

Arguments for Government Action

In addition to the arguments put forward in the draft discussion paper, participants noted the growing academic consensus that strong, rules-based civil society is a key ingredient in economic growth and prosperity. This provides a reason why the Canadian Government should act in promoting good corporate citizenship abroad and a further reason why businesses see a long-term interest in adopting corporate social responsibility (CSR) policies. With this interpretation, human rights issues, human security problems within 'failed states', and corruption issues can be grouped together as governance failures that warrant international concern.

'Canadian Companies' versus 'Canadian-based Multinationals'

Some of the larger companies represented at the roundtable noted an important distinction between Canadian firms operating abroad and international firms that happen to be headquartered in Canada. The issue raised was not so much a question of legal jurisdiction but rather an effort to highlight the potential for conflict between regulatory action by the Canadian Government and the organizational structure and culture of these global firms.

International Issues, Domestic Experience

It was noted that the discussion paper focuses exclusively on international issues but that Canadian firms are dealing with some of the same issues domestically, especially in terms of local community consultation and aboriginal relations. Some of these domestic experiences can be used as lessons when creating equivalent international activities (although challenges tend to be more complex when operating overseas). Two particular lessons noted were 1) the importance of dealing with local actors, including members and affiliates of local government and 2) that the distribution of the economic benefits of development is often as important as narrowly-defined human rights issues. For their part, NGO representatives noted that they are being challenged to develop domestic programs similar to those used internationally.

Opportunities for Training

Training and education were thought to be key issues that were somewhat neglected by the discussion paper. These are crucial ingredients in what is essentially a process of cultural change taking place inside business firms. Adopting codes of conduct is one thing, disseminating them throughout the organization and effectively implementing them quite another. This is an issue affecting all levels, from senior management to front-line staff. The need for information in local languages was specifically noted. NGOs have training materials and might be able to play a role here. Government could encourage business schools to develop curriculum in this area.

Questions on the 'Political Roles' of Companies

Twenty years ago multinational corporations were being criticized for interfering in the domestic politics of host governments. The 'political role' of companies is still a sensitive issue between multinational firms and host governments. Human rights-related activities on the part of international firms can be seen as political interference. There is a great deal of uncertainty in the business community about what represents appropriate behavior. The Canadian Government has a role to play in articulating societal expectations.