

Chapter 3

Policy Options: The Menu for Choice

No *single* recommendation is likely to provide a sufficient improvement to the capacity of the Canadian Government to respond to Canadian commercial activities in risky states. A public, prudent and principled policy for managing such activities is likely to require a comprehensive package of reforms. What follows is a brief description of some of the policy initiatives that might be recommended as part of that package.

Proposal #1: Enhanced Country Briefings

The Canadian government should produce a series of country-by-country 'human security reports'. The emphasis should be on creating, in collaboration with academics, international businesses, and NGO communities, a set of human security and human rights indicators that are relatively objective, easy to monitor, and transparent.

The results of these country reviews should be disseminated widely. In particular, they should be accessible through Industry Canada's *Strategis* database, which is a premier source of on-line information for Canadian businesses pursuing export or investment opportunities overseas.

The Department of Foreign Affairs and International Trade should also initiate embassy-level programs whereby Canadian diplomatic staff nurture dialogue between Canadian firms and local partners.

Proposal #2: Stronger Codes of Conduct

Codes of conduct, even purely voluntary codes of conduct, play an important role in encouraging companies to meet a higher standard in their international activities. Although easy to criticize for its generality and lack of concrete guidelines, the Code of International Ethics for Canadian Businesses is an important document. It has provided real guidance for numerous Canadian companies seeking to manage their operations in risky states responsibly.

Therefore, support for the Code of International Ethics for Canadian Businesses, or some alternative code of conduct, should remain a key feature of government policy.

However, the Code itself is in need of significant strengthening. To be effective, codes of conduct must be clear, concrete, and appropriate to the kinds of issues managers face. Government and businesses should work together to strengthen the International Code of Ethics for Canadian Businesses by negotiating additional, sector-specific 'protocols'. Alternatively, an existing code, such as the UN sponsored 'global compact' (see appendix B), might be adopted.

Ideally, codes of conduct should be appropriate to external monitoring and verification, and private firms or non-governmental groups must be willing and able to undertake such monitoring activities. The Government of Canada should promote the emergence of a social auditing industry in Canada with the capacity to monitor