

Shell International states on its website that it is committed to the country in which it works, and not necessarily to the current government. That said, "[Shell] will no longer form joint ventures where partners decline to adopt business principles compatible with ours. One of our dilemmas is how to deal with existing joint ventures where partners currently reject such principles, or fail to implement them"⁴⁸.

From 1996-99, Shell and Mobil engaged in a \$250 million assessment of the economic, environmental and social aspects of gas field development and transfer by pipeline through Amazonian rainforest in the Camisea region in Peru. The project was long the target of activist opposition, due both to the region's biodiversity and presence of traditional communities. Ultimately, the partners decided to abandon the project, at least in part because stakeholder dialogue failed to mollify the opposition.

A firm should be able to arrive at a definition of what constitutes a 'no go' zone – what is clearly unacceptable – based on dialogue with its stakeholders. According to experts in dispute resolution, "stakeholder dialogue...can identify and anticipate potential problems before they even arise...[and] build working relationships through a partnering process"⁴⁹. That said, such assessment will likely need to be on a case-by-case basis, given the different perspectives on the issues, and the evolution of public sentiment over time.

Nearly all would agree, for example, that complicity with a genocidal regime constitutes a clear 'no go'. On the other hand, in South Africa during apartheid, many firms chose to remain even as others divested, and can justify their presence today arguing that their efforts helped to foster the peaceful transition to a multiracial democracy⁵⁰.

In deciding to 'go', firms must bear in mind that they open themselves to controversy. "By leaving or threatening to leave, business sends a signal to the combatants that they should end the conflict if they want economic growth"⁵¹. By contrast, companies that stay invested without actively promoting peace may send a message that violence is tolerable⁵².

Conflict may emerge over the lifetime of a mine, even though the situation was initially peaceful. In such cases, a firm must assess whether to divest or not. Should it stay, its activities will necessarily be circumscribed. International Alert recommends "the responsible management of security

⁴⁸ Shell International. "Our approach to operating in politically sensitive regions". 2001. <http://www.shell.com/royal-en/content/0,5028,25547-51061,00.html>.

⁴⁹ Environment Council. Guidelines for Stakeholder Dialogue. 1999.

⁵⁰ Nelson, J. Ibid. p. 112.

⁵¹ Haufler, V., *Is There a Role for Business in Conflict Management?* (University of Maryland, 2000).

⁵² Haufler, V. *ibid.*