



Part 4



4.2 Policy brief 1

Developing a Strategic Policy Framework (SPF) using the 17 Sustainable Enterprises Policy Pillars

PEACE AND POLITICAL STABILITY

- ❑ One of the most consistent and key issues for business investment including the decision for its location is stability, stability of governance, continuity, and predictability.
- ❑ The basic ingredient in the effective construction and running of societies is the accountability and responsibility of all societal actors. Political stability facilitates accountability.
- ❑ Democracy underwrites stability by putting checks and balances in place.¹
- ❑ Fundamentally, a key component of the market economy model is freedom. Economic freedom provides the environment that enables individuals in society to make their own choices. Society needs to provide all individuals with access to the tools that will enable them to make these choices.
- ❑ Political instability damages the credibility of the country as a whole and limits the possibilities for both internal growth and foreign investment.
- ❑ The less stable, the more unclear, the riskier the political environment, the less appealing an economy is for business investment and operations, and consequent employment growth.
- ❑ The private sector has not only a central role to play but also an enormous stake in the creation and fostering of prosperous, peaceful, and stable societies.
- ❑ As the principal engine of job creation, business thrives when its workers and customers thrive. As economic actors and as human beings, business works best and most effectively in well-functioning, peaceful, and stable communities.

¹ Joseph T. Siegle, Michael M. Weinstein, and Morton H. Halperin: "Why democracies excel", Council on Foreign Relations, 2004 using World bank Data (1961-2001). The study found that the average annual economic growth rate was 2.3% for democracies and 1.6% for autocracies.