In September of 2002, when I was brand new at EPS, I attended a conference organized by the US Army on *National Security in the 21st Century*. The first session tied economic issues to security, and speakers on this panel included Ambassador Peter Galbraith and EPS trustee Douglass North. Dr. North spoke about the need to understand the motivations behind our adversaries’ actions before we can enter into dialogue or come to any meaningful resolution of issues. He said that people make decisions based on their beliefs, and until we understand these beliefs, we can not understand their actions. He spoke generally, but in the climate of the day, we understood he was referring to radical Islamic terrorists.

During the conference I had the opportunity to ask several four star generals and other Army brass how they felt about the coming war. They expressed to me their conviction that war with Iraq was unnecessary and not a good enough cause to put people in harm’s way. Of course, they would do what they were asked to do, but they understood better than anyone the need to use this most precious resource wisely. I wished that the actual people who eventually were to make the decision to go to war could have been there to hear Dr. North and the others speak.

I also found Dr. North’s statement to align closely with my personal philosophy and with EPS’s mission statement. We “seek to create and promote a better understanding and a more friendly relationship between races, nations, and classes of people [and] to foster a desire for universal perpetual peace on the part of the nations of the world.”

I recognize that conflict, in the sense of mutually divergent desires, is inherent in most relationships. As individuals, you and I are going to want different things. Sovereign nations are going to have different goals. The questions then becomes what do we do about this “conflict.”

There are many ways we can choose to settle our different points of view. We can agree to disagree, we can find some compromise, we can get creative and find a win-win solution, or we can fight it out and let the strongest win.

Later that fall, I participated in a workshop led by Johan Galtung. His TRANSCEND method aims to overcome even the win-win mentality (which is based on the concept that some might lose), and moves participants instead towards mutual respect and understanding. Dr. Galtung’s method is deliberately set up to work at the interpersonal as well as international level. He refers to conflict transformation through the peaceful means of empathy, nonviolence and creativity. With these tools used as the key approach to conflict work, sustainable solutions and dignified parties become more likely results.

In the nearly six years since those two events, I have had the honor to meet many people
associated with EPS who, in various ways, are thinking along the same lines. In this issue, we look at just three of the many available tools to reduce conflict by non-military means: using aid to equalize access to economic, social and political power; mediation as a road toward building trust and mutual appreciation; and building regional economic and political integration bodies.

There are many initiatives, now under development, designed to foster non-military conflict transformation solutions. Among them is the UN’s Global Compact, a framework for businesses that are committed to aligning their operations and strategies in the areas of human rights, labor, the environment, and anti-corruption. The Global Compact website states, “Business, trade and investment are essential pillars for prosperity and peace. But business is too often linked with serious dilemmas - exploitative practices, corruption, income equality, and barriers that discourage innovation and entrepreneurship. Responsible business practices can in many ways build trust and social capital.”

There is a growing body of literature on the economics of trust and reputation. Trust is a trendy concept in business management training. I have been unable to find any work by economists applying these techniques to peace and security issues; however, should our readers know of any such work, I would be happy to be proved wrong! Since so many conflict prevention, resolution and transformation methods rely on building understanding, respect and trust, it is my hope that perhaps this issue of the Quarterly might inspire some to turn their sights this way.