

**SIEMENS**

**The Role of Business  
in Conflict Prevention and Post-Conflict  
Peacebuilding**

Statement by  
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at the Symposium  
“Strengthening conflict-sensitive business practices  
in vulnerable and conflict-affected states”

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Ladies and gentlemen,

I am pleased and honored to be speaking here today. I see this as recognition of Siemens as one of the world's leading infrastructure companies – and appreciate having this opportunity to talk about our long experience with conflict-sensitive business practices.

Now to my first point: What can companies do to help prevent conflicts?

Our experience has shown that it is scarcely possible for a company to play an active local role in an acute crisis. We strictly observe the primacy of politics in such situations. This is an iron rule for Siemens, at least.

But a company can do quite a bit over the longer term to help prevent such situations. And here, too, Siemens holds to a basic principle. Our commitment is expressed as: “We are here to stay” – and says we remain in a country not only in good times, but also under less favorable conditions.

Why? Because we believe a global player must be committed as multicultural entity with long-term jobs, suppliers and business partners around the globe. This builds bridges, sustains dialogues and fosters understanding between cultures and peoples, and between industrial and developing countries.

And in a very practical manner: With local content, with family income for people in their own countries, with technology transfers, with training and continuing education, with career perspectives for young people. Companies make a solid contribution to stable economic conditions – and thus indirectly to social stability and peace.

My second point is especially important in a world torn by conflict: What are the most urgent needs for the rebuilding process *after* a conflict? And what can the private sector contribute here?

All countries and all situations are unique, of course. And there is no golden solution for all post-conflict scenarios. One has to analyze each situation and tailor the specific response.

Our CEO, Heinrich v. Pierer, addressed the Security Council of the United Nations on April 15<sup>th</sup> this year and talked about what we believe are the five critically important factors in a post-conflict situation. I would like to emphasize these factors once again – because they sum up both what the private sector needs – and can best contribute.

These factors are: First: Security. Second: Infrastructure. Third: Financing. Fourth: Post-conflict planning. And fifth: Visible progress.

Security – the first and foremost factor – is obvious. This is a chronic problem in many regions, and naturally the problems vary in intensity and complexity.

It is just as clear: For a business to operate there must be a reasonable level of security and enough government control to provide basic law and order. In short: The risk factors must be reduced to a manageable and calculable level.

In crisis regions, business follows some basic rules. We feel it best, for example, to depend strongly on local employees – who best know their country, their culture and the unique local circumstances. A few expatriates are usually needed to manage the operations. Our principle in these cases is to send employees only on a voluntary basis. And we carefully select these people on the basis of religious, ethnic and cultural factors. They do not necessarily come from Germany, of course.

Just as important: Close cooperation with local authorities. This ensures that we take all proper measures to ensure our own security. And above all, one must have good common sense, caution and prudence – as well as sheer courage.

But unfortunately, these guidelines may not always be enough. If we determine that the risks are too high, we sometimes have to pull back. But only as long as absolutely necessary, I must add. We have found that holding out even in crisis situations gives us great credibility and respect when the situation later normalizes.

The second factor is infrastructure. No society can function without the basics of water and food supplies, and even electricity. Viable communication and transportation systems, and fundamental healthcare facilities are also important for stability. One of the top priorities must therefore be to reconstruct – and secure – these services. This must be done to restore functional authority, to meet the basic needs of the population, and to provide the foundation for rebuilding the economy and the society.

The third factor is financing. Ultimately, the success of any reconstruction program depends on securing adequate funds. In these cases, the private sector must have partners – international organizations like the World Bank, bilateral partners, development agencies, governments and local authorities. Businesses alone can't bear the financial burden, or the risk.

Unfortunately, we all know that the process of getting financing for reconstruction projects can be complex, time-consuming and sometimes frustrating. At the same time, speed is critically important. In a post-conflict situation, restoring social stability is must be a top priority. And that can be achieved only with speedy and sufficient funding.

The fourth factor is post-conflict planning. And by this we mean – above all – timely planning. If at all possible, post-conflict plans need to be developed at the same time as military or conflict resolution strategies. There must be a seamless – and fast – transition from conflict to reconstruction. Security first – but followed as quickly as possible by a rebuilding plan.

And we have to be realistic. This means we can't always expect the business procedures to run in the standard forms that we are familiar with. Take the bidding process, for example. Extraordinary situations often demand extraordinary solutions. Fast and uncomplicated decisions. One must accept that this is sometimes more effective than following the standard game rules. Simply because time is of the essence, and normal processes can drag far too long.

None of these four factors are effective without the fifth factor – visible progress. People must personally see that progress is being made. That their own lives are improving – beginning with the basic infrastructure. They must see their society being rebuilt step-by-step – and have hope that they will in time have a chance to support their families again. Not with extra-legal activities, but as part of a new civil order. This is elemental for regaining trust and long-term social stability. It takes time – usually too much time. But even basic signs of progress can change the outlook from hopelessness to cautious hope.

Ladies and gentlemen,

None of us are so naïve as to believe that business alone can change the world or even rebuild a shattered society. But we are convinced that, working together with public partners, business can make decisive contributions to help prevent conflicts in the first place. And in post-conflict situations, the private sector is a key factor in rebuilding a society and securing stability.

Thank you.