

principled, public, and prudent strategy for mitigating the human rights impacts of Canadian corporate activities in risky states.

2. Second, Minister of Foreign Affairs Lloyd Axworthy has championed the notion of human security as the guiding principle of Canadian diplomacy in the post-Cold War world. This inspiring vision has led to some real successes in Canadian diplomacy, most notably in the Ottawa Convention banning landmines. However, leadership of the human security agenda is difficult to sustain when the Government is placed on the defensive by the activities of private Canadian firms.
3. The difficulties that Canadian diplomacy has laboured under in dealing with these issues are self-imposed. The Government's 1991 *Canada in the World* policy statement identified three key objectives for Canadian foreign policy: the promotion of prosperity and employment for Canadians, the protection of Canadian security, and the projection of Canadian values and culture abroad. The issue of Canadian commercial activities in risky states stands at the point of maximal interference between these three pillars of Canadian foreign policy. To date, the Canadian government has responded to conflicts *amongst* these three objectives in an ad hoc fashion. Canada's reputation at home and abroad has suffered as a consequence of the resulting incoherence.
4. Fourth, and finally, media reporting on private commercial activities in risky states has the potential to sap Canadians' support for global economic engagement and provides potent ammunition to globalization's more strident critics. As a trading nation, Canada's economic interests are well served by an expanding, open, rule-based international economic order. In the wake of public protests against the WTO negotiations in Seattle, there can be no more important public policy issue facing the Canadian Government than re-building trust in its capacity to manage economic globalization to the benefit of Canadians and the world. Dealing energetically with the issue of Canadian commercial activities in risky states would send a strong signal that the Canadian government takes the social legitimacy of globalization seriously.

## **The Business Case**

There is a growing recognition among the Canadian business community that engaging with corporate accountability issues is a strategic necessity. The World Business Council on Sustainable Development has defined corporate social responsibility as 'the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large'.<sup>5</sup> The ethical management of international partnerships is clearly an important strand within the corporate social responsibility movement.

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<sup>5</sup> Phil Watts and Lord Home, *Meeting Changing Expectations: Corporate Social Responsibility* (London: World Business Council on Sustainable Development, March 1999), p. 3.