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**EVIDENCE**

**Tuesday, December 12, 2017**

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**Chair**

**Mr. Michael Levitt**



## Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development

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• (1305)

[English]

**The Chair (Mr. Michael Levitt (York Centre, Lib.)):** Good afternoon, everyone.

We will get going because we have a number of guests here today. It's great to see such a crowd drawn to what might be our final session of the season.

Also, to members, we're going to take 10 minutes at the end for some committee business.

With that, we'll continue our study on child labour and modern slavery. We have witnesses today from the Department of Employment and Social Development: Rakesh Patry, director general, labour program; and Michelle Sinclair, senior policy analyst in the labour program.

Then from the Department of Foreign Affairs, Trade and Development, we have Claude Beauséjour, director, education and preventing violence and harmful practices division; Chris Moran, director general, trade portfolio strategy and coordination; and Mandy Sheldrake, deputy director, international crime.

With that, can we have the folks from Employment and Social Development Canada begin?

Mr. Patry, will you give the remarks?

**Mr. Rakesh Patry (Director General, Labour Program, Department of Employment and Social Development):** I will.

**The Chair:** Wonderful. We'll have you start off.

Thank you.

**Mr. Rakesh Patry:** Thank you very much, Chair.

Good afternoon, everyone. Thank you for the opportunity to address the subcommittee about Canada's efforts to eliminate the use of child labour.

I'm going to provide an overview of the labour program's international efforts and in so doing I may touch briefly on the work of other departments. We work very closely with our colleagues, particularly from Global Affairs Canada who are here with us today, and in other departments as well to ensure a coherent response to child labour, particularly hazardous child labour or forced labour within supply chains.

Those who have already appeared before this subcommittee have discussed related challenges at length, and we have found their observations to be extremely useful. We look forward to the conclusions of this study and the forthcoming recommendations.

To begin with, as you're aware, the government has developed a progressive trade agenda that seeks to ensure that economic growth is inclusive. To this end, Canada negotiates comprehensive and enforceable labour obligations in all our free trade agreements, including the effective enforcement of domestic labour laws that provide protection for fundamental labour rights and principles, such as the effective abolition of child labour and the elimination of forced labour.

When Canada negotiates and enters into these free trade agreements it seeks to ensure the existence of a level playing field and avoid a race to the bottom in labour standards between trading partners.

To date, we have successfully negotiated some of the most comprehensive labour provisions in trade agreements in the world, and we are endeavouring to do so in ongoing trade negotiations. For example, Canada has recently launched negotiations toward deepening its trade partnership with the Pacific Alliance, which comprises Chile, Colombia, Mexico, and Peru, and as you're well aware we're negotiating the modernization of the NAFTA labour provisions with the United States and Mexico.

With current and pending agreements as well as ongoing negotiations, once concluded, these agreements could cover more than a third of the world's population.

We continue to promote co-operation with trading partners, including through focused capacity-building projects addressing the issues of child and forced labour. Over the years, Canada has provided funding to the ILO, the UN's International Labour Organization, to undertake projects, including for example, a project promoting gender rights and tackling child labour in the garment and footwear sector in Vietnam, and a pilot project for the elimination of child labour among refugees and host communities in Jordan.

The role of social partners and civil society organizations in combatting human trafficking, forced labour, and child labour is invaluable, and we thank these groups for sharing their knowledge, skills, and expertise. They are key partners to us, particularly for their research analysis and awareness-raising efforts.

Despite the strides we have made to ensure a multi-faceted, comprehensive approach to eliminate child labour, particularly hazardous child labour or forced labour, certain challenges remain with respect to supply chains in particular.

Combatting child labour or forced labour within supply chains requires the engagement of a number of Government of Canada departments. Our goals are to improve respect for internationally recognized labour standards and human rights, promote the voluntary endorsement by Canadian businesses of internationally recognized corporate social responsibility standards, and protect Canadian workers and businesses from unfair competition. We also want Canadian consumers to have the information they require to constructively engage with companies.

Earlier this year, our department spearheaded the creation of an interdepartmental working group to study the issue of transparency or due diligence throughout global supply chains. We work closely in this endeavour with our colleagues from Global Affairs Canada; Public Services and Procurement Canada; Public Safety; Justice; Innovation, Science and Economic Development Canada; and Natural Resources Canada.

Challenges remain in understanding the complexity of supply chains and the respective roles of different stakeholders in enhancing transparency. Our working group has examined legislative developments to explore how such measures could build on Canada's current approaches.

Different governments have adopted various approaches such as mandatory transparency legislation and bans on the importation of goods made with forced and child labour.

As you all well know, mandatory legislation such as the California Transparency in Supply Chains Act and the U.K.'s Modern Slavery Act seek to increase transparency around supply chain issues and engage consumers, investors, and advocates in encouraging companies to take action when necessary.

These are important outcomes. However, one challenge raised by civil society in this context is that companies can comply with the strict letter by merely reporting, even when they've taken no steps to address modern slavery in their operations and supply chains.

We've also kept ourselves abreast of more recent measures that are more specific in focus such as the Netherlands' forthcoming child labour due diligence law, or more comprehensive like France's corporate duty of vigilance law. As you have heard from other witnesses, these models differ from the California, U.K., and proposed Australian models in that they mandate due diligence, in addition to reporting.

● (1310)

Where the Californian, U.K., and proposed Australian models do not provide for fines, sanctions, or civil liability for non-compliance, the Dutch and French laws do provide for the respective possibilities of penalties or imprisonment, fines or civil liability.

As these measures are relatively new or have not yet come into force, the effectiveness of the various reporting models is not entirely clear. We are aware of arguments in favour of consistency of international reporting obligations, so officials are consulting with

governments, civil society representatives, and other stakeholders to research the various possibilities. Moreover, we continue to study other mechanisms to complement the existing array of measures, including voluntary codes of conduct, to address forced labour in supply chains.

For example, Canada is making strides to eradicate human trafficking from the production of goods and provision of services purchased by the government. Public Services and Procurement Canada published a request for information on November 27 of this year seeking input from the apparel industry to develop guidelines and a collective approach for the ethical procurement of apparel. As part of the proposal, suppliers selling apparel to the government will self-certify that they and their direct Canadian and foreign suppliers comply with local laws and international standards on labour and human rights, including freedom from child labour, forced labour, and human trafficking.

In addition, Public Services and Procurement Canada plans to expand its code of conduct for procurement to include similar provisions to ensure that the Government of Canada's procurement supply chains are free from human trafficking and labour exploitation. Canada already prohibits the importation of commercial goods made with prison labour. Similar prohibitions exist in the U.S., which also prohibit the importation of goods made from forced labour and/or indentured labour.

This type of approach may also increase transparency and awareness. It could motivate companies to be more proactive on these issues and to commit to taking concrete action. This could also create an opportunity for collaboration among government, companies, civil society, and consumers in enhancing transparency in supply chains.

The ILO is also conducting research to help fill the knowledge gaps on statistics. We look forward to the results of that research as well as the results of this study, as they will undoubtedly shed light on the existing risks that are throughout Canadian supply chains and advance the discussion towards the identification of the best model for Canada.

We're committed to continuing engagement to determine the best combination of measures to address these issues in a manner appropriate to the Canadian context and supportive of international initiatives in this area. We will continue to collaborate with other Canadian jurisdictions, social partners, UN agencies, civil society, international governments, and others to combat child labour, particularly hazardous child labour or forced labour within supply chains.

Thank you again for your time this afternoon.

**The Chair:** Thank you very much.

Before we move to Ms. Moran, I also want to acknowledge the presence of Robert McDougall, who is the executive director of the south Asia division for Global Affairs Canada.

With that, Ms. Moran, please go ahead.

**Ms. Chris Moran (Director General, Trade Portfolio Strategy and Coordination, Department of Foreign Affairs, Trade and Development):** Thank you, Mr. Chair, for the opportunity to speak today with the subcommittee on the work of Global Affairs Canada to address the issue of forced and child labour in global supply chains.

My remarks today will outline our department's approach on corporate social responsibility, or SCR, writ large, and provide a summary of our international assistance programs and multilateral engagement efforts. My fellow colleagues present today can answer specific questions on certain of these details.

These hearings have provided an opportunity for us to outline the Government of Canada's strong commitment to responsible business conduct, ethical public procurement, and the application of the International Labour Organization's fundamental principles and rights at work.

Canada recognizes that the participation in global supply chains is a key determinant of success for Canadian business in many industries, and thus is an important potential source of sustainable economic growth and job creation. However, it's also clear that poor working conditions exist within some global supply chains, including the use of child and forced labour.

As a key interlocutor with business through the trade commissioner service, we see a specific opportunity to address these issues through Canada's corporate social responsibility strategy. Recognized worldwide as a strong stance on responsible business operations abroad, the strategy articulates Canada's expectations for our extractive sector operations abroad—although the principles could be applied to other sectors—and specifically, engagement to promote internationally recognized guidelines, foster networks to convene key stakeholders on CSR issues, strengthen the environment for responsible business and anti-corruption measures, and provide effective and easily accessible dispute resolution mechanisms.

Promotion is underpinned by a government expectation that all Canadian corporate activities abroad respect human rights and all applicable laws to operate transparently and in consultation with host governments and local communities, and to work in a socially and environmentally responsible manner. By encouraging companies to adopt guidelines outlined in the CSR strategy, there is further expectation that companies will take voluntary measures that may be more stringent than the laws of countries in which they operate, specifically on children's rights and child labour impacts. This includes the expectation that companies align their internal policies and operations with internationally recognized CSR standards such as the OECD guidelines for multinational enterprises, the UN guiding principles on business and human rights, and the UN's children's rights and business principles.

Among other things, these standards encourage companies to respect all human and labour rights enshrined in the international bill of rights and the ILO fundamental conventions and to perform early-stage due diligence impact assessments of their operations on human rights and labour conditions of the workers and the communities affected. These standards apply to Canadian businesses wherever

they operate, and companies are expected to be aware of the practices inherent in their supply chains, with both their suppliers and subcontractors.

We do not consider that a business's commitment to respect human rights and eliminate child labour in their supply chains is limited to a checklist to tick off or to a supplier code of conduct. Companies have an incredible opportunity to use the leverage of their business relationships to engage with their suppliers, raise awareness, provide training, and improve their suppliers' operations, as well as to gain a better understanding of their own business model.

With respect to our work to foster networks and strengthen the overall environment for responsible business conduct, we have been active in supporting the OECD to develop and disseminate a series of supply-chain due diligence guidance materials for the financial, mineral, garment, and footwear sectors to provide each respective industry with tools for the practical application of the OECD recommendations. This includes specific guidance dedicated to addressing and preventing child labour.

Canada's engagement on CSR with extractive industries is proving successful, as the industry itself is stepping up its voluntary business practices. For instance, the Mining Association of Canada has recently incorporated into its sustainability framework measures to prevent the use of child and forced labour in the mining supply chain, in line with relevant ILO conventions. This framework, known as "Towards Sustainable Mining", is unique in the world and has established itself as a best-in-class CSR standard for the mining industry. It is mandatory for all MAC members.

While we rely on these best practices to prevent problems, we know that allegations arise, and Minister Champagne has been clear that we want to know about them. Canada offers two dispute resolution mechanisms. The CSR counsellor for the extractive sector facilitates early intervention and advice to avoid impacts before they escalate, and Canada's national contact point for the OECD guidelines for multinational enterprises provides a multi-sectoral, accessible platform for dialogue and resolution between parties seeking solutions that may include changed or improved practices, compensation, and apology.

Please allow me to broaden the lens beyond the CSR strategy at Global Affairs Canada.

● (1315)

It's recognized that, except for a few entities, most Canadian retailing companies in the food and garment industries—two of the most at-risk sectors for forced and child labour—import their goods from foreign suppliers established in developing countries. These companies and their suppliers largely fall outside the mandate of the Global Affairs' trade commissioner service to promote Canadian exports and to attract inward investment to Canada. As indicated by my colleague from ESDC, our multilateral engagement and trade co-operation are also contributing to efforts to eliminate child labour in supply chains, and efforts are deployed through our international development assistance programs as well.

Global Affairs is currently supporting a number of international assistance projects working towards the elimination of child labour. These projects are focusing on applying best practices and helping governments, donors, private sector, and civil society actors to understand the root causes of exploitative child labour and to help eliminate the abhorrent practice.

Most significantly, Canada has invested billions of dollars in support of development projects and humanitarian assistance to refugees, which, while not officially labelled as child labour initiatives, have contributed to countering some of the conditions that create an enabling environment for economic exploitation. These projects have supported millions of women, men, and children, by providing decent work and livelihood opportunities, food security, better access to finance, education, vocational training, and health care, all of which contribute to keep children, in particular girls, out of and far away from child labour.

Moving forward under the feminist international assistance policy, Global Affairs Canada will place a greater focus on ending all forms of violence, especially gender-based violence against girls and boys. This includes preventing and protecting children from the worst forms of child labour as well as countering human trafficking, a criminal activity that fuels forced and child labour.

Canada was among the first countries to ratify the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children. In addition to our domestic efforts, we continue to provide assistance to international partners, working with the UN Office on Drugs and Crime and other organizations, including the International Organization for Migration and INTERPOL, to provide technical assistance and capacity building to enable countries to successfully address the crime of trafficking a person.

Addressing child labour in global supply chains is, however, a complex endeavour that goes much beyond promoting CSR standards for Canadian enterprises operating abroad, advocating for policy changes in foreign capitals, or providing development assistance. Our international efforts need to be complemented by domestic interventions with and led by companies, civil society organizations, consumers, and investors, along with governments at all levels. With our colleagues in the interdepartmental group on supply chains, we are following with great interest the development of supply chain transparency and due diligence legislation in several

foreign jurisdictions to better understand how such measures could complement our current approach to eliminate child labour.

Thank you very much for the opportunity to speak today.

● (1320)

**The Chair:** Thank you very much.

We'll go right into our first round of questions.

We will begin with MP Anderson.

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Thank you, Mr. Chair.

I want to thank our guests for being with us today.

I would like to follow up on something you mentioned at the end, Ms. Moran. You're talking about following with interest what's happening in other countries. We've had many witnesses here who suggested that we need to move ahead with some legislation in Canada.

I don't know who would be best to answer this, but have you received any direction to examine this in terms of putting legislation together to deal with this issue? We've had hearings here on trafficking, on CSR, and now on child labour, and this has come up numerous times.

Do you have direction from the government to begin to move forward on this?

**Mr. Rakesh Patry:** Yes, we have been asked to look at various options for legislation and we are working with partners across government in looking at what those options would be, as both Ms. Moran and I explained, I think, in our remarks.

We do know—and as you've heard from witnesses—there are a number of models out there. We are studying what the different countries' models are. We have listened to civil society. Many of the witnesses who have come and spoken to your committee over the past few weeks have also spoken with us about what their interests are. We are gathering all of that information and examining what the various models and options could potentially be.

**Mr. David Anderson:** Does anything stand out for you then? We have a number of options right from completely voluntary through to some serious compliance requirements. What do you think would work best for Canada? What are you seeing that would be the strengths of some of the different proposals?

**Mr. Rakesh Patry:** I think it would be premature for me to say what would work best for Canada. I would say that there are pros and cons to each of the models, as you have heard. The range runs from the California model, and the U.K. model is also quite similar, with the voluntary reporting mechanism. Then you have that middle ground where the French and the Dutch are looking at something that is voluntary reporting but it does have a bit of teeth attached to it as well. Then you run all the way down the gamut to the U.S. with a ban of importation on goods made with child labour and forced labour, which can be a difficult thing to enforce but certainly there are merits to an option like that as well.

We certainly recognize that there are pros and cons with all of them. We do want to hear from corporations and civil society around what they see as the merits of this as well.

**Mr. David Anderson:** I just want to follow up. Maybe I should have been listening a little bit more closely when you were speaking, but you talked about some compliance requirements for the textile industry, and then talked about procurement provisions for the government for supply chain accountability. Have they already been put in place?

Can you just explain a bit more about what's required at this point?

**Mr. Rakesh Patry:** Sure.

Our colleagues from Public Services and Procurement Canada, who are responsible for government procurement, as you know, are in the process of putting this into place, so I can't expand a great deal beyond the surface knowledge that I have of it.

What that basically amounts to is that on November 27—

**Mr. David Anderson:** I'm sure they were encouraged by our study, right?

**Mr. Rakesh Patry:** I'm sure.

Basically they asked for input from the apparel industry within Canada to develop guidelines looking at ethical procurement of apparel when the government is procuring apparel. Suppliers who sell to the government need to go through this process of self-certifying to ensure that both they, as well as their Canadian suppliers and their foreign suppliers, are complying with all local laws.

**Mr. David Anderson:** Is there already a legislative structure in place that you can require compliance? Do you know?

**Mr. Rakesh Patry:** No, I don't believe so. I don't know with certainty, but I don't believe so.

Are you talking about compliance by the private sector?

● (1325)

**Mr. David Anderson:** Yes.

**Mr. Rakesh Patry:** No, a legislative structure—

**Mr. David Anderson:** So you're just talking about voluntary.

I want to come to this. We've had some suggestion that companies might be responsible enough to be able to do this on their own, and others have said that's not going to happen. I'm just wondering. Do you have any opinion on that? Can we expect that the companies will do the right thing without legislation?

I think some of us would love to see that happen without the government and taxpayers having to get involved in this. From your experience, is that realistic or is it, again, a thing where the government is going to have to say, "Look, we need to put some legislation in place. We don't believe you'll comply otherwise."

**Mr. Rakesh Patry:** I think the U.K. model is precisely that, the idea of voluntary reporting.

But the challenge is that I think it's a little premature to see how effective the U.K. model is going to prove to be. California has had similar legislation in place for a number of years and I think there is a sense that companies have been reporting under the California legislation, but it's certainly not been a comprehensive approach to it. It's a bit of a mixed bag around how the reporting has taken place.

Canadian companies that are active in the U.K. and in California do fall under those regulations as well, so they do have to report as well.

**Mr. David Anderson:** I want to shift direction a little bit here. We've had a commitment from MPs in this Parliament and in the last parliaments in terms of forced labour in the textile industry in southeast Asia. Can you just expand a little bit on where we are with keeping accountability for that?

We had a fire a few years ago where a number of people were killed and it got quite a bit of attention here in Canada. Where have we moved on that issue?

**Mr. Rakesh Patry:** The incident you are referring to, I believe, would probably be the Rana Plaza collapse in Bangladesh, where there were some Canadian companies that were involved in manufacturing there. Following that collapse, in fact just last year, Canada joined with the U.S., the European Union, and the International Labour Organization in what has been termed a sustainability compact. The idea of this is that we're working with the Bangladeshi government, with textile manufacturers in Bangladesh, as well as labour unions to ensure there is an improvement in safety standards across the country in all factories. There has been significant progress in improving labour standards and the inspection of factories there.

There still remain challenges that need to be undertaken, particularly around freedom of association. We have concerns that workers need to have that option available to them, and there is still additional work that needs to be done on that front. Even on labour inspections there is additional work that needs to be done, but we have been working very closely with stakeholders, as well as with the government in Bangladesh, in improving the standards.

I think that since the Rana Plaza collapse there has been a significant improvement in safety, but there is still a great deal of work that needs to be done.

**Mr. David Anderson:** Have you been involved at all, then, in the fishing and seafood industry as well? That's come up numerous times here. Have you done any work that's parallel to what's happening in the textile industry on seafood?

**Mr. Rakesh Patry:** No, we haven't. We know that the European Union has been quite heavily engaged in the Thai fishing industry in particular in addressing issues around child labour there. We have not been directly involved in that, though.

**Mr. David Anderson:** I think I'm probably getting close to my time here, but I'm just wondering if you can maybe explain—and I don't know if this is yours or somebody else's—the rationale behind the government's decision that international labour rights programs are conducted by ESDC instead of GAC. I'm just wondering how the connection to supply chain is tied into both departments working together and then trying to deal with supply chains.

It might take more time than you have right now, but I'd just like to understand that a little better. Why is it in ESDC and how do you tie into global supply chains from there?

**Mr. Rakesh Patry:** I can give a shot at answering that, and my colleagues from Global Affairs can feel free to jump in as well, of course, if they like.

In a nutshell, ESDC and the labour program in ESDC is responsible for labour laws, labour legislation, and working with partner countries in improving labour standards globally. We do that on both a bilateral and a multilateral basis. We work with Global Affairs Canada very closely.

For example, with the International Labour Organization we provide the technical expertise for Canada's representation to the ILO, and Global Affairs Canada, through our mission in Geneva and colleagues here in Ottawa, provides the broader Canadian foreign policy perspective on it.

**Mr. David Anderson:** Where is the lead on it then?

**Mr. Rakesh Patry:** On labour rights internationally...?

**Mr. David Anderson:** When we go into an international forum, does Global Affairs take the lead and the ESDC works with them or it is the other way around?

**Mr. Rakesh Patry:** It would depend on the issue, but on technical issues of labour it would usually be ESDC that would take the lead.

**The Chair:** Thank you very much and we will leave that there.

We're now going to move to MP Fragiskatos please.

**Mr. Peter Fragiskatos (London North Centre, Lib.):** Thank you very much. Thank you for being here today.

I want to pick up on a point that just came up a couple of minutes ago respecting the legislative aspect of the question and whether there's anything in place at the level of the supply chain currently in Canadian law that would allow for some kind of penalty for those who obtain goods that have been accessed through what amounts to modern slavery. If you look in the Criminal Code, section 279.02 says the following. The offence of knowingly receiving a "financial or other material benefit" obtained or derived directly or indirectly from child trafficking or forced labour is subject to a mandatory minimum of at least two years of imprisonment, up to a term of 14 years.

Could you comment on whether that provision of the Criminal Code is applicable here? Could it be used against individuals or a company who at the level of the supply chain are using methods of modern slavery or at least are overseeing a system where modern slavery is being practised?

• (1330)

**Mr. Rakesh Patry:** I apologize. I don't know if I'd be able to say with any certainty whether that particular section of the Criminal Code applies to corporations that are importing goods made with forced labour. We would have our colleagues from Justice Canada review that to see if that is applicable or not, but off the top of my head, I apologize that I cannot comment.

**Mr. Peter Fragiskatos:** I figured. You're not lawyers from the justice department, but I think it could have some relevance to the discussion.

My next question was whether you knew of any prosecutions that have been carried out under the offence, but I'm not going to put you on the spot with that.

**Mr. Rakesh Patry:** Okay.

**Mr. Peter Fragiskatos:** You mentioned, Mr. Patry, when you talked about the U.K. law and issues of due diligence with respect to the U.K. law, that in the U.K. and California reporting is required. Compare that with the situation in the Netherlands or France where those models mandate due diligence. In effect, a company could fulfill the letter of the U.K. law by stating, as you noted, that they are doing nothing to address modern slavery. That could be taken as a sign that the laws in the U.K. and California are weak, frankly.

However, would you not acknowledge that it in fact could be a sign of a strong law because it does shame a potential company? Take company A, for example, that is reporting on a regular basis and making it clear to customers that they are sourcing the materials on their shelves through an ethical process and compare that with company B that is selling the same sort of product but is not reporting at all. When the question is put to them if they are reporting, they have nothing at all to say. Does that not show to you that there is some substance to the U.K. approach?

**Mr. Rakesh Patry:** Yes, that definitely would be the case.

Those who advocate for the U.K. model certainly point to that, saying that the voluntary aspect of it really puts the onus on companies. If companies are good corporate citizens and there certainly is a strong incentive for them to do so, then they will be reporting and they will be investigating.

As I said, it still is early days for the U.K. legislation to see how effective it has been. But when you list the pros and cons of the various models, I would certainly say that the aspect of public shaming, or naming and shaming, is a strong incentive under the U.K. model and could have a very positive benefit.

**Mr. Peter Fragiskatos:** Thank you very much.



I have a question about federal and provincial jurisdiction. We've heard, at our last meeting in fact, from a witness who has looked at this from a constitutional perspective and said that the provinces have a very large role to play here because when it comes to company law, when it comes to matters pertaining to securities law, for example, all of those are relevant when you're talking about supply chains.

Is this mostly a provincial matter? If we're going to actually examine the supply chain and goods extracted from the supply chain, do the provinces take the lead here in your view, in your analysis that you've done up until this point, or is there a role for the federal government to play?

His point was that with respect to income tax and other measures, the Canadian Human Rights Act, for example, the federal government has a role. But I wouldn't want to see, and I don't think anybody would want to see, this important issue become the subject of a constitutional dispute.

That goes to anyone who wants to answer.

**Mr. Rakesh Patry:** I would say that it would be very much a joint and shared responsibility. In terms of labour laws and labour legislation, the federal government is responsible for only about 7% of the labour jurisdiction in the country. The provinces and territories have the remainder of it.

We ratify ILO conventions, for example, on international labour standards. Last year, we ratified convention 138 on the minimum age of employment, which we have spoken about. That addresses issues of child labour.

The federal government has a responsibility to ratify international conventions for Canada, but the reality is that the issues being discussed under that ILO convention fall largely under provincial jurisdiction. When we ratify a convention like that, we consult very closely with all of the provinces and territories. We make sure that they are willing to proceed with the ratification, that they are in compliance—that their laws and regulations fall within compliance—and then we move forward with the ratification of the convention.

I think in a situation like this it would be a shared responsibility. The onus would be on us to ensure we consult properly with the provinces and territories.

• (1335)

**Mr. Peter Fragiskatos:** Thank you very much.

My final question, unless I have more time, looks at the question of modern slavery and the fact that any legislation enacted to look at the matters of modern slavery and child labour that exist at the level of the supply chain will not go nearly as far as we would hope to attack the root of the problem. What we've heard from witnesses is that the problem of modern slavery and the problem of child labour as well are the result of issues and challenges—long-standing ones—at the level of the social structure in terms of caste, gender, and the legal system and its inequalities.

This question goes to the folks from Foreign Affairs specifically. Can you cite specific programs that are already in place and are intended to attack those problems? I have limited time, so if you

want to, you can talk about it from a gender perspective, for example, or caste, or the legal system.

I know we have programs that address access-to-justice challenges that individuals in the developing world are facing. It's about getting to the root of the problem. Legislation, however helpful, will not help us do that, I fear. It's about going back to the programming and putting that on the record.

**Mr. Claude Beauséjour (Director, Education and Preventing Violence and Harmful Practices Division, Department of Foreign Affairs, Trade and Development):** I'll take this one, Mr. Fragiskatos.

It's nice seeing you again.

**Mr. Peter Fragiskatos:** Thank you. It's nice to see you again.

**Mr. Claude Beauséjour:** We travelled together in Guatemala.

It's a good question and a timely one. The government recently launched a feminist international assistance policy that puts women and girls at the front and centre of everything.

Our development programs have been focused on the root causes of what leads to child labour and on work on any other harmful practice that leads to child labour or modern slavery. The key to ending child labour is really ensuring that women—and men, but mostly women—have access to decent work.

That includes being paid a real and fair living income, having opportunities to work that are productive, having security in the workplace—on that, we work hand-in-hand with ESDC in their international work—and having access to social protection, which means being formally recognized and formally registered in the system in order to have access to social programs. That gives them access to child care and medical care, and to jobs that offer better prospects for personal development and social integration, as well as freedom to express their concerns and to organize and participate in community decisions that affect their lives. Finally, it gives them equality of opportunity and treatment, especially for women.

Reducing poverty is really the key. Women don't send their children to work because they want to. It's often because they don't have a choice. You may remember the women we saw in Guatemala. They would prefer to have their children work and be paid—or to be nourished to work—rather than having them starve. By working in a really holistic manner with governments and with the education system—such as providing meals, for instance, or breakfast for children in school—and working with companies with their CSR programs, whether they're extractive or what we were talking about in terms of Gildan earlier, where they offer meals for women and their children, this is reducing all of those barriers that prevent kids from going to school and having a better future.

**Mr. Peter Fragiskatos:** Much of our programming is geared towards that; that's what you're saying.

**Mr. Claude Beauséjour:** Most of the program is geared towards that. I would say that—

**The Chair:** I'm going to have to cut you off there, because we're now quite a bit over.

I want to pass the floor over to Ms. Hardcastle.

**Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP):** Thank you, Mr. Chair.

It sounds like all of you are fairly well versed in what's happening right now in the emerging legislative framework that we're seeing for supply chain transparency. Just recently now, we have Australia also coming on board.

In the work that you're doing with different entities here, I'm sure you can appreciate that part of the interest we've heard from witnesses is that we need some kind of a legislative framework that allows some kind of standard process, standard reporting mechanism, because we have all these different jurisdictions now doing it in different ways.

For investment, you want Canada to not be disadvantaged with something that's ambiguous. Also, where do we fall in?

Knowing all of that, how should we be advancing this? What department do you envision being the one that takes the lead on what supply chain transparency is? Maybe I'm getting ahead of some of my colleagues in the questions, because I've already followed this issue. We're past debating the different mechanisms. Should we prohibit slavery, or should we make it mandatory to report it? It's all being rolled in now in other jurisdictions.

It sounds like you're following this, too, when you see this as emerging. Do you have an idea of where or what department is going to take the lead on this, or are you still waiting for that kind of recommendation? When we're recommending, I don't know who we're talking to. Do you?

● (1340)

**Mr. Rakesh Patry:** I don't know if I could tell you definitively who, in the end, will take the lead on preparing the legislation and bringing it forward. What I can tell you is that this is obviously a whole-of-government approach. As I noted in my remarks, it impacts a number of different areas across government. We have an interdepartmental working group that's set up that's looking at all these issues and ensuring that we're talking to each other about how it impacts our stakeholders and groups that we work with. At this point in time, I would say that the heavy lifting on this is probably being done for the most part by ESDC, our department, but we are working in close collaboration with others.

When the time comes to draft the legislation, I couldn't tell you who would be taking the lead on that at this point, but I can tell you that our department would be playing a significant role in it.

**Ms. Cheryl Hardcastle:** How long has this interdepartmental group been working on this? Did you bring someone here from that group?

**Mr. Rakesh Patry:** We have colleagues from within our team at ESDC here who have been working on this interdepartmental working group. It's been probably about a year that we've had this together. Representatives from all of the departments that I noted in my remarks are present on that group, and we do consult as well with outside stakeholders.

**Ms. Cheryl Hardcastle:** It's not really clear yet what department will be looking at.... I'm not sure what your answer is. You don't know yet, or you...?

**Mr. Rakesh Patry:** I think it would largely be our department that would come forward with the proposals of what the legislative option is that we should be looking at. When it comes to the political level of determining which minister would be responsible, I think that's a decision that would have to be taken at a higher level.

Certainly, at the officials level, we would probably be proposing the various models that would be available.

**Ms. Cheryl Hardcastle:** Political direction and political will play a huge factor in that, then.

In terms of legislation, you've talked little bit about what the status quo is right now, so we do understand the kinds of mechanisms and relationships that are in place in helping other governments, like when you mentioned Rana Plaza. Part of Canada's job, as I've seen, has been to form these relationships and help other governments build capacity so that they can enforce and have these regimes.

While we're helping other governments, what do you believe our government's role is when we have corporations that are working in jurisdictions where maybe those governments don't have the capacity to have that kind of oversight? Do you see that there is a real potential for us to level that playing field with framework? How have you seen it thus far in terms of status quo?

● (1345)

**Ms. Chris Moran:** As I noted we have a voluntary approach to this issue. Through the trade commissioner service we have 160 offices abroad. We're able to leverage the business relationships that Canadian companies have.

First, we are working directly with Canadian businesses to promote and provide them with advice on corporate social responsibility to promote the use, the uptake, and the meaningful application of the OECD guidelines and the standards in existence. But then we also have the opportunity, through the good offices we have established in those countries, to create networks for dialogue to have that conversation and to base it on the relationships we have as well, complemented by the business relationships that exist.

We bring together Canadian companies, NGOs, governments, and members of the community to promote that dialogue and pursue those good practices.

**Mr. Robert McDougall (Executive Director, South Asia Division, Department of Foreign Affairs, Trade and Development):** The sustainability compact being carried out in Bangladesh that Mr. Patry mentioned is a good example of that kind of co-operative attitude. It's one in which we have gotten together with the Bangladeshi government; with other countries, such as the U.K., Australia, the U.S., the Netherlands, and individual EU countries; with two major groupings of buyers, one mostly from North America, one mostly from Europe; some NGOs; and the ILO to promote the acceptance of the Bangladeshi government of health and safety in their garment factories. This was after Rana Plaza.

We also have supplied development assistance funding to the sustainability compact to help factor in things like training, inspection regimes, improvements in health and safety, and as part of the package, we've also taken a strong advocacy position with other like-minded countries in urging Bangladesh not only to ascribe to the ILO conventions, including the one on child labour, but also to ensure they're being followed up. Implementation is always a somewhat separate process from signature.

This is the kind of collective, multi-functional approach we've been taking. This is an example I happen to know because I was high commissioner there and worked on it. To emphasize, it brings in the buyers, including several major Canadian buyers, not just in corporate social responsibility in bringing them in but also frankly because these are people whom the government and the factory owners will listen to because they're the buyers.

**The Chair:** Thank you very much.

We're going to go to MP Khalid for a short question because, as I said, we need to adjourn and go in camera in about four minutes or so.

MP Khalid.

**Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.):** Thank you, Chair.

Thank you to our witnesses for coming today.

In the interest of keeping it short, I went to Ethiopia earlier this year to see directly how Canadian dollars for international development are impacting early childhood development in Ethiopia. I got to see that there is indeed positive impact when it comes to eradicating the root causes of child labour.

Is there a way you assess the impacts of our development dollars going to different countries working toward ending child labour? What does that impact assessment look like?

**Mr. Claude Beauséjour:** I can address this one, although maybe not that specifically.

I've mentioned the feminist international assistance policy. We're developing a policy suite for each of the six action areas of the policy with indicators for each to measure our work, so that every project is seen by a gender specialist and by other specialists I have in the room. Two of my specialists are child protection specialists to make sure the projects do no harm. Sometimes you think you're doing the right thing, but if you haven't looked at it holistically, as I was saying, there could be a situation where by enabling a woman to work, for instance, the husband or partner is not happy and it leads to

gender-based violence because she's not there to take care of the children, if there's no other program dealing with a child.

There are indicators, and it's a consultative process. Whenever we prepare a project it's at least one or two years in the making to make sure that everyone is consulted and that things are measured at the beginning, middle, and end to ensure that those indicators are followed, including do no harm, including positive results for all involved.

• (1350)

**Ms. Iqra Khalid:** Thank you.

I have just one more short question with respect to the labour co-operation agreements that Canada has entered into. What are some of the challenges you face, first of all, entering into these agreements, and second, in enforcing them?

**Mr. Rakesh Patry:** On the negotiation side of it and entering into the agreements, depending on the country, there can sometimes be resistance to the idea of including labour or other types of social considerations in a trade agreement, so we do have to explain our position that, for us and for Canada, there is a linkage between trade and labour, that it's important to ensure that labour rights not be derogated in the interest of benefiting trade, and that we do see linkage and a balance between them.

In terms of the enforcement of it, again in many of the countries we have agreements with, there are capacity issues and that's why as part of our labour co-operation agreements or labour provisions in trade agreements, we have a small technical assistance program that allows us to work with those countries in building capacity and improving labour inspections and promoting knowledge around issues like freedom of association or child labour, for example. It can be a challenge in terms of having the resources, but also in terms of working with both governments and NGOs in those countries, and in building that capacity and that awareness.

**Ms. Iqra Khalid:** Do you think they're effective?

**Mr. Rakesh Patry:** We have in fact recently concluded an internal evaluation around the effectiveness of the programs, and we have found them to be effective.

When you're dealing with an issue like child labour, it's obviously difficult to measure the effectiveness of it because it's such a long-term goal that you're aiming for. When you look at the results of the programs we've run over the last few years, we can point to tangible improvements in situations on the ground in those partner countries, particularly around issues of core labour rights in things like child labour, non-discrimination, freedom of association, and forced labour.

We have seen significant improvement in most of the countries we work with.

**Ms. Iqra Khalid:** Thank you.

With that, I'm going to call for us to go in camera, please.

**The Chair:** Thank you very much.

I would like to thank all of our witnesses and their entourages today. This was very useful as a closing segment for our study.

*[Proceedings continue in camera]*

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