

Executive Summary:

“The Private Sector and the Multinational’s Contribution to Peace Building”

On Thursday 7 July 2011 a renowned group of Spanish experts in the areas of defence, security, development cooperation and corporate social responsibility (CSR) met in Madrid to examine what (positive) role the business sector could play to help prevent, manage and resolve violent crisis and intrastate conflicts. This paper summarises the main conclusions and recommendations resulting from this exercise.

The main one is that despite peace building is not yet in businesses’ CSR agenda, private companies do have a true potential to contribute to it. Certainly, businesses do not have adequate direct power to stop or resolve armed conflicts, but they can surely contribute to prevent and reduce the possibilities for conflicts’ outbreak in a number of indirect ways:

- 1) Complying with John Ruggie’s Framework – protect, respect, and remedy – and with the ten principles of the UN Global Compact. The majority of large multinational companies are aware of and subscribe to these principles voluntarily, but firmer, more coherent and longer term compromises (i.e. adopting actions rather than writing CSR declarations) are needed in order to have a positive and lasting impact. Medium size and small companies should also become aware of this international framework and apply it to the best of their capacity.
- 2) Strengthening CSR programmes in areas such as human rights and gender equality. In the sphere of human rights protection and promotion, the corporate sector has progressed enormously, a fact which indubitably contributes to conflict prevention. However, companies must become more active on and supportive of gender equality and women empowerment programmes, as these are of utmost importance for achieving sustainable peace. CSR is also a good tool to promote inclusion and non discriminatory practices in the workplace.
- 3) Using economic power to persuade governments to embark on reform processes which provide for clear norms and regulations, strong and independent institutions and the rule-of-law. These are important elements to democracy, and basic guaranties which the majority of investing companies demand before operating in high risk or post-conflict contexts.
- 4) Supporting sustainable economic and social development through Public-Private Alliances (PPA) and socially responsible investments in strategic sectors such as communications, health, roads, irrigation, basic education, energy, etc. Dialogue

with stakeholders, local ownership and/or inclusion and project micro-management is essential for success.

As companies have the potential to contribute indirectly to reducing the possibilities for conflict, there are also possibilities for them to collaborate directly – together with state and non-state actors – in the implementation of comprehensive peacekeeping mandates, mainly in four areas:

- 1) Peace and security activities: such as personal guard, demining, weapons storage and destruction.
- 2) Security Sector Reform (SSR) activities: such as supporting disarmament, demobilisation and reintegration of ex-combatants processes (DDR), and assisting with selection, training and recruiting of security personnel or arms control.
- 3) State-building activities: providing expertise and technical advice to public administrations, governments and local communities on management and budget control tools; elections, public services administration, etc.
- 4) Providing humanitarian assistance, essential services (water, electricity, education, health system) and basic infrastructure (building roads, hospitals, schools, etc.)

In the particular case of Spain, its first Security Strategy (2011) defines security as a collaborative task between state and non state actors and invites accordingly the corporate sector to support peace efforts from the development perspective. However, this is a new scope even for Spanish largest companies, which have no experience operating in high risk, conflict, or post-conflict countries, as they have mostly invested in Latin América, a relatively conflict free area.

To conclude, experts agreed that the popular revolts in North Africa and Middle East countries have shown that no scenario is totally safe from turning into a violent conflict. They recommended multinational companies to be ready and prepared to manage such complex situations even if there are not prior warning signs. Having tools for risk analysis, protocols and codes of conduct with conflict sensitive and do not harm practices, and CSR programmes to favour human rights, gender equality or sustainable development will always be positive assets for companies operating in these contexts. In the long term, having these assets will contribute to preventing conflicts and underpinning companies' reputation in the community as responsible actors.