



HARVARD Kennedy School

JOHN F. KENNEDY SCHOOL OF GOVERNMENT

Canadian Ombudsperson for Responsible Enterprises

By John G. Ruggie

On April 8, the Government of Canada established the office of Ombudsperson for Responsible Enterprises. This marks a significant step in ensuring that the human rights practices of firms based in Canada and operating overseas are aligned with Canadian values and international human rights commitments. Once the full legal powers of the Ombudsperson are in effect, Canada will have set the bar for other major home countries of multinational enterprises and contributed to the social sustainability of a global economy that has become increasingly fragile.

The pace and scope of globalization in recent decades has been unprecedented. People and countries that were able to take advantage of its opportunities prospered. At the same time, however, evidence mounted of serious adverse effects such as sweatshop conditions and even bonded labor in factories supplying global brands; food and beverage firms with seven-year-old children toiling on their plantations; or security forces guarding mining, oil and gas company operations accused of abusing the rights of people in surrounding communities.

Governments in the home countries of multinational enterprises initially were slow to react. But the unanimous endorsement by the UN Human Rights Council in 2011 of the UN Guiding Principles on Business and Human Rights served as a catalyst. (I had the honor to develop the Guiding Principles over the course of a six-year mandate as the UN Secretary-General's Special Representative for Business and Human Rights.)

Since then, other countries have adopted anti-modern-day-slavery legislation, mandatory non-financial disclosure, mandatory human rights due diligence, and other preventative measures.

Canada's approach is unique in potentially being more comprehensive than others. The Ombudsperson serves not only a preventative role but is also tasked with mediating disputes between Canadian companies and affected communities abroad. If a company does not collaborate in good faith, the Ombudsperson can recommend withdrawal of financial support such as export credits from the company, or to deny it enhanced trade advocacy support. The Ombudsperson is also expected to obtain the authority to compel documentation and witnesses. Suspected criminal conduct would be referred to the appropriate authorities.

The new ombudsperson gives people and communities affected by company-related human rights harm a direct interlocutor within the Canadian government, thereby providing a third-party forum to help resolve differences and provide remedy. It also gives businesses greater certainty as to its expected conduct when operating overseas, which is particularly important if they operate in places where governance is weak, corrupt, involved in factional conflict, or where the rights of indigenous peoples are at stake.

The Ombudsperson's arrival builds on Canada's commitment to the UN Guiding Principles and the Canadian Government's role under the OECD Guidelines for Multinational Enterprises. And it is supported by a multi-stakeholder Advisory Body on Responsible Business Conduct, announced last year. Its membership is drawn from industry, workers organizations, civil society and academia, and it advises the Government on the effective implementation and further development of laws, policies and practices in this space. (Full disclosure: I serve as the Advisory Body's Honorary Chair.)

Having worked on the frontlines of promoting responsible corporate conduct for many years, I see this as an important milestone, and one that Canadians can celebrate. Surely challenges will lie ahead, as is always the case, but this initiative deserves the active support of stakeholders across the spectrum.

John G. Ruggie is the Berthold Beitz Professor in Human Rights and International Affairs at Harvard's Kennedy School of Government, and Affiliated Professor in International Legal Studies at Harvard Law.