

# Introduction

The recent controversy over Talisman Energy's investments in an oil-pipeline project in Sudan raised a number of important questions for Canadians. Should Canadian firms invest in countries, such as Burma or Afghanistan, where significant portions of the population suffer serious human rights abuses or threats to their personal security? Do Canadian companies bear special responsibilities when operating in environments that are the scene of bloody civil wars or brutal dictatorships? What is the role of the Canadian government in ensuring that Canadian firms reflect Canadian values in their commercial operations overseas?

Funded by the Canadian Centre for Foreign Policy Development and produced by Canadian Business for Social Responsibility (CBSR), this discussion paper seeks to address some of these larger issues. It is intended as a first step in a deliberative process. Specifically, it sets out some of the policy implications of Canadian commercial activities in risky states and assesses some of the policy options available to the Canadian government to manage such activities.

This paper is composed of three chapters. The first chapter outlines the issues that this paper seeks to address. The second chapter reviews the current policy landscape and the legal instruments available to the Canadian government to manage corporate involvement in risky states. The third chapter reviews some of the policy options for enhancing the capacity of government to deal with these issues. The paper concludes with a list of eight questions to serve as the basis for discussion and reflection.

This paper is intended to promote discussion and provoke comment. Please disseminate this document as widely as possible. To receive additional copies of this document contact Canadian Business for Social Responsibility [(604) 323-2714].

For the purposes of this report, the term "risky states" is defined as states where human rights abuses are widespread and/or where there is a high risk of conflict.

- Direct ownership of assets and operations by Canadian firms
- Exchanges of goods and services between Canadian firms and firms in risky states
- The provision of goods and services to Canadian firms by firms in risky states
- Joint ventures with local partners
- Operation of national or international organizations

This list was compiled on the basis of a review of the literature on Canadian business and human rights. Where necessary, further research will be conducted.