

Canada's Corruption

At Home and Abroad

Edited by
Robert I. Rotberg and David Carment

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Although Canada is regarded as one of the least corrupt countries, this volume draws on wide ranging evidence and innovative research from scholars around the world to challenge this assumption.

Corruption, defined as the “abuse of entrusted power for private gain,” is often understood as being caused by internally motivated greed leading to prohibited acts in contravention of laws, rules and regulations. It can also be defined as “dishonest action that destroys people’s trust.” These traditional forms of corruption pose problems for Canada in a variety of policy domains, as well as “institutional corruption” evidenced by deception and financial inconsistency that undermine the effectiveness and transparency of policy objectives.

This volume contains chapters that investigate various areas of corruption in Canada, ranging from corruption amongst the First Nations, to the armed forces, to the delivery of foreign assistance. It also offers suggestions to reduce future outbreaks of corruption. Each chapter provides detailed empirical analysis evidenced through real world examples that highlight key lessons amidst the numerous challenges posed by corruption.

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Contents

<i>Citation Information</i>	vii
<i>Notes on Contributors</i>	ix
Canada's corruption at home and abroad: An introduction <i>Robert I. Rotberg</i>	1
1. Corruption and First Nations in Canada <i>Tom Flanagan</i>	15
2. Corruption in the Canadian military? Destroying trust in the chain of command <i>Allan English</i>	32
3. Institutional corruption and Canadian foreign aid <i>Ian Smillie</i>	47
4. The supply and demand sides of corruption: Canadian extractive companies in Africa <i>Frederick Stapenhurst, Fahri Karakas, Emine Sarigöllü, Myung-Soo Jo and Rasheed Draman</i>	60
5. Beyond LAVs: corruption, commercialization and the Canadian defence industry <i>Ellen Gutterman and Andrea Lane</i>	77
6. Fighting corruption: contemporary measures in Canada <i>Arvind K. Jain</i>	93
7. Corruption in today's Canada <i>David Carment</i>	117
<i>Index</i>	123

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Canada's corruption at home and abroad: An introduction

Robert I. Rotberg

ABSTRACT

Although Canada is widely regarded as among the least corrupt countries of the world, and so evaluated by the leading indexes, corruption still exists in today's Canada. This introduction to a special issue on the nature of corruption in Canada recalls corrupt eras in the nation's not-so-distant past and in the years of this decade. Although space prohibited articles on every aspect of Canada's lingering corruption, the special issue managed to contain new discussions of corruption among the First Nations, corruption in the armed forces, corruption in the delivery of foreign assistance, corruption overseas by Canadian corporations, and corruption in the defense industry. A final article indicates the kinds of remedies available to reduce future outbreaks of corruption in Canada.

RÉSUMÉ

Bien que le Canada soit largement considéré comme figurant parmi les pays les moins corrompus du monde, les indices principaux en témoignant, la corruption existe encore dans le Canada d'aujourd'hui. Cette introduction d'une édition spéciale sur la nature de la corruption au Canada revient sur les époques de la corruption dans un passé pas si éloigné du pays et dans cette décennie. Bien que notre espace éditorial n'ait pas permis la publication d'articles couvrant tous les aspects de la corruption persistante au Canada, ce numéro spécial présente de nouveaux débats sur la corruption parmi les Premières Nations, dans les Forces armées, dans la fourniture de l'aide internationale, dans les entreprises canadiennes ayant une activité à l'étranger et dans l'industrie de la défense. Un dernier article présente les types de remèdes disponibles pour limiter la possibilité d'une recrudescence de la corruption au Canada.

Despite its massive municipal scandals of 2013 and the parliamentary and corporate misdeeds of 2015 and 2016, Canada today ranks highly on the Corruption Perceptions Index (CPI), the World Bank's Worldwide Governance Indicators (WGI) Control of Corruption indicator (WBCC), and other rating schemes, having successfully overcome a long nineteenth century and early twentieth century record of nefarious provincial and national dealings. In 2015, Canada ranked ninth of 168 on the CPI, after the Nordic

nations, New Zealand, the Netherlands, Switzerland and Singapore, and one place ahead of Germany, Luxembourg and the United Kingdom (tied for tenth). On the WBCC list for 2014 (the last year available), Canada received the highest ratings – the 90–100 percentile range – again along with the Nordic nations (now including Iceland), Australia, New Zealand, the United Kingdom, Germany, Japan and (a surprise) Chile. The new Public Integrity Index does not include Canada among the 105 countries that it rated in 2016. The Legatum Prosperity Index in 2015 rated Canada sixth, after the Nordics and Switzerland, and before Australia and the Netherlands.¹ Thus, on a comparative basis, Canada is consistently perceived to be among the least corrupt nations on Earth.

Note that all of these rankings are of internal and external perceptions of corruption in a country. There is no completely objective method of assessing how corrupt country X is as compared to corrupt country Z. The best measures we have in this arena are either perceptions drawn from expert panels or the opinions elicited by various data-gathering institutions from prominent businessmen, politicians and members of civil society (see Rotberg 2017). As the CPI itself says,

Corruption generally comprises illegal activities, which are deliberately hidden and only come to light through scandals, investigations or prosecutions. There is no meaningful way to assess absolute levels of corruption in countries or territories on the basis of hard empirical data. Possible attempts to do so, such as by comparing bribes reported, the number of prosecutions brought or studying court cases directly linked to corruption, cannot be taken as definitive indicators of corruption levels. Instead, they show how effective prosecutors, the courts or the media are in investigating and exposing corruption. Capturing perceptions of corruption of those in a position to offer assessments of public sector corruption is the most reliable method of comparing relative corruption levels across countries. (Transparency International 2014)

“Relative” is a key word.

Since the inception of the CPI and the WBCC in the middle 1990s, Canada has always been regarded as a top-10 performer. Yet, as any Canadian who reads his or her national newspaper or tunes into the Canadian Broadcasting Corporation television or radio shows knows perfectly well, reports of corrupt practices are rarely absent from national discourse. The provinces, such as Quebec, have harbored many corrupt episodes, especially during the long patronage-filled reign of Premier Maurice Duplessis and, more recently, in the municipalities around Montreal. (Arvind Jain discusses the Charbonneau Report and Quebec’s reputation in his essay, below.) There were allegations of corruption in Toronto’s civic endeavors, and also in greater Ontario. Corporations, especially SNC-Lavalin, have been accused of buying influence and contracts overseas, and also at home. Senators have double-dipped, filed falsely for expenses and per diems, and fiddled their residency allowances. Members of the House of Commons also took advantage of lax controls. Even the Royal Canadian Mounted Police (RCMP) has been accused by the Parliamentary Joint Public Accounts Committee of condoning shady procurement practices.

There is a seamy side to Canadian corporate and governmental life, however little it is revealed and discussed. Until now there has been remarkably limited attention by scholars and researchers to corruption in Canada’s twenty-first century. Possibly its existence is taken for granted. More likely, a shortage of accessible documentation and a realization that corruption largely happens out of sight have hindered research about, and the exposure of, corruption in Canada’s cities, provinces and central government. This

special issue hence initiates a long-overdue discussion of the ways in which Canada – despite its ratings – is still corrupt and corruptible.

This special issue of the *Canadian Foreign Policy Journal* investigates corruption in Canada. It includes commissioned examinations of what a set of esteemed contributing Canadian scholars and authors have discovered about corruption in various sectors of contemporary Canadian life and activity. For want of space, however, this issue examines only selected areas of Canadian public life. Additional corrupt and corrupted areas could have been included, for there are many areas within Canada where the possibility exists that “gifts,” or the giving of special perquisites, may have unduly influenced political, official and corporate behavior and results.

The essence of corruption is its partiality, its unfairness, its inequity and the underlying fundamental assumption that an agent of the Crown and anyone elected to a public position is obliged to refrain from abusing his/her power. No jurisdiction, no traditional or modern society, believes otherwise. There is nothing culturally relative about corruption. Nor – despite some learned arguments to the contrary – is there anything functional in corrupt behavior. No legal system permits corruption; many laws – as in Canada and across its provinces – prohibit acts that appear or are corrupt. (Rotberg 2017 contains a thorough review of these matters.)

Globally, and even in Canada, we know that greed and taking advantage – self-interest – are hard-wired into the human condition. Corrupt acts flow from a natural (rational) desire to improve one’s position and one’s earnings potential. Both the giver and the taker of corrupt exchanges fundamentally attempt to better their position/situation/claim, calculating the extent to which direct or indirect responsibilities and results will flow from an exchange of gratuities, an acknowledgment of influence and the creation of obligation. All corruption, even the most venal, is fundamentally based on reciprocity, cultivation and an oiling of whatever wheels permit the vehicle of life to roll faster, roll securely, roll in the right direction or roll at all. Corruption is a method of allocating scarce resources and of modifying disadvantages based on status or class.

We know that corruption is common everywhere, even in traditional societies; almost no nation-states and few leaders are immune from the temptations of corruption. We know more than ever before about the mechanisms and impact of corruption. We know that corrupt practices are more odious and more disruptive in the world’s newer nations than in older ones (which experienced their corrupt eras in times past). We know that corruption across the globe is now a pernicious threat both to fragile national orders and – almost for the first time (as United States Secretary of State John Kerry and British Prime Minister David Cameron both said in 2016) – to world order itself.

The standard definition of a corrupt act is some less or more elaborated formula of “the abuse of public office for private gain.” In part, that definition, consciously refusing to moralize or to treat corruption merely as a disregard of ethical norms, includes bribery (the “use of a reward to pervert the judgment of a person in a position of trust”), nepotism (a “bestowal of patronage by reason of ascriptive relationship rather than merit”), and misappropriation (the illegal appropriation of public resources for private-regarding uses) (Nye 1967). Corruption is an undermining of a proper pursuit of the public interest by persons of authority whose roles implicitly commit them to be accountable and to act with integrity.