

## LIMITED CIRCULATION

### ENLARGED WORKING GROUP ON SUDAN: RESOURCE EXPLOITATION IN CONFLICT SITUATIONS

March 31, 2000

Ottawa

*On March 31, 2000, an enlarged Working Group on Sudan was convened to address resource exploitation in areas of conflict. The roundtable was a part of a larger consultation about Sudan. Hosted by the Canadian Centre for Foreign Policy Development, it was chaired by Senator Lois Wilson and included, among others, Gerry Barr, John Harker, Ian Smilie, Joe Stern, Shaun Poulter, and Penelope Simons.*

#### 1. Outlining the Problem

*Consensus developed that operations of some foreign companies in conflict situations may aggravate/fuel conflict and have negative impacts on local human rights. Drawing on his own experience, John Harker pointed out that while some corporate executives profess values in common with human rights activists and NGOs, they often overlook and fail to acknowledge apparent human rights violations related to the operations of their companies. Therefore, companies have to be held responsible for their actions and accountable to some code of conduct. Ian Smilie talked about the need to distinguish between those companies which deliberately profit from conflict and those which make genuine investments. Since the former are mostly footloose (their location and identity easily changeable) monitoring and enforcement mechanisms should be directed at individuals and cash flows rather than the companies themselves.*

*Penelope Simons drew attention to the culture of the business sector. The main logic of a private company is to make profit. Historically, the behaviour of mostly Western private companies, unhindered by state or other multilaterally-based regulation, generated massive problems in countries (colonies) they operated in. Corporate responsibility should not only stem from a legal obligation but have a real moral/cultural base, she argued. Business culture should change so that more than just the profit logic guides the decisions and actions of private companies.*

*Most participants agreed that operations of private companies, especially in conflict zones, have to be made more transparent and operate within some normative framework/set of universal standards. Currently, no effective legal mechanism exists to address human rights and*