

Canada and Brazil: A Study in Citizenship and Good Global Governance

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Overview

This research project examines mechanisms of global good governance, with a specific examination of Canada/Brazil trade and investment relations. The project reviews evolving theories of global governance, arguing that global governance mechanisms are multifaceted and involve multiple stakeholders ranging from states and international organizations to local, regional and international civil society organizations. We examine two specific cases that help to demonstrate our theory of the fractured and multifaceted nature of global governance. On-site research was conducted in Brazil in February 2002 and July 2002.

The first is a case study of a bauxite mine in the Amazon in Brazil, in which there is a substantial foreign minority investment including Canadian investors. We examine the role played by these foreign minority investors in the operation of the mine, particularly the impact of the mine on local indigenous populations. We conclude that even the minority foreign investor can have a substantial influence on local corporate social responsibility initiatives, raising implications for the responsibilities and role of foreign investors in developing countries. The study demonstrates that governance of the multinational firm can occur in a variety of settings, ranging from the international (such as OECD guidelines) to the local (such as the role of local NGO's working in partnership with foreign minority investors to encourage local corporate social responsibility initiatives in the Amazon).

The second study focuses on the Brazilian campaign to access low cost HIV medications and provide treatment to over 140,000 Brazilians with HIV. This campaign involved a sophisticated alliance of state and NGO collaboration, leading to major reforms at the WTO, including the 2001 *Doha Declaration on the TRIPS Agreement and Public Health*, the August 2003 *Implementation of Paragraph 6 of the Doha Declaration*, and finally resulting in reforms in 2004 to Canada's patent laws to permit the export of Canadian manufactured low cost generic HIV medications to developing countries: Bill C-9. This case study provides a remarkable example of evolving and multifaceted mechanisms of global governance, operating at all levels from local civil society to the nation state and international organizations.

The first case study will be published in a book *Ethics Codes: The Regulatory Norms of a Global Society?* The second case study is being updated with the recent developments relating to Canada's patent act amendments about to be passed by Parliament. Two articles in peer reviewed journals will be published, one focusing on the WTO reforms and Canada's patent amendments, and a second article focusing on the corporation social responsibility implications of these developments for multinational

pharmaceutical companies. The results of the research have also been presented at six different conferences, three of them international conferences in Europe.

A. Oral Papers Delivered

- The Law Commission of Canada, Ottawa, Roundtable ‘Governing for the World’: “Canada and Brazil: A Study in Citizenship and Global Good Governance” (Ottawa, September 2002).
- International Symposium on Corporate Codes of Conduct and the Social Regulation of the Global Firm, Inter-university Centre on Globalization and Work, University of Montreal: “Canada and Brazil: Two Case Studies in Global Corporate Responsibility” (Montreal, May 2003).
- International Association of Business and Society 14th Annual Conference: “ ‘AIDS is not a business’ – A Study in Global Corporate Responsibility: Brazil and Multinational Pharmaceutical Companies – The Struggle to Secure Lower Prices for HIV Medications” (Rotterdam Holland, June 2003).
- Canada AIDS Russia Project, AIDS Centre, “Access to Low-Cost HIV Treatment in Brazil: Lessons for Russia?” (Saratov Russia, June 2003).
- Ontario HIV Treatment Network Research Conference: “Access to HIV Medications in Brazil: Lessons for Russia?” (Toronto, November 2003).
- Carnegie Bosch Institute for Applied Studies in International Management, Carnegie Mellon University, Second Conference on International Corporate Responsibility: “ ‘AIDS is not a business’ – A Study in Global Corporate Responsibility: Brazil and Multinational Pharmaceutical Companies – The Struggle to Secure Lower Prices for HIV Medications” (University of Amsterdam, June 2004).

B. Papers Published

- W.F. Flanagan and G. Whiteman, “Ethics Codes and Multinational Corporations as Minority Shareholders: The Case of a Bauxite Mine in Brazil” in W. Cragg, ed. *Ethics Codes: The Regulatory Norms of a Global Society?* (Edward Edgar Publishers, 2004).

C. Papers Forthcoming

- W.F. Flanagan, “The WTO and Canadian Patent Law Reforms – Securing Access to Affordable HIV Medications in the Developing World” (forthcoming).
- W.F. Flanagan and G. Whiteman, “ ‘AIDS is not a Business?’ – Corporate Social Responsibility and Access to HIV Medications” (forthcoming).