

Want to fight corruption? Let Europeans bid on our public works: Quebec government

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The Quebec government is enthusiastically endorsing the idea of opening up public-works contracts to European companies in the wake of corruption scandals in its construction industry.

The province's international-relations minister said opening the door to foreign competition could help solve Quebec's problem.

There had been speculation about whether the newly elected Parti Quebecois government would support or fight efforts at a Canadian free-trade deal with the European Union. It was energetically touting Friday some of the benefits of a possible agreement.

"If we want to extract the cancer that is collusion and corruption--is more light and more competition part of the answer? You bet it is," Jean-Francois Lisee said in Montreal, following an information session on Canada-EU negotiations.

"Of course, more competition and more players in a small market can only help in giving us more bang for our buck, and so, that's good news."

Lisee's comments come as Quebec holds an explosive inquiry into corruption and collusion in its construction industry.

He noted that Quebec spends about \$5 billion per year on infrastructure projects of which, according to inquiry testimony, between 15 and 30 per cent has been funnelled to criminal organizations or gobbled up through rigged bids and kickbacks.

The proposed Canada-EU agreement, which Ottawa hopes to sign by the end of the year, is due to give European companies more opportunities to bid on certain public contracts here.

In return, Quebec companies are expected to benefit by offering their goods to Europe's enticing market of 500 million consumers at reduced prices of between seven and 16 per cent, Lisee said.

But the new PQ government has indicated that there are grey areas in the negotiation that need to be clarified before the province signs on, such as its concerns about energy and cultural policy along with some other economic sectors.

"A free-trade accord, evidently, contains positive points and less-positive points," Finance Minister Nicolas Marceau said Friday, following the session.

"We have the belief, the conviction, that there's a way to reach a deal that will be advantageous for Quebec."

The government has also been critical of the lack of transparency in the negotiations and says people deserve to know more about what might be in the deal -- which is why it organized Friday's conference.

Around 100 industry, union and civil-society groups attended the session to learn more, and voice their concerns, about

the ongoing trade talks.

Quebec's chief negotiator for the EU deal told the room that many sectors will be excluded from the accord, including health care, education, social security, public transit, daycare and aboriginal affairs.

Former PQ premier Pierre Marc Johnson said Canada's fresh water will be protected, and municipalities will not be forced to privatize water distribution.

Johnson also told the audience that boosting competition for public contracts here would help stamp out corruption.

"Competition's not a bad idea; it prevents collusion," he said before noting how attractive Canadian procurement opportunities are for Europe.

"It's certainly a market that interests numerous European companies."

Doubts about the trade deal's corruption-limiting potential were also raised during the conference, most of which was closed to journalists.

The co-leader of the province's fourth party, the left-wing Quebec solidaire, warned that adding more companies to the bidding mix wouldn't necessarily eliminate corruption.

Amir Khadir cautioned that illegal activities have also been blamed on multinational firms, which are often more difficult to bust than small, local entrepreneurs.

"So, it's wrong to think that this accord is a tool to fight corruption," Khadir told reporters after the event.

"The tools against corruption are the ethical rules that we apply, the rules that eliminate conflicts of interest."

An expert in international trade said European companies already have access to some public contracts in Quebec and this deal would open the door even wider.

"Yes, there's an attraction," Universite du Quebec a Montreal's Christian Deblock said of the interest by European businesses in making bids here.

But Deblock has concerns that, once signed, the deal could stumble at the start as municipalities learn the new rules for awarding their contracts.

"It could eventually cause harm because there might be awarded contracts that could have to be cancelled," said Deblock, who believes there's a widespread lack of knowledge among municipalities about the proposed deal. "They'll have to wake up and adjust quickly."