

Overview

The recent controversy over Talisman Energy's investment in an oil-pipeline project in Sudan raised 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?

Canadian Business for Social Responsibility (CBSR) urges the Government to take a more active role promoting global corporate citizenship. In particular, Government is called upon to do five things:

1. **Champion** corporate social responsibility at home and abroad.
2. **Support** continued research and training in the field of global corporate citizenship and human security.
3. **Inform** companies of the ethical risks they run when operating in conflict-prone areas.
4. **Reward** businesses that take human rights and human security seriously.
5. **Compel** improvements on the part of companies that consistently and egregiously violate Canadian and international standards.

The policy framework set out in Section A contains detailed recommendations, as well as CBSR's arguments for government action and rebuttals of arguments against government action.

These policy recommendations arose out of a deliberative process undertaken by Canadian Business for Social Responsibility in partnership with the Canadian Centre for Foreign Policy Development. Initially a Discussion Paper on Canadian Commercial activities in risky states and possible Government responses was commissioned by CBSR in partnership with the Canadian Centre for Foreign Policy Development. The discussion paper was based on the interviews with businesses, academics, government representatives, and members of the social investing community. The next step involved a Roundtable discussion, held with participants from the Canadian business sector and NGOs in Vancouver on May 2nd 2000 to deliberate the findings of the discussion paper and to make recommendations to government.

This document provides recommendations for a proposed policy framework for action on the part of Canadian Government. The Discussion Paper and the Roundtable Findings are provided under separate cover.