



The Basel Peace Forum 2017 intended to inspire new and unconventional ideas for peacebuilding. About 120 decision-makers from business, diplomacy, academia and civil society from 20 countries met on 15 and 16 January in Basel to rethink peace. Linkages between peacebuilding and health, artificial intelligence as well as risk analysis took center stage.

THE ROLE OF THE PRIVATE SECTOR

CRITICAL REFLECTIONS OF THE BASEL PEACE FORUM WORKSHOPS ON “ROLE OF THE PRIVATE SECTOR: RISK MANAGEMENT & RISK ANALYSIS”

by Roland Dittli

OVERVIEW

The workshop dealt with two main topics. First, the use of open source data and artificial and human intelligence for understanding and tracking environmental, social, and governance (ESG) risks for businesses. Second, the improvement of forecasting quality around war and peace by leveraging new insights from innovative information design, decision science and the “wisdom of crowds”.

Both speakers gave insightful examples from their respective fields of expertise. **Dr. Philipp Aeby**, CEO of RepRisk gave a detailed account of how his company’s approach helps business investors to understand ESG risks to which every company is exposed in any given context. To this end, open source information is collected through specific computer algorithms and then combined with human intelligence from the company’s analysts. Potential investors are thus enabled to base their investment decisions on a transparent data set of a company’s performance related to ESG risks, their historic track record therein, and allows for comparisons with other companies. Dr. Aeby argued that in business, transparency is the “new normal” and leads to accountability. And if businesses become more accountable, the world gets a better place.

In her input on “Predicting war...and Peace?” **Regina Joseph**, founder of Sibylink, argued that today’s quality of forecasting geopolitical conflict is sub-optimal because it lacks quantitative specificity and post-mortem evaluation. Extensive forecasting research has shown that due to various factors including reputational risk aversion and cognitive bias, forecasts by context experts, or “hedgehogs,” are less accurate than those of certain types of generalists, or “foxes.” Furthermore, deficits in comprehension lead to poor decision-making as human beings struggle with the four V’s of digital information – the volume, variety, velocity, and veracity of today’s information. Improving forecasting of geopolitical conflict would allow putting in place better strategies to build peace. An approach that combines four key components is best placed to achieve this: metacognitive training to recognize own bias; transparency through technical platforms; teaming the wisdom of the crowds; and information design innovation using a multi-disciplinary approach.

CORE THEME 1: USING OPEN SOURCE DATA AND TRANSPARENCY TO INCREASE POSITIVE ROLE OF BUSINESSES IN FRAGILE AND CONFLICT AFFECTED CONTEXTS.



Businesses play a crucial role in shaping trajectories of conflict contexts. This is undisputed. But can transparency foster peace in conflict prone countries? Today an enormous amount of data is collected and processed to support investors to make better investment decisions. But these investors focus largely on compliance and ensuring the respect of their investment principles, i.e. ensuring they are not invested in companies that are accused of regularly breaching labor or human rights, employing child labor, cutting down rainforest, etc. While this is good in itself, peacebuilding actors appreciate going beyond “compliance”, a concept they feel often uncomfortable with, and instead aiming for “accountability” of private sector actors.

How can open source intelligence be of help for leveraging business’ potential for peace and stabilization? Taking the RepRisk approach and dataset as the starting point, four avenues emerge from a peacebuilding perspective: first, reputational dimension of the data can be used for **active encouragement of good behavior and investment in conflict affected contexts by businesses**. A “good business award” could use the dataset for identifying companies that score well regarding ESG risks or have made considerable improvements over time. Such an approach could also be used to incentivize investment in difficult contexts, despite the risks. Second, it could be **explored if another risk category – risk of contributing to conflict – could be added to complement the current ESG risk categories**. It would require some conceptual work to translate “conflict sensitivity” - the gold standard for good engagement of development and peace actors in conflict prone areas – into algorithms that track businesses’ performance in this regard. But the obstacles for achieving this do not seem huge. Third, **the sustainable development goals (SDGs) offer themselves to be a bridge between peace and companies**. The UN global compact strongly refers to the SDGs, and at the same time it is already influencing the reporting by companies. If we could therefore create a similar data collection and analysis instrument like RepRisk for the SDGs, and not exclusively on ESG Risks, then the peace, development, and business worlds would move much closer together. Lastly, on a more critical note, the chronic unreliability of “data” or “facts” coming from conflict affected contexts merits close attention. Little information can be called neutral. People do not agree about “facts”, this is the very essence of what conflict means. And the “sender” of information oftentimes has hidden political agenda in mind when releasing facts, news, and data. This means that the factuality and veracity of information must be thoroughly assessed in any such system.



CORE THEME 2: HOW TO BRING THE LOCAL LEVEL AND LOCAL ACTORS INTO THE PICTURE

Better forecasting of geopolitical conflict allows for better policy choices to address it. This is a timely connection to underline, especially in the light of the current focus on improving the international ability and structures to prevent violent conflict. At the same time, forecasting suffers from similar limitations like early warning, especially the weak link to early action. In other words, the lack of better policy choices for addressing conflict does not so much stem from a lack of accurate information, but a political inertia in an interconnected world. **More accurate forecasting therefore has the biggest potential to do good at levels where inertia is not an option**. For example at the local level, where national actors are highly motivated to foster positive change. Also, international donors usually develop context scenarios on which they base programming and funding decisions for the next strategy phase. Better forecasts could be expected to yield direct benefits for these actors and support them to find better solutions. The following areas could be considered:

First, to embed better forecasting thinking in education, to become more aware of own bias and how to deal with information design innovation.



Second, efforts should be undertaken to **make more data available for people affected by conflict** so that they can have a stronger say in finding solutions, and to strengthen accountability of all actors. Information such as the RepRisk dataset could be of value in this regard.

Third, donors in conflict context should explore the specific value and use of better forecasting approaches for their strategic and scenario planning. These processes are currently deeply rooted in context “expertism”. A specific pilot project with a multidisciplinary approach should be initiated, focusing on informing operations on the ground and increasing actors’ agility and strategic focus.



ABOUT THE AUTHOR

Roland Dittli is the head of the Analysis & Impact program at swisspeace, which contributes to improved analysis, strategy development as well as monitoring and evaluation practice in peacebuilding.

