A World of Good

Business, Business Schools, and Peace

Report of the AACSB International
Peace Through Commerce Task Force
A World of Good
Business, Business Schools, and Peace

Report of the AACSB International
Peace Through Commerce Task Force

AACSB International –
The Association to Advance Collegiate Schools of Business

777 South Harbour Island Boulevard
Suite 750
Tampa, Florida 33602-5730 USA
Tel: +1-813-769-6500
Fax: +1-813-769-6559
www.aacsb.edu

© 2006 AACSB International
The Peace Through Commerce Task Force

Chair
Carolyn Y. Woo
Dean, Mendoza College of Business
University of Notre Dame

Members
Richard A. Cosier
Dean and Leeds Professor of Management
Purdue University

Manuel Escudero
Head, Global Compact Networks
UN Global Compact Office

John J. Fernandes
President and Chief Executive Officer
AACSB International

Timothy Fort
The Linder Gambal Professor of Business Ethics
School of Business
The George Washington University

Andrea Gasparri
Managing Director
School of Management
SDA Bocconi

Anne Graham
Executive Vice President and Chief Operating Officer
AACSB International

Fenwick Huss
Dean, J. Mack Robinson College of Business
Georgia State University

Rita A. Jordan
Colonel, USAF, Department Head and Professor
U.S. Air Force Academy

Robert S. Karam
President, Holy Spirit University Foundation

Georg Kell
Executive Head of the Global Compact Office
The Global Compact Office, United Nations

Joseph E. McCann, III
Dean, John H. Sykes College of Business
The University of Tampa

Neal P. Mero
Vice President and Chief Advocacy Officer
AACSB International

Mark David Milliron
Vice President, Education Practice
SAS Institute Inc.

Sung Joo Park
Dean, Graduate School of Management, Korea
Advanced Institute of Science and Technology KAIST

Niranjan Pati
Dean and Professor, School of Business, Indiana University Kokomo
In March 2005, I was in Banda Aceh, Indonesia to survey the rebuilding of communities devastated by the tsunami. Amidst the devastation, somehow the spirit of life asserted itself; and we focused on new opportunities and new beginnings. Inevitably weaving through all plans were business issues such as how micro-loans could be made more accessible, at market rather than usury rates; how distribution channels for the fishermen’s catch could be expanded; what types of boats would be suitable given the changes in the ecology of the coastline, and how these would be financed; and how new homes could spawn cottage industries in brick-making, carpentry, and glass-making.

There was also recognition that, despite all of the heartbreaking destruction, a golden opportunity existed to establish civil society whereby citizens would have a greater voice over decisions and governance. Before the tsunami, Banda Aceh was a stronghold of insurgents and a trouble spot for the Indonesian government. Yet, with the focus on re-building and birthing new livelihoods, conflicts and tensions abated.

The biggest issue facing our world today is extremism within and among religions and regions of the world. Conflicts and intolerance dominate common ground and mutuality in public discourses. The focus seems to be on irreconcilable differences. As we have seen, extreme positions impel extreme actions. Peace is a fragile accord.

This is the time for a different type of dialogue and a different type of focus that has the power to seek understanding and collaboration. It is the type of conversation that AACSB has the capacity and, indeed, the mission to convene. Business has always been the platform on which countries try to resolve issues so that they can trade and engage in ways to benefit themselves. Countries have learned to go beyond language, cultural, and political differences to do business. Business provides the strongest incentives to focus on “what can be” rather than “what cannot be.” A world of goods and a world of good: the difference that results when business is conducted with integrity, vision, accountability, and stewardship.

The mission of AACSB International is to “advance quality education worldwide through accreditation and thought leadership.” We are called to think thoughts that matter, thoughts with impact, thoughts that challenge our students, our colleges and business to reach full potential. If our thoughts do not recognize how business fosters peaceful societies, then we would have walked by the most pressing problem of the next generation and the good which is ours to contribute.
AACSB International membership comprises business schools in all regions of the world and from all ethnic and religious backgrounds. Our meetings offer valuable forums for exchange of ideas and constructive conspiracies to shape dreams and the young people who believe in them. Our membership has continued to demonstrate an incredible capacity for accommodating diverse cultures, values, and practices and letting these differences teach us to be better educators as we globalize.

In this spirit, as I moved out of my AACSB International officer positions in 2005, I asked for the indulgence of AACSB leadership, John Fernandes, Anne Graham, and fellow board members to think these thoughts—that business is crucial to peace and that AACSB is crucial to making this message known. I am deeply grateful for their indulgence and for the enthusiasm and inspiration of the Peace Through Commerce task force members who were appointed: Andrea Gasparri, Fenwick Huss, Georg Kell, Niranjan Pati, Richard A. Cosier, Rita A. Jordan, Sung Joo Park, Timothy Fort, Mark David Milliron, Joseph E. McCann, III, Robert S. Karam, Manuel Escudero; and staff members Dan LeClair and Neal P. Mero.

Together, they have helped me believe that we, educators and leaders of business education, are not standing by, pontificating and wringing our hands; that we recognize what is at stake and what we stand to offer. A recent United Nations report* on the future warned that “...it has become increasingly clear that humanity has the resources to address its global challenges; what is less clear is how much wisdom, good will, and intelligence will be focused on these challenges.” We are stepping in with the goodwill, intelligence, and wisdom that are ours to contribute in service to our students and the profession we shape.

Carolyn Y. Woo, Chair
The Peace Through Commerce Task Force of AACSB International

Bringing peace to the planet has never been the purpose of business or business schools. At the same time, thoughtful leaders in both arenas have long acknowledged that, as both entities go about achieving their objectives, they also have the potential to be positive, powerful forces for good around the globe. In a time and a world of devastating violence and strife, it is not surprising that interest in the concept of peace through commerce has escalated.

While discussions about the codependency between business and society may not appear on most boardroom agendas, the connections are being made in some quarters. The issues are not about philanthropy—where the generosity of business has often been extraordinary—or about making “the business case” for corporate social responsibility (CSR). The fundamental points seem to be that almost everyone engaged in commerce prefers a peaceful environment in which to conduct their business, and that business has the power and the responsibility to give back to the societies that enable their success.

As in the corporate world, business schools are driven by achievement of their missions; and while no two missions are the same, they generally point to producing competent managers who understand business and how to turn a profit. These goals are right on target, of course; but management education should also offer students opportunities to explore the underlying philosophical, nonfinancial aspects of business. By integrating these concepts into the educational experiences of students, schools can produce more globally conscious leaders and heighten understanding—and even prospects for peace.

Since there is obviously more than a tenuous connection between business, business schools, and peace, the topic is of particular interest to members of AACSB International. As the global leader in management education, AACSB has made a commitment to articulating aspects of this equation and to enabling and encouraging business schools to find the intersection where their mission and peace efforts coincide.
BUSINESS: A Noble Role in Society

In the course of doing what it does best, which is to build and maintain thriving enterprises, business also has the potential to encourage economic stability around the world. It can transcend governments, religions, and other institutions in fostering international cooperation, trust, and tolerance. When people and organizations engage in business, they usually find ways to “make things work,” regardless of personal and cultural differences. The possibilities of profitability can inspire collaboration between strangers, and sometimes even between those who might have regarded each other as enemies. Once people work together and learn that people are essentially the same, regardless of their backgrounds, making war is likely to become far less attractive than making money.

The mediating effects of commerce have been touted by Montesquieu, Adam Smith, and others, who argue that trade and the spirit of capitalism break down cultural and social monotheism, counter the violent passions of war and abusive political power, and destroy fanaticism and intolerance. “Commerce cures destructive prejudices,” Montesquieu declared. “It polishes and softens barbarous mores. The natural effect of commerce is to lead to peace.”

These themes are regularly affirmed by twentieth century thinkers and leaders with a world view. Development economist Albert Hirschman maintains that “Business people are the ultimate in practicality. They are by nature compromisers and tolerant of other viewpoints. They will wheel and deal to sell and produce a product.” The writings of the extraordinary scholar and Nobelist Friedrich August Hayek, who was a great champion of free markets, are suffused with the “trade promotes peace” theme.

Business leaders in diverse industries agree. Richard J. Roberts of New England Biolabs, who won the 1993 Nobel Prize for Physiology or Medicine, speaks about science, commerce, and peace in a straightforward way. “I will argue strongly that commerce is a good thing. It tends to promote peace, not war…. By practicing science and staying aware of commercial possibilities, I believe that the cause of peace can be
promoted. Ultimately, if we are all citizens of a world in which the logic and reason of science prevails and there is sufficient commerce to insure prosperity, the chances of that world being peaceful are greatly increased.”

Lord John Browne, group chief executive of London-based BP, recently said that when he speaks to students, the message he always wants to convey is “how important business is to society, how businesses do good, and how business leaders are good, on balance.” While he concedes that people don’t always “instinctively trust executives or business,” he asks them to remember that “business has a very noble role in society.” He added, “Business, because it’s a great integrator, can solve some of the major problems of the world. The noble purpose of business is to participate in and often lead to solutions to some of the world’s deepest problems.”

Judith Samuelson of the Aspen Institute echoed Browne’s comments in a Conference Board presentation. She said, “The fact is that it is ultimately business—big, audacious, profit-hungry, globe trotting business that will unlock the solutions to our most complex problems as a society. It won’t happen alone—it will happen in partnership with government, or at the prodding of the third sector, which functions as advocates, watchdogs, and increasingly as partners. But more frequently, I expect the change will be business-led because it is business that has the resources, the talent, the problem-solving skill, the distribution systems, and increasingly, the motivation to act.”

Unfortunately, business is not always noble. Corporations that exploit or abuse cultures create resentment and violence and often fuel and support corruption in governments. Only ethical companies that are constructively engaged in the communities where they work advance quality of life, true economic development, and peace.

Business can also spur other worrisome situations and questions. In the U.S., for example, many observers worry about the growth of the mammoth military/industrial complex. Some cynics say that as long as the profits of war, such as the current conflict in the Middle East, remain in the 25% range, war will continue. The good news is that civilian products and services, which represent 96% of the international business community, have a vested interest in stability and peace.

Not even the staunchest advocates of peace through commerce suggest that business should be asked to mitigate its essential focus, because it would otherwise lose its power for good; but what would be appropriate is to have business recognize and fulfill its societal roles and responsibilities, not only to be good global citizens, but also because it is in their best interests. Business schools can help by providing educational experiences that the next generation of leaders will integrate into their own management awareness and philosophies.
Interest in the peace through commerce concept appears to be significant within the global business school community. The idea that, as schools focus on their unique missions, they may have some role to play in peace is intriguing to many. Nonetheless, few schools have systematically and consistently integrated this topic into their curricula. AACSB accreditation, widely regarded as the world’s “gold standard” for business schools, does require accredited schools to show how ethics is being taught, however; and peace-related topics often become an extension of that coverage.

A recent AACSB survey of member schools disclosed a broad range of current activities that deans felt carried a “peace dimension.” Responses described a core of centralized, formal initiatives on some campuses, plus collective and individual efforts by deans, other administrators, faculty, and students at schools around the world. Corporations, NGOs, IGOs, and other organizations have sometimes been directly and indirectly involved in these efforts.

Administrative Leadership

Examples of wide-ranging initiatives emanating from the dean’s office or from the university administrative structure were reported in the AACSB survey, from the establishment of centers that focus on the role of business in society to projects where teams of business school faculty and students help to rebuild communities ravaged by war. Schools hold conferences and forums that draw the business school community, representatives from corporations, NGOs, IGOs, and others for discussions, strategizing, and networking about peace-related issues. They offer scholarships for students from other countries as one element in efforts to encourage diversity and exposure to global perspectives. They stage business school competitions that emphasize social responsibility. They form partnerships among schools from many different regions of the world and assist in the establishment of business schools in countries where none exist—all with the idea that both tangible results, such as a new business school in a developing country, and the processes that engage people across geographic and cultural boundaries, can be peace drivers.

The Center for Business as an Agent of World Benefit at the Weatherhead School of Management at Case Western Reserve University in Cleveland, Ohio, is an example of an ambitious new initiative that focuses on the constructive role of business in society. According to its leadership, the “School within the School” will strengthen research and curriculum in ways that will expose future business leaders to sustainability and social responsibility concepts and “open lines of thinking about ways business leaders can affect peacemaking in the world.”

One of the Center’s first projects was to develop World Inquiry, a Web-based, worldwide search for stories of businesses that seek to make a profit and improve the world. The best of these stories have already become the basis for the creation of business cases; placement of digital video stories on the Web; generation of material for media stories; and development of full-length documentaries and mini-documentaries that can be used in classroom instruction.

Several of the World Inquiry stories describe situations where business and business people have served as agents of peace. One memorable account tells about the creation of a micro-enterprise venture in Rwanda to bring Hutu and Tutsi women together in businesses. Another focuses on Peaceworks, a U.S. specialty food company that requires all of its products to contain ingredients from both sides of the Israeli/Palestinian
The leadership of deans and other administrators is helping to establish the proposition that business needs peace to thrive and thriving businesses promote peace.

Another important initiative for peace, “Thunderbird for Good,” has been launched at Thunderbird’s Garvin School of International Management. “Thunderbird for Good” supports management education in areas of the world where economic or political conditions make it difficult to start or grow a business. The project grew out of the success of Project Artemis, which brought 15 women from Afghanistan to the Thunderbird campus to attend classes on entrepreneurship, communications, networking, and presentation skills. Thunderbird for Good is channeling faculty, staff, student, and alumni volunteers, as well as funds from external organizations and private donors, into the program. School leadership sees the program as a way to tackle some of the world’s most important issues through management education.

Faculty Involvement

Since most business schools don’t mandate integration of peace-related topics and activities into the curriculum, faculty who embrace the concept adopt diverse approaches in working with students. In many instances, a common goal is simply to ensure that students not only learn the requisite technical and professional skills but are also given opportunities to consider the societal responsibilities of management within the context of their field.

Many faculty members have heightened their own “global peace consciousness” through participation in faculty exchange programs, work with student groups as they travel and tackle assignments in other countries, and special “goodwill” undertakings, such as helping to organize a leaf-raking operation that raised money for the drought-stricken Republic of Niger or helping Haitian villagers to set up a bakery.

At many schools, faculty members and their classrooms have also been impacted by students’ orientation toward peace-related topics. Faculty regularly work with student teams that create small enterprises and/or participate in competitions and consultancies, and student priorities help to ensure that many of these kinds of projects take on social/peace aspects.

A few business school programs do place emphasis on corporate social responsibility and sustainable enterprise—and peace often becomes an integral element. A significant number of faculty regard these societal issues as driving forces for business in the next decades. They teach individual courses
on these topics, and they engage students in projects such as researching and interning with socially responsible companies.

Other faculty members adopt more unconventional instructional approaches. For example, professors at the Rotterdam School of Management at Erasmus University in The Netherlands encourage students to develop their own sets of beliefs about the purposes of business through journaling and other methods of self-discovery. “Native speakers” who can discuss first-hand the impact transnational corporations have had on their communities are invited to visit business school classes and talk with students.

John L. Graham, a professor of international business at the Paul Merage School of Business, University of California in Irvine (UCI), and also the director of the Center for Citizen Peacebuilding, is among the vanguards of faculty engaged in peace initiatives. His UCI teams, working with the University of Ulster, have focused on rebuilding communities that have been decimated by war, particularly in Northern Ireland. Teams of students develop business plans for Irish commercial businesses and social enterprises. Graham believes that any business school can promote peace in any region and that such programs teach students business ethics “in the most dramatic way possible.” He maintains that if the students do a good job, then enterprises in the war-torn communities will survive and thrive; and students will learn not only about international business, but also about ethical enterprise.8

Faculty are also increasingly involved in research and writing about peace/business topics. Although a significant portion of this work is an extension of other core topics, some of it is directly targeted toward the peace/business link. Teaching Peace, a cross-disciplinary anthology published by Bluffton University in Ohio, is one of several peace-related projects at the school.

At the George Washington University School of Business in Washington, DC, Timothy Fort, the Lindner-Gambal Professor of Business Ethics, is among those who have published extensively in this area. His work includes a recent book, 21st Century Corporate Responsibility: Peace Through Commerce Via Total Integrity Management. In his previous tenure at the University of Michigan, Fort collaborated with colleague Cindy Schipani on several peace-related publications and activities, including three conferences.

Not all professors are eager to expand their teaching styles and content to include more than the narrow core of disciplinary content. The good news is that many are already doing so and that a host of emerging forces and support systems may help to ensure more.

Student Engagement

Business school students are likely to be among the world’s most globalized citizens. It has become almost standard practice for students to spend time in other countries as part of their coursework. Work experiences may be with multinational corporations or with smaller businesses, and in environments that include collaboration with NGOs and IGOs. In most instances, students are encouraged to learn as much as possible about the cultures of the countries they visit. They often attend classes in counterpart business schools, frequently working in teams composed of individuals from different backgrounds. Such experiences give students a richer and more complete understanding of global business as well as opportunities to know and work with people in different cultures.

Student interest in the peace through commerce concept is evidenced in several ways. While many of their activities are generated by the schools and their teachers, students sometimes seize the initiative themselves. Three students who won the
Stanford Social Venture Business Competition developed a business plan with an ultimate goal of ending violence between Israelis and Palestinians. The three students were unlikely allies: an American Jew from Beverly Hills, California; an Israeli-American whose aunt was killed in a terrorist attack in Israel; and a Palestinian who spent time in an Israeli prison and lost a cousin in an Israeli attack.

The students developed Jazoor Microfinance to provide business training and microloans to young Palestinians to help them start their own businesses—and, to make them less likely to join extremist groups. Jazoor, which means “roots” in Arabic, won first prize and $7,500 in the Stanford Challenge and was a finalist in a Goldman Sachs competition. To illustrate the spirit behind Jazoor, the partners sometimes quote Margaret Mead: “Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has.”

Students at the Charlton College of Business at the University of Massachusetts-Dartmouth have become involved with small businesses developed by others, mostly in underdeveloped areas. Working through the school’s International Business Association and under the tutelage of faculty members in several disciplines, students not only learn and practice firsthand the fundamental constructs of business, but they also see the impact of their efforts on communities. An extensive project involved Fairloom, a charitable enterprise of Brazilian women engaged in lace-making. Students in marketing and information systems classes made Fairloom the heart of their projects-based courses. They developed business plans, taught business principles, built a production studio, helped raise funds, created marketing concepts, upgraded Fairloom’s Web site, and developed e-commerce capabilities. Many students report that such experiences offer profound and lasting lessons.

At the Mendoza College of the University of Notre Dame, a team of students developed yet another kind of peace-related project, a “Youth in Peace Education” Web site. The site is based on the concept that religious belief should be a powerful catalyst for peace rather than violence. The team seeks to promote understanding and interreligious literacy through curriculum development and a network of scholars worldwide.

But while many students appear committed to the concepts of social responsibility, not all make the peace/commerce connection. Somewhat mixed perspectives are reflected in an informal survey conducted by two Wharton MBA candidates. The study, which polled more than 2,100 MBA students in 50 U.S. graduate programs, indicated that 92% of respondents believed that corporate social responsibility is important. Eighty-four percent agreed that every company should engage in CSR practices; and 83% agreed that if they received two job offers, they would choose to work for the company with a better CSR reputation, even if the salary were lower. At the same time, students indicated that individuals, rather than business, government, or nonprofit groups, are most responsible for solving social problems, and that CSR remains a secondary factor in most of their economic decision-making.

Students’ passion for peace and doing the right things and the implications for a new generation of ethical corporate leadership are encouraging. It seems likely that if students are given more opportunities to explore and reflect on the fundamental purpose of business within the context of their educational experience, their “force for good” may become even greater.
In advancing knowledge of the peace/commerce nexus among business schools, AACSB International, as the global leader in management education, can leverage its strengths in several areas. The specific recommendations of the Peace Through Commerce Task Force focus on five key areas:

1. **Scholarship** – Encouraging scholarship and research that examines the link between business and peace and the roles, contributions, and potential impact of business schools in this area.

2. **Collaborative Efforts** – Building relationships with other organizations that are already engaged in strengthening the Peace concept.

3. **Utilization of AACSB’s Structures** – Leveraging educational programs, communications channels, and other resources to bring together those with a shared interest in this topic.

4. **Curriculum** – Encouraging business schools to integrate peace concepts into the curriculum by providing platforms that facilitate exchanges of ideas and demonstrate best practices.

5. **Private Sector** – Creating specific strategies for ensuring connections and communication between the business community and business schools around the Peace topic.

Implementing these recommendations will support and enhance efforts to consider and integrate peace concepts into business school agendas. AACSB membership, which includes leading business schools in regions of the developed world, is marked by a spirit of respect and mutuality. Schools are united in a common effort to advance management education around the world. Administrators, faculty, and students from every global post find ways to overcome differences to achieve common goals. If those same mindsets and strengths can somehow be transferred to the pursuit of peace, the result could be a world of good.
Footnotes


10 Lars Herne and Aniko Szigetvari, Wharton MBA candidates, informal study, Spring 1997.
AACSB International
Committee on Issues in Management Education

Chair
Arthur Kraft
Dean, College of Commerce and Administration
The Charles H. Kellstadt Graduate School of Business
DePaul University

Members
Richard A. Cosier
Dean and Leeds Professor of Management
Purdue University

Robert B. Duncan
The Eli and Edyth L. Broad Dean
The Eli Broad College of Business
The Eli Broad Graduate School of Management
Michigan State University

Fred J. Evans
Dean, College of Business and Economics
California State University, Northridge

John Fernandes
President and Chief Executive Officer
AACSB International

Andrea Gasparri
Managing Director, School of Management
SDA Bocconi

Yash P. Gupta
Dean, Marshall School of Business
University of Southern California

Daniel R. LeClair
Vice President and Chief Knowledge Officer
AACSB International

Amelia Maurizio
Director, Education Alliances, Global Communications
SAP America, Inc.

Sung Joo Park
Dean, KAIST Graduate School of Management
Korea Advanced Institute of Science and Technology

Andrew J. Policano
Dean, Graduate School of Management
University of California-Irvine

David Saunders
Dean, Queen’s School of Business
Queen’s University

Sharon J. Smoski
Assistant Vice President, Management Planning and Information
State Farm Insurance Companies

Richard E. Sorensen
Dean, Pamplin College of Business
Virginia Polytechnic Institute and State University

Barry Spicer
Dean, Business School
The University of Auckland

Doyle Z. Williams
Dean, Sam M. Walton College of Business
University of Arkansas

For more information on the Peace Through Commerce initiative, visit the AACSB Web site at www.aacsb.edu.
About AACSB International

AACSB International Mission

AACSB International advances quality management education worldwide through accreditation and thought leadership.

AACSB International – The Association to Advance Collegiate Schools of Business is a not-for-profit corporation of educational institutions, corporations, and other organizations devoted to the promotion and improvement of higher education in business administration and management.

Founded in 1916, AACSB International established the first set of accreditation standards for business schools in 1919. Through nearly eight decades, it has been the world leader in establishing and maintaining business school accreditation standards.

In addition to accrediting business schools worldwide, AACSB International is the business education community’s professional development organization. Each year, the association conducts a wide array of conference and seminar programs for faculty and administrators at various locations around the world. The organization also engages in research and survey projects on topics specific to the field of management education, as well as maintaining relationships with disciplinary associations and other groups, interacting with the corporate community on a variety of projects and initiatives, and produces a variety of publications and special reports on trends and issues within management education.