28 (2002): 21–38.

63. D. Avant and V. Haufler, ‘Private Security Strategies and Their Public Consequences: Transnational Organizations in Historical Perspective’, in *Public/Private Interaction and the Transformation of Global Governance Workshop* (Ottawa, ON: University of Ottawa, 2009).

64. Matthews, ‘Redefining Security’; Buzan, *People, States and Fear*.

of a new approach to dealing with conflict.<sup>65</sup> Ideational commitments to democracy and democratic practices were also important, particularly an increasing commitment to transparency, which encouraged inclusiveness, buy-in, and taking account of other viewpoints in order to gain legitimacy.<sup>66</sup>

Connections among transnational actors were more possible and prominent with the end of the Cold War, the globalisation of markets, and the emergence of new ideas about security. Transnational organisations operated in more places in the world, which both increased their potential exposure to risk and embedded them in a web of networks in which to discuss shared concerns.<sup>67</sup> International conferences brought different parts of the NGO and business communities together repeatedly, and transnational governance initiatives that established codes of conduct and standards of behaviour provided a number of common arenas for repeated interactions focused on conflict prevention and management (e.g. the UN Global Compact, the Kimberley Process, the Extractive Industries Transparency Initiative (EITI), and Voluntary Principles). Transnational NGOs both targeted and partnered with corporations, and corporations interacted with governments, NGOs, and other members of the international community in new multi-stakeholder initiatives.

Discussions of working in violent areas in the context of the broadened conceptions of security and the commitments to democratic practices mentioned above led NGOs and corporations to begin to extend obligations of accountability, attention to human rights inclusiveness, engaging with stakeholders, and toleration of multiple viewpoints to themselves.<sup>68</sup> New standards of appropriate behaviour for non-state actors, such as corporate social responsibility and NGO principles of ‘do no harm’, can be traced to these ideas.

Two more specific ideas became prominent within both humanitarian and corporate communities. First is the idea of ‘conflict sensitivity’, i.e. that transnational organisations have to be more aware of their own impact on conflict dynamics and that they do not stand outside of the communities in which they work but become integral parts of it. This led these organisations to perceive their own security as tied to that of the communities in which they were active. Second is the idea of ‘collective or multi-stakeholder standard-setting’, in which organisations pursue collective responses (developing common rules, standards, and practices) to address local violence.

Finally, these ideas squared a (somewhat different) circle for both types of organisation. It allowed them not only to continue to pursue their mission (rather than withdraw) but also to make a plausible argument that they were doing good rather than harm and doing so in a way that was consistent with their broader claims to authority by keeping their independence from particular states or other political organisations. They did not have to be ‘political’ in the sense of taking sides – they could ‘engage’ with all.

65. V. Haufler, ‘Corporations in Zones of Conflict: Issues, Actors, and Institutions’, in *Who Governs the Globe?* ed. Deborah Avant, Martha Finnemore, and Susan Sell (Cambridge: Cambridge University Press, 2010).

66. A.M. Florini, *The Third Force: The Rise of Transnational Civil Society* (Tokyo and Washington, DC: Japan Center for International Exchange and the Carnegie Endowment for International Peace, 2000); Held et al., *Global Transformations: Politics, Economics, and Culture* (Stanford: Stanford University Press, 1999).

67. J.G. Ruggie, ‘Reconstituting the Global Public Domain – Issues, Actors, and Practices’, *European Journal of International Affairs* 10, no. 4 (2004): 499–531.

68. Mathews, ‘Redefining Security’; Buzan, *People, States and Fear*; International Commission on Intervention and State Sovereignty, *The Responsibility to Protect* (Ottawa, ON: International Development Research Centre, 2001), 1–91; and D. Held, *Democracy and the Global Order: From the Modern State to Cosmopolitan Governance* (Palo Alto, CA: Stanford University Press, 1995).

There are important differences, however, between commercial and humanitarian organisations and their respective claims to authority. This led to some differences in the processes of change within the two communities. NGOs vary widely in size, organisation, professionalisation, and resources, but on average they have less of each of these than extractive sector firms. Humanitarians and extractive firms also found themselves in dangerous locations for different reasons. Humanitarians provide aid to those suffering from disaster and violence, and therefore must seek out risky environments. Extractive companies develop natural resources but, all things equal, would prefer to find these resources in areas without conflict. Humanitarian groups seek access to particular people, often those who are most forgotten or abused by their own governments. TNCs, particularly the mining and oil companies that operate in conflict zones, seek access to resources that are highly valued by host governments but require only incidental contact with the local population. These differences led to distinct claims to authority and to different self-conceptions among NGOs versus corporations.

In the case of humanitarian NGOs, increased activity in the 1990s was tied to increased access to resources from donor governments, as more governments contracted out their aid programmes. Many within the community worried that this would lead to the politicisation of humanitarians – and compromise their mission and authority. A certain amount of introspection was built in to the logic of the authority of humanitarian NGOs. Fallout from widely reported failures in the Goma refugee camps and elsewhere led to a process of debate and reassessment *within* the NGO community. This process led to debate, deliberation, and various experiments until humanitarians (or at least a significant portion of them) settled on a new approach.

In contrast, incidents such as the hanging of Ken Saro-Wiwa in Nigeria, and the connection being made between diamond trading and conflict, led to widespread criticism of companies from *outside* their community. Companies were often less aware of local concerns of the less powerful, and less likely to see their actions as contributing to violence by others. Human rights advocates, however, were happy to educate corporations. Indeed, they saw companies as more amenable to education than many governments.<sup>69</sup> They not only levelled criticism but also suggested new norms and practices that led to a reassessment of traditional policies, experimentation, and eventual endorsement of new policies by the corporate community – transparency, supply chain management, and participation in community development. So while crises, new ideas, and experimentation were important in both communities, the process of diffusion among humanitarians was one of internal reassessment, while corporate change was largely driven from the outside.

In generating particular strategies and practices, an interesting role has been played by consultants, risk analysts, think tanks, private security firms, and the insurance industry. These may be operating as for-profits or non-profits, but they all provide advice, training, and different degrees of protection to both firms and NGOs. As a group, they started from a diversity of perspectives, but have provided overlapping services to the organisations operating in risky environments. Some, such as RedR, provide training and advice only to non-profits, but those same non-profits may also obtain security training from a for-profit security firm. Some think tanks tried to provide a common framework for all non-profits, for instance, through the Security Management Initiative launched by the Program on Humanitarian Policy and Conflict Research (HPCR) in Geneva. Associations of private security firms, governments, and NGOs developed standards and certifications

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69. Hauffer, 'Corporations in Zones of Conflict'.

to apply across all member firms. Also important are political risk analysts who develop risk methodologies and data that they provide to the organisations directly at risk, and also to the insurers and others who have a financial stake in these organisations and can often demand particular strategies or practices as a condition for insurance.

The practices associated with engagement were thus a product of the interaction between ideas and relationships as they interacted with events on the ground. Although organisations considered and in some cases experimented with a range of strategies, their increased interaction with one another and sharing of ideas and practices led to greater commonalities over time.

Ironically, despite the fact that engagement approaches were developed (in part) as a mechanism to avoid being drawn in to politics, the pursuit of conflict-sensitive practices and multi-stakeholder engagement has pulled both types of non-state actors towards greater global governance roles. Even those who eschew politics have become more politically aware and engaged to maintain this stance.<sup>70</sup> Both NGOs and corporations have taken on new tasks in standard-setting (or rulemaking). The Voluntary Principles (VPs) on Security and Human Rights for corporations and the Minimum Operational Security Standards (MOSS) for NGOs are but two examples. Although they are standards at the global level, both the VPs and the MOSS affect the local behaviour of transnational organisations. These may be judged to be beneficial by many. Pursuant to the VPs, corporations have required more professional behaviour by local police and private security companies.<sup>71</sup> Pursuant to the MOSS, NGOs have threatened to pull out unless violence eases. Although these actions are not political in the narrow sense of taking an existing side or treating the ‘other’ in an extreme manner, they are undoubtedly part of the governance fabric and, in their efforts to transform interactions among a set of collective endeavours, have political intent.

### **Non-violent transnational actors as contributors to security governance**

For good or ill, transnational actors are participants in security governance. Arguments from both IR and criminology can provide us with tools for understanding and analysing what we have examined here. From criminology, we can draw on arguments about nodal analysis. Nodal analysis has become an important tool for analysing complex systems where a plurality of actors and mechanisms generate governance.<sup>72</sup> Nodes are institutional actors capable of mobilising to manage a course of events. Similar to what IR scholars Avant, Finnemore, and Sell call ‘global governors’, nodes perform the work of governance: setting agendas, making rules, overseeing and enforcing rules, and/or adjudicating. Our claim is that even when they do not seek to use violence themselves, transnational organisations – both corporations and NGOs – working in violent environments constitute, in

70. This is best illustrated by MSF. They have taken quite political stands against being involved in standard-setting and other schemes. See Jacqui Tong, ‘Questionable Accountability: MSF and Sphere in 2003’, *Disasters* 28, no. 2 (2004): 176–89. See Barnett and Snyder, ‘The Grand Strategies of Humanitarians’ for an analysis of the various approaches humanitarian organisations have taken.

71. G. Costa, *Comprehensive Review of Minera Yanacocha’s Policies Based on the Voluntary Principles of Security and Human Rights* (Lima, Newmont Mining and Minera Yanacocha, May 12, 2009). Translation available online, <http://preview.newmont.com/sites/default/files/VP%20Human%20Rights%20Gino%20Costa%20Executive%20Summary%20FINAL%20063009.pdf> (accessed May 2012).

72. S. Burris, P. Drahos, and C. Shearing, ‘Nodal Governance’, *Australian Journal of Legal Philosophy* 30 (2005): 30–58.

a sense, additional security ‘nodes’. Providing security is not their main mission, but in attempting to achieve their missions, they influence the governance of security. But like analyses of nodal governance, we resist the temptation to look at these multi-faceted governance arrangements as inherently ‘good’ or ‘bad’ – the normative impact is a function of complex interactions that cannot be foretold.<sup>73</sup>

From IR, we can draw on arguments about ideas and relationships.<sup>74</sup> In our tracing of the convergence of NGOs and corporations on the engagement strategy, we focused on the way that ideas and relationships generated effects in tandem as they responded to events. Although ideas are important on their own (as road maps, frames, focal points, or legacies that inhibit consideration of some paths), they often have relational consequences. Framing a problem in a particular way implies (and even creates) connections between actors who were not previously connected or sunders existing relationships. Relationships also have ideational consequences. Frequent interaction leads actors to share ideas and provides opportunities to persuade one another in ways that may reshape common practices. Idea entrepreneurs promote particular ideas that may become focal points, but behavioural consequences follow only once ideas are embedded within relationships.<sup>75</sup> Both ideas and relationships take form, however, as they interact with events in the ‘real world’. The increased violence and its impact on the ability of both companies and NGOs to perform their missions was a real world ‘shock’ that led to experimentation and precipitated a learning process on the part of both. Although the learning processes had somewhat different trajectories in the two communities, in both of them new ideas about how to deal with increased insecurity were tried out and accepted or discarded, in part, for their workability.

We have sought to highlight the strategies two types of transnational actors considered in response to violence. As we demonstrate, the actions they took influenced security, affected their mission, increased or decreased violence, and contributed to security governance in general. We highlighted how a number of commercial and humanitarian organisations converged on a particular strategy – one that we call ‘engagement’. We did see a number of differences between the types of organisations, including their initial strategies and the way their strategies interacted with others. We also found some surprising similarities. All the strategies employed by both types of transnational organisation had political consequences. Even though both corporations and NGOs moved towards the engagement strategy in part to try and inoculate themselves from accusations of being political, the engagement strategy ultimately promises to have political effects. Indeed, by simultaneously acknowledging interconnections that have already grown among global and local dimensions of politics and furthering those interconnections, engagement strategies promise more politics and more change.

Still, there is reason to believe that engagement strategies promise a more palatable politics than the alternatives. Engagement strategies are distinctive in their attention to the input of others and entail more systematic reflection about the impact that transnational actors are likely to have in an uncertain environment. They encourage interaction and respect among all involved. They also push transnational organisations to be simultaneously involved in local and global conversations about security. In an interconnected world,

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73. *Ibid.*, 12.

74. Garrett and Weingast, ‘Ideas, Interests, and Institutions’; Avant, ‘From Mercenary to Citizen Armies’; Dobbin et al., ‘The Global Diffusion of Public Policies’; and Campbell, ‘Ideas, Politics, and Public Policy’.

75. Dobbin et al., ‘The Global Diffusion of Public Policies’.

transnational organisations pursuing engagement strategies are increasingly important participants in the multi-level political processes that will manage (or exacerbate) various security tensions. Understanding whether, or the conditions under which, the interaction implied by the engagement strategy manages or exacerbates security tensions is but one of the many reasons why there should be more study of transnational organisations – both how they behave and how their behaviour interacts with the variety of other players in security governance.

As the complexity of security has grown, the lines dividing international or national security and domestic security have blurred. In this world, new types of actors impact all types of security. To better understand security governance in this world, the literatures in IR and criminology are both relevant. Taking both of these propositions seriously, we have argued that attending to the security behaviour of transnational non-violent actors is important and have used tools from IR, criminology, and global governance to examine their choices and impacts. We encourage further research and analysis on these transnational actors.

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