

**Metropolitan Governing:
Canadian Cases, Comparative Lessons**

THE HALBERT CENTRE FOR CANADIAN STUDIES
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Metropolitan Governing: Canadian Cases, Comparative Lessons

Edited by

Eran Razin and Patrick J. Smith

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This Volume is dedicated to our colleagues who started the discussion

Professor Arie Shachar

And

Professor H. Peter Oberlander, OC

Table of contents

Acknowledgments	ix
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Part I Introduction

Eran Razin and Patrick J. Smith

Metropolitan governing: been there, done that, where are we now?	3
--	---

Part II Canadian Metropolitan Cases

Anne Golden and Enid Slack

Urban governance reform in Toronto: a preliminary assessment of changes made in the late 1990s	29
--	----

Caroline Andrew

Evaluating municipal reform in Ottawa-Gatineau: building for a more metropolitan future?	75
--	----

Pierre Hamel

Institutional changes and metropolitan governance: can de-amalgamation be amalgamation? The case of Montreal	95
--	----

Christopher Leo and Mark Piel

Winnipeg: UNICITY superannuated at 35	121
---------------------------------------	-----

Patrick J. Smith and H. Peter Oberlander

Greater Vancouver: <i>l'exception canadienne métropolitaine</i>	147
---	-----

Part III Comparative Lessons

Kennedy Stewart

Why insulate new institutions? Evaluating pre- and post- change support for metropolitan reform in Greater London and Toronto	187
---	-----

<i>H. V. Savitch and Ronald K. Vogel</i>	
Local and regional governance: rescaling the city	214
<i>Jung-Ho Kim and Patrick, J. Smith</i>	
Consolidating local government and metropolitan governance in Korea	246
<i>Eran Razin</i>	
Initiatives to reform metropolitan governance in Israel: a Sisyphean task?	278
Notes on Contributors	311

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Part I
Introduction

ERAN RAZIN AND PATRICK J. SMITH

Metropolitan Governing: Been There, Done That, Where Are We Now?

Objectives – been there

We have been there, many times. The metropolitan reform discourse is not new to the public administration agenda, and confronting issues of efficient, effective, equitable and responsive governing of expanding urban areas has been a source of debate since cities began growing at a rapid pace in the 19th century. It is sometimes surprising how little the fundamental dilemmas of local government in metropolitan areas have changed since the late 19th century, when many central cities engaged in aggressive policies of annexation, and large-scale amalgamations such as the formation of New York City.

Professional debates over forms of metropolitan government, emphasizing the case against municipal fragmentation, seemed to emerge in the 1920s and 1930s, just as the era of large-scale annexations and consolidations was over (Paytas, 2002). The classic work of Victor Jones (1942) is perhaps the best known early study that suggested structural local government reform as a solution to problems of metropolitan governance. In the post-World War II decades, the construction of the welfare state was accompanied by such reforms in many metropolitan areas – frequently involving the establishment of an upper-tier level of metropolitan government rather than fully consolidating central cities with their suburbs (Self, 1982).

Particularly in the United States, such structural reforms faced considerable resistance, increasingly backed by notions associated with public choice theory (Bish, 1971). Canada, however, was at the extreme opposite. In the history of metropolitan governing, Canada has become, since the 1950s, a forerunner in metropolitan reforms, both in the magnitude of reforms and in the diversity of new structures proposed and imposed on metropolitan areas (Graham et al., 1998). Some of these structures were pioneering experiments that differed

from any experience south of the Canadian border or at the other side of the ocean. Along with the implementation of these reforms, Canadians, such as Rowat (1980), Barlow (1991) and Sancton (Rothblatt & Sancton, 1993; 1998; Sancton, 1994; 2002), also made significant contributions to the comparative study of reforms.

A wave of metropolitan reforms in Canada began in the 1950s subsided during the 1970s, and resurged in the 1990s and into the 21st century. What might be termed “remetropolitanization” has put Canada again in the forefront of metropolitan reforms, in a period when many policy analysts and policy makers assumed that large-scale public intervention focused on structural change in metropolitan government was a phenomenon of the past. New regionalism (Savitch & Vogel, 1996), becoming a mainstream approach during the 1990s, has advocated an emphasis on processes or governance – partnerships and networks – rather than on structures; thus Canadian reforms seemed to form a break from the prevailing trends and perceptions, in most instances back to solutions of past decades.

Canadian metropolitan governance can thus be regarded as a “laboratory” of metropolitan reforms, providing valuable lessons – positive and negative – for sustainable urban governance. The frequent attempts to reform local government in Canadian metropolitan areas can also gain from lessons based on studies of reforms elsewhere, including places where reforms have been successful, failed or have never been seriously considered.

Idiosyncratic policy and governance studies still predominate in this field and the need for studying metropolitan reforms from a comparative perspective is clearly evident. New publications on metropolitan governing in Canada from a comparative perspective are particularly timely given the latest round of reforms in cities such as Halifax, Toronto, Ottawa, Montreal and smaller metropolitan areas such as Hamilton, Sudbury and Kingston. This book was initiated following two meetings on metropolitan governance in Canada and Israel, held in 1999 and 2000, sponsored by the Program for International Research Linkages (PIRL) of the International Council for Canadian Studies. The years that elapsed since this book was envisioned were extremely dynamic in terms of local government reforms in metropolitan areas. Major reforms and changes took place, particularly in the Provinces of Quebec and Ontario, as well as out of

Canada – in places such as Greater London, Korea, South Africa and the United States, and, to an extent, even Israel, as the outcomes of the major reform undertaken in Canadian metropolitan areas were gradually unfolding. While it has been a challenge to keep pace with unfolding realities, including a partial retreat from reform in one case (Montreal), it has been a timely endeavor in terms of the need and interest in evaluating recent Canadian reforms from a comparative perspective.

Some of the central questions that deserved attention and guided the research in this volume include:

- What has driven the new agenda of metropolitan reform – in Canada and elsewhere?
- Given the formidable obstacles for local government reforms in most Western democracies, how have Canadians managed to implement such reforms that often involve stiff opposition and substantial political risk?
- Where opposition for reform has expressed itself, how have metropolitan reforms gone ahead?
- Have reforms in Canada fulfilled expectations and proved successful in light of criteria for the evaluation of local government reforms?
- Can experiences from elsewhere provide lessons for Canada and vice versa?
- Are there lessons, best practices and good governance indicators for processes of metropolitan reform?
- And, what does the Canadian and comparative experience with reform of metropolitan governance offer in terms on understanding shifts in multi-level governing – in particular with local/regional-metropolitan intergovernmental relations with senior provincial/state and national jurisdictions?

The major objectives of this book are thus threefold:

1. To present an account of recent local government reforms in major Canadian metropolitan areas and to evaluate metropolitan governance and reforms in these metropolitan areas. Proposed criteria for evaluation include (a) access: representation, accountability and equity; (b) service: efficiency and effectiveness; and (c) metropolitan sustainability.

2. To present an account and evaluation of metropolitan reforms or attempts for reform in several other countries – Britain, the United States, Israel and Korea – emphasizing similarities, differences and lessons for the Canadian city cases: Toronto, Montreal, Vancouver, Ottawa and Winnipeg.
3. To explain differences in the ability to implement metropolitan reforms between Canada and these other democracies. Metropolitan reforms were implemented in Canada at a scale and frequency greater than anywhere else in the democratic world. Some countries such as Israel are at the opposite end of the spectrum, consciously avoiding such mega changes. Others, such as Korea, Britain and the United States, offer a mixture of experiences and lessons. How do most – though not all – jurisdictions in Canada respond to political barriers to metropolitan reform and why are these barriers such effective impediments to reform in other countries?

Structure of the book – done that

What has been done in the recent round of reform? Following this introduction, chapters in Part II discuss Canadian cases. Golden and Slack assess the 1998 Toronto Megacity reform – the first co-author with a special angle, as she chaired the GTA Task Force, whose 1996 recommendations (the Golden Report) were not implemented by the Harris government that instead undertook the Megacity reform despite widespread local opposition in Toronto. Although reform in Halifax – Nova Scotia – was the first in this recent wave of metropolitan reforms in Canada, it was the Toronto reform – and local reactions to the process – that seemed to have the major impact on reform discourses in Canada and even elsewhere in the world.

Caroline Andrew evaluates the subsequent reforms made in Canada's capital region, in both the Ontario and Quebec parts of the metropolis. Amalgamated Ottawa was a product of the same reform policy of the Harris government in Ontario, whereas amalgamated Gatineau was indeed influenced by the reform momentum and precedent set south of the Ottawa River, but represented a somewhat different reform strategy undertaken by the province of Quebec in the context of a somewhat different political culture.

The case of Montreal, presented by Pierre Hamel, demonstrates the unique Quebec version of metropolitan reform – influenced by the Canadian inclination toward imposed local government reform, but in a more compromising, less resolute approach toward such changes by the senior provincial authority. Leo and Piel’s assessment of the case of Winnipeg provides a longer term perspective on the comprehensive 1972 amalgamation reform that created Unicity, including reference to recent changes that started in 1997, and resulted in a new City of Winnipeg Charter, affecting the power of the amalgamated city.

The final Canadian case – of Greater Vancouver – is discussed by Smith and Oberlander. The authors emphasize the distinctness of this metropolis, in the Canadian context, expressed in avoiding much of the change that has visited other major and some middle-sized Canadian cities. The authors, however, come to a different conclusion than Sancton (2001) or Bish (2001) – both of whom have praised the British Columbia regional district system in Greater Vancouver as efficient and flexible. Rather than presenting Vancouver as a model for future metropolitan/regional governance, they indicate that Vancouver’s regional district system, so successful over its history, is showing signs of having past its best before date.

Part III presents comparative insights from Great Britain, the United States, Korea and Israel. Stewart compares the reinstitution of an upper-tier metropolitan government for Greater London (Great Britain) by Blair’s New Labour with the abolition of lower-tier governments in Toronto by the Conservatives led by Harris. He suggests an unexpected relationship between the approach toward the reform decision – “big tent” consultation and consensus seeking (London) versus “big stick” resolute and confrontational approach (Toronto) – and the subsequent levels of elite and public support for reforms.

The message from the United States, as presented by Savitch and Vogel, emphasizes the concept of new regionalism, as a response or variant of *laissez faire* public choice principles. The authors are skeptical about the desirability of reforms in the structure of local government, such as those imposed in some Canadian metropolitan areas.

The case of Korea (Kim and Smith), demonstrates the similarity of dilemmas and debates over metropolitan governing in diverse political cultures. Two themes stand out: city-county consolidations and

metropolitan reconsiderations. Israel in Eran Razin's article presents a case of extremely high resistance to local government reforms, quite the opposite to the Canadian case, despite a centralized political legacy – more in line with Canadian and British ones than with the United States. These cross-national case studies provide a perspective on the role of different political systems and political cultures in determining the metropolitan governance agenda and the reforms undertaken, revealing considerable similarities in the agenda and diversity in responses.

In the following section we do not intend to summarize systematically the conclusions of each chapter, but rather to sketch messages that seem to emerge from the contributions and questions that still lie ahead. These generalizations and assertions solely reflect our editorial impressions and judgements, and are not necessarily fully in line with the views expressed by authors of the individual chapters.

The message – where are we now?

The lack of sufficient time perspective

A definitive appraisal of the metropolitan reforms implemented in Canada since the late 1990s still lacks a sufficient time perspective. In fact, details of implementation, including a partial retreat from reform in the case of Montreal, continue to unfold. Insights on outcomes of reforms held several decades ago, such as the amalgamation that created Unicity Winnipeg and the other reforms made in major Canadian metropolitan areas between the 1950s and 1970s, are thus much more sound than assessments of recent steps. One can, however, argue that evaluations of outcomes of reforms undertaken in the post-World War II decades of economic growth and expansion of the welfare state do not necessarily provide insights that are relevant to the circumstances of the late 1990s and 2000s, characterized by mounting pressures on the welfare state, intensified competition in globalizing markets and proliferation of neo-conservative ideologies. Here, the cases in this volume offer some basis for more contemporary reflection.

Short-term versus long-term assessments

Our impression from short-term assessments of metropolitan reforms, particularly those that involve amalgamations (Meligrana, 2005), is that these assessments tend to be extremely critical. A recent example is provided by Savitch and Vogel (2004) who assess the 2003 Louisville city-county consolidation. Much of the more critical literature on municipal amalgamations is written just before or after the change is made, when the issue is on the public agenda. Such assessments could be influenced profoundly by antagonism toward imposed changes, by protests of those opposing the steps, and by short-term difficulties and nonmaterialization of expectations. Partly, this can be attributed to the psychological tendency of people to be wary of changes that also involve losses, unless a perception of crisis conditions produces fears that inaction could result in even greater losses. Losses tend to loom larger than corresponding gains in human relations (Tversky & Kahneman, 1991), hence the resistance to major diversions from the status quo. Stewart's reflections on Toronto after the forced amalgamation are instructive here.

More specifically, promises asserted in order to promote reform are nearly always exaggerated, unrealistic, or sometimes plainly wrong. Expected savings never fully materialize, if at all; unexpected extra costs tend to emerge; administrative chaos could accompany the transition period; and major territorial reforms frequently lead to substantial unintended and unanticipated consequences (e.g. Sancton's *Merger Mania*, 2001).

According to Leo and Piel, Unicity Winnipeg did not have good public relations after its establishment, suffering from unfair criticism. This largely resulted from unrealistic expectations from the amalgamation that were based on claims made in order to secure the passage of the reform. Initial response to the 1953 Toronto reform also tended to be negative, but the reform and subsequent adjustments made in the 1960s and 1970s did prove successful in solving regional problems and having public support return. The broad opposition to the 1998 Toronto reform was associated not only with favoring the status quo, but also with the lack of implementation of the recommendations of the task force headed by Anne Golden (GTA Task Force, 1996), which was appointed by a NDP Ontario government no longer in power when the report was submitted. Short-term assessments of the

Toronto reform were indeed critical. Expected saving estimates were plainly wrong and the transition period took much longer and involved far greater spending than initially planned. In the short term, at least, as Golden and Slack found, process – in the form of a significant lack of response to negative public local reactions – mattered.

Longer perspective assessments tend to be kinder toward metropolitan reform, although there is no guarantee that the burden of mistakes would diminish, and bitterness concerning the abolition of municipalities and associated local identities could persist for decades. Partly, one can assert that as the memory of problems associated with the transition period fades and interest groups increasingly build stakes associated with the new status quo, the urge to move back to old structures diminishes. Moreover, positive effects – not necessarily those anticipated – could become more evident. These effects could refer to the political power of amalgamated local authorities, and even to longer-term savings. Perhaps, in the long-term the change in structure seems not to matter that much, and it is process – the quality of leadership and administration – that affects more efficiency, effectiveness and responsiveness of the system, as well as subsequent levels of citizen satisfaction.

In the much criticized 1998 Toronto reform, Golden and Slack also indicate ongoing adjustments made to handle some negative implications of the original move. Perhaps, as the pain of adjustment subsides, benefits of the greater economic and political power of Megacity Toronto are becoming more evident – though here Golden and Slack did identify a significant ongoing problem – the failure to “capture” the metropolitan area around Toronto in the Harris amalgamation. Some of this, in terms of planning at least, has been picked up by the newer McGuinty Ontario Liberal administration, with its various “Greater Golden Horseshoe” initiatives.

Stewart presents a clear case for the shifting attitudes toward reform in Toronto and London (UK). In the case of London, Tony Blair employed a “big tent” (insulation) strategy that involved widespread consultation to build pre-change elite consensus and popular support for a new Greater London Authority. This strategy stood in contrast to the confrontational approach of Margaret Thatcher’s government that tended to view negatively tedious incrementalism and valued a resolute approach in her *streamlining the cities* removal of the Greater London

Council and the other six Metropolitan County Councils (MCCs) (O'Leary, 1987). In Toronto, Harris used a "big stick" approach that presents a clear and coherent message – less government, lower taxes, common sense revolution – for a reform largely planned in secret. With sufficient core support of the traditional right, particularly in Toronto's outer suburbs, he took a confrontational approach, using rapidity of implementation to overcome accumulating opposition.

However, despite the top-down exclusionary approach applied in the Toronto case, after implementation the once broadly opposed Megacity reform gained both elite and public acceptance – even satisfaction. Public support for Megacity was actually higher than for the Greater London Authority, hinting, according to Stewart, that prior consultation is not essential and does not necessarily determine the political price or political rewards embedded in the reform. The "Big Tent" approach was successful as an elite brokering enterprise, but the public remained rather indifferent, perhaps because of the New Labour's reluctance to devolve power. It may also be asserted that Stewart's findings provide support to psychological theories on the tendency to accept present structures unless a high threshold of problems is passed, and to the argument downplaying the significance of local government structures compared to attributes of leadership and norms of administration at all levels of government.

Objectives and the impact of political swings

Metropolitan reforms everywhere are explicitly motivated by a combination of efficiency, effectiveness, economic development, sustainable planning, social justice/equality, local democracy/responsiveness, and good governance objectives. The weight given to each consideration depends on prevailing ideologies of political decision makers that may practically have also implicit political agendas for initiating change (Razin, 2004). Generally, it is usually assumed that the transition from the post-World War II Keynesian welfare state to the post-Keynesian competition state during the late 1970s and 1980s (Brenner, 2004; Self, 1993) was associated with a shift from an emphasis on social justice/equality and centrally directed comprehensive planning to an emphasis on efficiency, with its competitiveness, entrepreneurialism, flexibility, decentralization, privatization and fiscal responsibility aspects. This was in part reflected

by the growing influence of neo-conservative/neo-liberal ideologies that have eroded the influence of post-war social-democracy.

The substantial role of political swings in reform agendas is indeed evident in our case studies, both as major determinants of the initiation of reforms and as determinants of post implementation modifications. The UK usually provides most stark examples for the impact of political swings, as most clearly demonstrated by the abolition of the Greater London Council and the other MCCs by Thatcher's Conservatives in 1986 and the re-establishment of the Greater London Authority in 2000 by Blair's New Labour following the Greater London Authority Act of 1998. In Canada, the Winnipeg amalgamation of the early 1970s was driven by social justice left-wing ideologies, whereas the "counter-revolution" was initiated in 1997 as a cost-cutting approach, emphasizing affordable government as the Canadian version of a neo-conservative welfare state. However, the rise to power of the NDP in the province of Manitoba in the late 1990s shifted priorities again. The 1998 Toronto reform did not follow the recommendations of a task force appointed by the left-wing NDP government, and favored an alternative argued to be more in line with the ideological agenda of the right-wing Conservatives, emphasizing a smaller public sector and lower taxes. One of the key legislative bills was indeed called *The Fewer Politicians Act (1999)*. Paradoxically, the Conservatives resorted to the option of imposed amalgamation, usually associated with a welfare state social justice agenda and contradictory to public choice laissez faire principles.

The post-implementation impact of a political swing was particularly evident in Montreal, where a municipal amalgamation in the island of Montreal, imposed by a Parti Quebecois (PQ) provincial government, was partly reversed by a Liberal government. It is difficult to define motivations of the metropolitan reform inspired by the PQ as either right-wing conservative or left-wing; certainly Anglophone-Francophone relations were a factor. Although similar to Ontario in its desire to cut the budget and download responsibilities, a prime aim of imposed mergers in Quebec was equality: sharing fiscal burdens, particularly offering a solution to the perpetual fiscal crisis of the city of Montreal. The Montreal reform seemed more sensitive to central city interests, whereas in Ontario suburban influences seemed more influential (Quesnel, 2000; Trepanier, 1998). Linguistic politics

perhaps also played a role – the affluent Anglophone inner suburbs of Montreal were unwillingly merged into the new amalgamated city. The Quebec government was apparently more cautious toward imposed reforms than its Ontario counterpart, introducing a less radical form of imposed amalgamations, although even the imposition of such reform seemed very contrary to prevailing political culture in that province.

Unlike in Ontario, when the opposition party came back to power in Quebec it did not see itself committed to what was already done and adopted a procedure of partial retreat from the reform. The Charest Liberals took two steps: decentralizing powers from the merged city to its boroughs; and offering an option of de-merger through referendum, subject to minimum turnout requirement. De-merged municipalities, however, were to regain more limited powers than held prior to the merger reform, and many broader metropolitan services would remain. Whereas the political pendulum seemed to have lead in the case of Montreal to a chaotic outcome, the Liberal party remained consistently committed to the redistribution principle defined by the PQ, and the minority of municipalities that chose to de-merge did not evade their tax sharing obligation or the need to harmonize their property tax rates with those of the merged city.

The impact of precedent

The Canadian case presents evidence on the impact of precedent in instigating reforms. Although Halifax was the first metropolitan area to be reformed in the 1990s, it seems that the “bold,” unexpected move in Canada’s premier metropolitan area – Toronto – had the prime impact, sending waves of reform initiatives elsewhere. The Ottawa amalgamation and other smaller ones in Ontario were carried out with little resistance, largely due to the sense of inevitability set by the Toronto precedent.

Moreover, it seems unlikely that imposed amalgamations in the province of Quebec – unfamiliar to the Quebecois political culture and unheard of in France – could have moved ahead if not for the Ontario precedent. The Gatineau amalgamation, previously rejected by residents at the Quebec side of the Ottawa-Hull metropolitan area, took place due to the precedent set in Ottawa. In this case, as emphasized by Andrew, it was a direct neighbor effect: the amalgamation of Gatineau was largely a no-choice decision, motivated by a fear of remaining

fragmented and weak versus the amalgamated city of Ottawa at the Ontario side of the Ottawa River. Indeed, in Israel, it has been argued that the resistance of the Haifa Bay municipalities (the Qerayot) to amalgamate has left them weak versus the city of Haifa, when it comes to issues such as the location of public facilities (hospital), controlling environmental hazards and decisions over the municipal affiliation of facilities, such as the oil refineries. However, a large-scale amalgamation that could have served as a precedent and leverage for a similar reform in the Haifa metro never took place in Israel. It seems also likely that the Toronto reform made it much more feasible for Quebec to implement the reform in Montreal, partly motivated by completely different objectives, without being perceived as breaking from long held political traditions in an extreme manner.

Evaluation of outcomes

The chapters in this book provide a mixed message concerning the evaluation of outcomes of local government reforms made in Canadian metropolitan areas. The most negative assessment is provided by Golden and Slack, who argue that the 1998 Toronto reform led to negative effects in terms of service delivery, funding, capacity to plan and invest in infrastructure, accessibility, coordination of economic development and marketing. Major problems concerned the downloading of responsibility for social housing and social services, difficulties in the harmonization of services, problems in investment in infrastructure and public transportation, and lack of consideration of means to control sprawl. Their overall assessment – though limited to the Harris Megacity Toronto changes – is thus negative according to efficiency and sustainability criteria, mixed according to accountability criteria, and positive only with respect to fairness. Stewart provides a more positive view of the Toronto reform, but this concerns elite and public attitudes toward the reform rather than evaluation of its outcomes. Benefits associated with greater economic and political power of the amalgamated city of Toronto are plausible, but need to be validated empirically.

Both the chapters on Ottawa-Gatineau and Montreal find it difficult to provide a definite verdict on outcomes, due to the lack of sufficient time perspective. In the case of Ottawa, policy statements on smart growth, compact urban form, denser development and social

sustainability were expressed, but impact is still unclear. Equity should have been enhanced by the amalgamation through equalizing resources across the region. However, when central city and weak cities lose power to dominant electoral power of affluent suburbs this effect could be eroded. Andrew deals also with aspects of minority representation, gender and rural representation, noting that in the amalgamated city of Ottawa suburbs are underrepresented versus central city and rural areas. As to cost savings, in the short term there is a prominent impact of amalgamated costs that are usually underestimated, including equalization of salaries and service levels. It is early to assess long-term savings due to economies of scale (relevant only to amalgamating very small municipalities) or reducing duplication. The bottom line for Ottawa seems to be that a major reorganization did take place, but its impact seems to be fairly limited. Ottawa had a fairly strong metropolitan government (Ottawa-Carleton) even before amalgamation, and its lower municipal tier was not particularly fragmented even before amalgamation. Thus, one can ask whether the reform really matters that much at one direction or another.

In Montreal it is virtually impossible to assess a reform that was never fully implemented and is still being restructured. The result, while seemingly chaotic, may end with a complex four-tier municipal structure for the metropolitan area. These include the weak top-tier metropolitan structure (CMM) that encompasses the whole metropolitan region, the new second-tier agglomeration of Montreal that encompasses the whole island of Montreal, including the 15 municipalities that chose to de-merge, the city of Montreal and the 15 de-merged municipalities that form a third-tier, and the relatively powerful boroughs within the city of Montreal at the bottom-tier. It is difficult to envision the end result of such a complex and major restructuring that aims to balance considerations of equity, representation and efficiency. So far it seems that the provincial government has gained power, intervening more and ruling by decrees at the urban level since 2002. Moreover, despite the apparent inconsistency of the metropolitan reform agenda, there has been a clear continuity in aiming at greater fiscal equity within the metropolitan area, and even the de-merger option does not free the de-merged municipalities of sharing the fiscal burden of servicing the whole island

of Montreal. A possible return of the PQ rule in Quebec by 2007/8 could either re-complicate or simplify Montreal area governing.

The overall outcome of the 1972 Unicity Winnipeg reform is assessed by Leo and Piel to be positive. Its main achievement was the equalization of general municipal revenues. It also enhanced the control of the council over a variety of municipal functions, through abolishing special-purpose bodies that led to fragmentation and blurred accountability. A problem observed in Winnipeg concerned the excessive focus on structure, neglecting function (who does what?), particularly legalistic rigidity of provincial legislation. The new City of Winnipeg Charter promises more autonomy for metropolitan Winnipeg, but, like British Columbia's similar Community Charter, its impact remains uncertain.

Perhaps the most positive assessment of metropolitan governance comes from British Columbia – a province that did not follow the approach of most of Canada's other provinces, which throughout recent decades went through substantial amalgamation and annexation reforms that kept metropolitan fragmentation low. The Greater Vancouver Regional District performs a long list of voluntary functions and a few mandatory ones, being comprehensive in territory but flexible in function. The metropolitan political culture of the Vancouver region is characterized by locally inspired development of regional institutions, employing methods of gentle imposition by the province, and avoiding the bureaucratic build-up and duplication often associated with full-blown two-tier regional governments. In recent years, the emphasis on cutting costs and red tape has taken hold also in Vancouver. If accountability and efficiency are zero sum (not necessarily true), then the pressure also in Vancouver is toward efficiency. The challenges of the 21st century in Canada's third city region are very much on the accountability side; further reform seems necessary but unlikely in the short or even medium term.

A few general messages from all these Canadian case studies seem particularly worth noting:

1. The Canadian version of metropolitan reforms tends to emphasize equality considerations – sharing fiscal burdens throughout the metropolitan regions. This emphasis is in line with the marked tendency in Canada to impose reforms that concern structures,

amalgamations, annexations and the establishment of metropolitan structures. Even in Toronto, where the Conservative party was careful not to alienate suburban interests beyond the boundaries of former metro Toronto (by leaving them out of the forced amalgamations) and was committed to a cost saving efficiency agenda, outcomes seem positive with respect to fairness.

2. Weak metropolitan upper-tier bodies seem problematic to maintain and unstable. This concerns both recent experience in Toronto with the Greater Toronto Services Board (GTSB) and in Montreal with the CMM, as well as earlier Canadian experiences. These metropolitan bodies tend to suffer from lack of accountability and popular support. They tend to be weak politically and suffer from duplication of tasks performed also at the lower municipal level, and occasionally even at the upper provincial level. The problem of accountability at the regional level is evident even in the successful Vancouver model. Left alone, such metropolitan bodies may become weaker and weaker. Thus, their continued existence and political power depends on either provincial backing or structural reform. In Toronto and Ottawa, the province indeed chose to abolish the lower-tier rather than the frequently less popular upper-tier. Thus, weak metropolitan structures are unlikely to remain stable and can be expected to either become insignificant or strengthened through provincial political backing or reform.
3. Sub-municipal neighborhood level governments – termed resident advisory committees, community boards, neighborhood councils and the like – frequently established to alleviate accountability problems associated with large scale amalgamation reforms also seem to usually become rather weak, hardly fulfilling expectations. In fact, in some cases they can even be argued to serve as a mere fig leaf to principles of local democracy and the preservation of local identities and prove to be unstable. In the case of Montreal, substantial powers have been awarded to the sub-municipal boroughs within the city of Montreal, and it is yet to be seen which of the tiers of local government in Montreal will emerge more powerful once implementation takes place in 2006. In Winnipeg, the Resident Advisory Groups (RAGs) floundered due to lack of funding and lack of any meaningful decision-making capacity.

4. Amalgamation reforms pose the risk of making access of the public to their elected councillors more difficult, increasing the ratio of population per councillor. Thus, one can expect less direct citizen participation in municipal decision making, and perhaps greater influence of developers and lobbyists. In Winnipeg, in fact, amalgamation led to the increase in power of the bureaucracy at the expense of elected politicians. However, the cost of decreased accountability could be mitigated in some cases by benefits associated with a shift from corrupt-ridden political culture to modern bureaucracy, or with greater powers awarded to more capable and better rewarded councillors. The outcomes concerning accountability and responsiveness are thus not deterministic and could vary from place to place. Elsewhere, Smith and Stewart (2006) offer recent comparisons across major Canadian cities regarding council/staff ratios/remuneration/benefits, confirming this point.

Lessons from abroad

The view from the United States, Canada's most influential neighbor, has tended to view forced consolidations and broad territorial reforms in metropolitan areas as a phenomenon of the past. Indeed, this was the belief also among Canadian scholars throughout the 1980s and early 1990s (for example: Sancton, 1991). Obviously, *laissez faire* public choice approaches have had far deeper roots in the United States than in Canada (Goldberg & Mercer, 1986). Responses within the United States to the neo-conservative/neo-liberal *laissez faire* agenda tended to focus on the concept of new regionalism. This somewhat loosely defined concept viewed metropolitan governance as an alternative to metropolitan government. Horizontal networks, public-private partnerships, a web of inter-local cooperation and tax sharing could have made formal forms of metropolitan government unneeded. Suggesting a shift from a structural or institutional focus to a problem oriented eclectic and pragmatic approach, this approach has been skeptical about adopting unproven change, thus cautious about comprehensive territorial reforms. Managerial reforms referred to notions such as new political culture – rejecting the strong and activist welfare state – and new public management (NPM), emphasizing entrepreneurialism and measuring performance. Thickening of

institutions linking public, private and non-profit actors from cities, neighborhoods, suburbs, outlying counties and state and federal government and NGOs has been viewed as the proper response to globalization.

Debating the need to reduce disparities between central cities and suburbs, advocates of new regionalism noted that consolidations do not always work in favor of weak central cities. Portland, Oregon, has frequently been given as a most progressive example for metropolitan governance engaged in containing sprawl and promoting smart growth; tax base sharing in the Minneapolis-St. Paul metropolitan region has been given as an example for a mechanism that also deals with fiscal disparities. Savitch and Vogel noted Vancouver and French metropolitan areas as examples for mechanisms of new regionalism that avoided territorial reforms but did respond to the agenda of metropolitanization, globalization, privatization and decentralization.

Throughout Western Europe, metropolitan governance has come back to the agenda, not in past forms that prevailed during the Fordist-Keynesian period, but more in what can be termed as a European variant of new regionalism. Brenner (2003) has emphasized the shifting focus from managerialism to entrepreneurialism and onward to competitive regionalism, partly being crisis-induced transformations. Reform objectives focus on economic priorities: regional economic competitiveness and cost savings rather than on the old agendas of administrative efficiency, service provision and equality. The environmental agenda is also influential in European metropolitan policies. Since the 1990s, directly elected metropolitan bodies were established in two German metropolitan areas – Stuttgart and Hanover. The one in Stuttgart has been aimed at improving the economic position of the region and the one in Hanover acting to reduce fiscal disparities, develop regional infrastructure and represent regional interests (Fürst 2005).

Policy networks and institutional thickness that encompasses a whole series of social, cultural and institutional forms have been central to the new reform agenda in Europe (MacLeod & Goodwin, 1999). Brenner (2004) describes some of the main attributes of the renaissance of regionalism in metropolitan areas in Britain, France, Italy, Germany, Denmark and the Netherlands. A complex array of organizations has been established, moving from past vertical,

coordinative and redistributive relationship within a national administrative hierarchy into a horizontal relationship between urban regions competing for development. New regionalism in Europe does view excessive inter-locality competition within an urban region as undermining regional capacity to compete – thus cooperation, coordination, planning and governance are promoted as components of economic development strategies. Some argue that traditional top-down regional planning is giving way to new, flexible forms of horizontal cooperation. However, both Herrschel and Newman (2002) and Brenner (2004) emphasize that such views of new regionalism in Europe underestimate the continuing prominent involvement of national and supranational government. Indeed, “old fashioned” broad amalgamation reforms took place in Greece (in 1998) and Denmark (in 2004).

The transition from Thatcherism to New Labour in Britain (Stoker, 2004) consisted of a mix of top-down and bottom-up approaches. The Thatcherian legacy of tight financial regime, appointed bodies at the local level (quangos), new public management, regulation, centralization and privatization was modified by the New Labour to include the best value regime, with a continued emphasis on improvement in the cost and quality of services, including a comprehensive performance assessment. New policies did emphasize partnership and devolution; the reform discourse has definitely changed, but quangos were not abolished and policy shift was gradual rather than radical. Thus, the varied European experiences hint at the emergence of new regionalism in which the central state is more involved in determining the “rules of the game” and in devising metropolitan policies than is commonly the case in the United States (although some would argue that urban regime and new regionalism literature has underestimated the role of the individual states as prime actors in metropolitan affairs in the United States as well).

The Israeli case mainly provides lessons on the nature of barriers for reform and means to overcome them. Compared to the relatively calm response in Ontario toward the imposed amalgamations and to the rather broad political support for unilateral provincial decisions, Israel presents quite the opposite case. Lack of trust in the government as a fair broker, lack of tradition of consensus building and compromise, a heterogeneous and fragmented, perhaps polarized society and rather

unstable coalition governments are major impediments for meaningful reforms. Nevertheless, the context of severe economic and security crisis in 2002–2003 opened a narrow window of opportunity for a limited time toward creating a sense of inevitability in relation to some unpopular local government reforms, including a few amalgamations. The moves undertaken followed neither new regionalism nor decentralization agendas. Rather, the neo-conservative move had a Thatcherian flavor of downsizing the public sector, cutting public expenditures and privatization associated with centralization and distrust in local government. Razin's paper nevertheless suggests that the lack of radical structural reform may not be the real impediment to metropolitan governance in Israel. The fundamental issues concern deficiencies in governance culture at both the local and central government levels.

Finally, the Asian case of Korea also presents a case of a different political culture, associated with a legacy of centralization and even authoritarianism. The discourse of structural municipal reform referring to issues such as fragmentation versus consolidation, efficiency versus equity, and the need for better harmony between democracy and efficiency resembles the agenda elsewhere.

The bottom line

Canadian metropolitan reforms of the late 1990s and early 2000s are setting precedents that could influence metropolitan agendas worldwide. The old welfare state metropolitan agenda declined in the 1970s, overshadowed by an emphasis on competition, entrepreneurialism and increasing pressure on public budgets. New regionalism emerged in the 1990s in the United States and Europe as a metropolitan governance agenda that suits the new economic and political agenda. But just then, unexpectedly, Canada has taken steps, seemingly preferring old regionalism over new regionalism. The step in Halifax was little noticed outside Canada, but reforms in Toronto and Montreal – prominent metropolitan areas that were considered to possess rather enlightened metropolitan government structures – sent shock waves elsewhere. The agenda was not that of old regionalism, but reflected priorities of the late 1990s and early 2000s; the pressures on big governments and the welfare state are common everywhere. However, the solutions – primarily top down imposition of

amalgamations – were in line with long-standing traditions of metropolitan reforms in Canada from the days of old regionalism.

Discussing the transition from urban governance in the era of spatial Keynesianism to the era of post-Keynesianism and competition, Brenner (2004) notes three alternative future rescaling strategies: (1) rescaling further downward: neighborhood-based anti-exclusion initiatives; (2) rescaling back upward: metropolitan reform initiatives; and (3) rescaling outward: interurban networking initiatives. One can find elements of all in recent Canadian reforms, but it seems that the top-down approach that heavily relies on amalgamation practically reflects distrust in all three strategies, retreating instead to territorial solutions implemented in the post World War II decades in Canada and even in the late 19th century in places such as New York City.

The Canadian experiences do indicate that both weak metropolitan mechanisms and neighborhood-level governments tend to be unstable, often not fulfilling expectations. Moreover, it seems that only old regionalism deals effectively with sharing fiscal burdens, whereas new regionalism approaches can be effective in development. The much praised Vancouver metropolitan governance system is also not a United States type new regionalism, but reflects much more Canadian political culture, characterized by greater acceptance of senior levels of government as fair brokers, trust in a culture of negotiation, compromise and consensus building that supports notions such as “gentle imposition” (Tennant & Zirnhelt, 1973).

One could argue that the latest round of Canadian reform overemphasizes the impact of political-administrative territorial configurations on metropolitan development, whereas most metropolitan problems require reform in processes rather than in structures. One could also argue that retreating to old regionalism – providing old solutions to new problems – might prove anachronistic. Nevertheless, the fate of present Canadian reforms, particularly those undertaken in Toronto and Montreal can be expected to substantially influence the discourse on metropolitan reforms elsewhere. Territorial reforms reshuffle opportunities for civil society to revise relations with the state and could revise central/provincial government-local government relations in unexpected ways.

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Part II
Canadian Metropolitan Cases

ANNE GOLDEN AND ENID SLACK

Urban Governance Reform in Toronto:
A Preliminary Assessment of Changes
Made in the Late 1990s

Preface

Urban Governance Reform in Toronto: A Preliminary Assessment examines local government reforms in the late 1990s and their effects on Toronto and its ability to succeed as a healthy and competitive city-region. The city was created through the amalgamation of a metropolitan-level government and six lower-tier governments on January 1, 1998. Shortly thereafter, the Province also established the Greater Toronto Services Board to provide coordination within the Greater Toronto Area on issues affecting the new municipality and its neighbors. In addition, the Province realigned responsibilities for services provided by the province and Ontario municipalities in 1998, and introduced a new property assessment system.

The article finds that while some gains were made through these four changes, overall they had negative effects on both the city and city-region in terms of service delivery and funding, capacity to plan and invest in infrastructure, accessibility, and coordination of economic development and marketing – the very foundations of Toronto's success. After the article was written in the spring of 2000, further developments occurred in some of the events it describes. The authors find that their conclusions remained valid in the fall of 2002, and provide an epilogue to update readers on the state of affairs in Toronto up to that year. Subsequently, there has been a multi-year delay in the publication of this volume, with the result that a number of events have transpired (not least of which is the proposed new City of Toronto Act) that are not referenced in this paper. Thus the current landscape is very different than it was six years ago when the paper was written. However, it may still be of interest as a snapshot of the situation as it was.

Introduction

For many years, the City of Toronto has had an enviable reputation as one of the best places in the world to live and do business. In 1996, *Fortune* magazine ranked Toronto first among international cities as the best place to live and conduct business. Among the reasons cited were low crime rates, clean streets, green space, its many theatres and ethnic restaurants, and a “veritable national park mentality.” In 1997, the Geneva-based Corporate Resources Group ranked Toronto third (after Auckland and Geneva) among major world cities with the highest quality of life. Peter Ustinov’s often-cited description of Toronto as “New York run by the Swiss” captures the city’s unique combination of cosmopolitan dynamism and civic order.

There is, however, a growing perception that Toronto’s quality of life is threatened. Increasing income polarization and the disproportionate share of low-income households situated in Toronto relative to the rest of the Greater Toronto Area (GTA),¹ have reduced the city-region’s cohesiveness and seriously undermined its ability to provide needed services. Homelessness, the ultimate symbol of poverty, is on the rise. A slow recovery in transit ridership since a sharp decline from its peak in 1991 and the growth of road traffic congestion outside the city in regions under-served or hard to serve by public transit both suggest that Toronto may soon be immobilized by gridlock. Infrastructure is deteriorating, and investment in new or rehabilitated roads, bridges and other facilities is either inadequate or repeatedly deferred. The city’s decreasing capacity to maintain service levels on a budget supported only by property taxes and user fees confirms the likelihood that Toronto could be entering a downward spiral – one that could ultimately undermine Toronto’s quality of life.

In this article, we review the decisions and policies that have contributed to Toronto’s past successes and propose five key building blocks needed to ensure the city’s future competitiveness. We then

1 The Greater Toronto Area (GTA) comprises the City of Toronto plus the Regions of Durham, Halton, Peel, and York. The population of Toronto in 1999 was 2,385,421. The populations of the other regions in the GTA are: Durham – 452,608; Halton – 329,613; Peel – 869,219; and York – 618,497. These estimates, taken from the 1999 Ontario Municipal Directory, show that the population of Toronto represents about half of the population of the GTA.

describe four provincial initiatives – amalgamation, the downloading of provincial services onto municipalities, the formation of the Greater Toronto Services Board (GTSB), and property tax reform – and evaluate the impact of each on Toronto’s future and ability to compete internationally.

We then comment on the extent to which the policy changes meet four basic criteria:

1. *Accountability*: Accountability requires that the system of government be as understandable to the average citizen as possible, so as to promote participation, access to the political decision-making process, and informed public scrutiny. The public must know who is responsible for making and carrying out decisions. A clear link between expenditure and revenue policies is also essential.
2. *Fairness*: Fairness requires that costs and benefits be shared equally among all those who live in a region. Equity also requires that all members of society have access to needed services and information, and that government programs respond to community needs.
3. *Efficiency*: Efficiency requires that service delivery achieve maximum value with available resources. Linked to efficiency is the subsidiarity principle, which states that services should be delivered by the lowest level of government with the capacity to do so effectively.
4. *Sustainability*: Sustainability is an extension of the idea of efficiency. It requires that services be delivered and planned in a way that takes into account long-term social and fiscal consequences and the fact that each generation is responsible to the next in using the world’s resources.

Past success and future competitiveness

The success enjoyed by Toronto for so many years was, in part, the result of deliberate policy choices by the city and the Province of Ontario.

Policy choices that contributed to Toronto’s success in the past

The creation of Metropolitan Toronto in 1954 was a bold and far-

sighted move. It established a regional body with responsibility for planning, funding, and implementing region-wide infrastructure and services. It also provided access to the city of Toronto's rich tax base to help finance infrastructure in the suburbs. At the same time, lower levels of government that provided local services ensured access and local responsiveness. In 1967, when 13 lower-tier municipalities were amalgamated into six, some services, such as social services and policing, were transferred to the metropolitan level. In the 1970s, regional governments were created around Toronto, modelled on the successful two-tier system in Toronto.

Historically, there has been a strong commitment to planning and infrastructure investment in the region. During the first eight years of its existence, Metro Toronto constructed trunk sewers and water mains, sewage treatment plants, schools, roads, and bridges. In the 1970s, the regions around Toronto followed this example. Infrastructure investment made possible the systematic outward expansion of Toronto between the 1950s and the 1970s.

There has also been a strong commitment to sharing social costs within Metro Toronto. This included distributing social housing across the metropolitan area and spreading the welfare burden more evenly between the downtown core and the suburbs. When the metropolitan level of government assumed responsibility for social services in 1967, social service costs were shared throughout the metropolitan area.² Social service costs are now pooled throughout the Greater Toronto Area, although this was a controversial move on the part of the provincial government.³

Continued investment in education by both provincial and local governments ensured the health of the public education system in

2 Some U.S. cities are starting tax base sharing programs throughout the city-region to share the costs and benefits of development. See, for example, Myron Orfield, *Metropolitics: A Regional Agenda for Community and Stability* (Washington, D.C.: Brookings Institution Press and Cambridge, Mass.: The Lincoln Institute of Land Policy, 1997). Tax base sharing has been a reality in Toronto since the creation of metropolitan government in 1954.

3 It is controversial because the suburban municipalities around Toronto do not want to pay for what they perceive to be Toronto's problems. Notwithstanding recent evidence that more than 47% of the homeless population in Toronto originated from outside the city, there is resistance to pooling social service costs. The more fundamental problem, however, is one of taxation without representation. All municipalities in the GTA contribute to social service and social housing costs, but no regional body oversees expenditures.

Toronto and discouraged middle-class families from moving to the suburbs to find better schools or taking their children out of the public system and sending them to private schools. Before recent, province-wide changes in education funding, school boards could raise property taxes for education, allowing the city to add to provincial dollars and ensure that the school system had sufficient resources to address the higher costs associated with the concentration of special needs in the city.

Toronto, with the assistance of the province, remained committed to public transit as the transportation mode of choice for all residents. Historically, Toronto's transportation policies have balanced the need for both roads and transit. While, in the United States, cities were becoming increasingly dependent on freeways and automobiles, capital investment in transit in Toronto remained roughly equivalent to investment in freeways and suburban roads.⁴

Toronto has also remained committed to preserving established urban neighborhoods. This has been an official planning policy since the mid-1970s. The commitment to maintaining and renewing old neighborhoods was matched by a willingness to create new neighborhoods, such as the St. Lawrence Neighborhood, which houses about 10,000 people on reclaimed industrial land in the downtown area. Suburban municipalities, such as Markham, Richmond Hill, Oakville, and Burlington, have successfully regenerated their historic downtown cores by reviving main streets and restoring villages.

Provincial interest and timely interventions were instrumental in shaping the urban region's post-war development. For example, the Province made a commitment to protecting the Niagara Escarpment and recognized the need to protect green lands and waterfront areas. The province has also supported arts and cultural institutions, which have enhanced the vitality and attractiveness of the entire region.

4 International comparisons of public transport trips per inhabitant per year for selected world cities shows Toronto with an average of 186 trips per inhabitant per year compared to 17 in San Diego and 78 in Philadelphia. However, transit use is lower in Toronto than in some European cities such as London, Paris, and Milan. See Pietro Nivola, *Laws of the Landscape: How Policies Shape Cities in Europe and America* (Washington, D.C.: Brookings Institution Press, 1999), pp. 58–60.

Making Toronto competitive: five essential building blocks

Global competition in general and the North American Free Trade Agreement (NAFTA) in particular forced businesses in the GTA, as elsewhere, to undergo massive restructuring in order to compete in the global marketplace. Increased competition has meant that businesses must continually look for ways to provide high-quality goods and services at the lowest possible cost.

Prospering in the new competitive economy requires the use of computer-based technologies, access to skilled labour, a concentration of specialized firms, and the smooth flow of goods and information. City-regions like the GTA are the best places to meet these requirements, because they alone can provide the benefits that arise when businesses are in close proximity (agglomeration economies). These benefits include the opportunity to do business face-to-face, the availability of business services, access to a large pool of skilled labour, and well-established transportation and communications networks.

To be competitive, Toronto needs policies that stimulate investment and create jobs. The City's future success will depend on its ability to position itself as "the location of choice for companies and workers who can locate anywhere."⁵

There are five essential building blocks necessary if Toronto is to attract, retain, and promote globally competitive businesses:

1. *Service funding and delivery:* Services that lead to a high quality of life at a reasonable cost must be provided. These include not only roads, transit, water, and sewers, but also parks, recreational and cultural facilities, schools, and hospitals.
2. *Capacity to plan:* Toronto must be able to plan transit, urban land use, and the environment in a way that makes the region work effectively and maintains the quality of life.
3. *Investment in infrastructure:* Investment in physical and human infrastructure is essential to attracting business. Investment is needed to build, maintain, and upgrade airports, transit facilities, roads, and telecommunications networks as well as schools and hospitals.

5 *Greater Toronto*, Report of the GTA (Golden) Task Force (Queen's Printer for Ontario, 1996), p. 68.

4. *Access and participation*: An essential element of local government is that citizens feel that they can influence local government policies.
5. *Coordinated approach to economic development*: Attracting and promoting business must be coordinated on a regional scale to ensure that common economic development interests are served.

Local government reform: an overview

Several recent provincial policy changes have affected the City and the city-region, including amalgamation, local services realignment, the formation of the Greater Toronto Services Board, and property tax reform.

The amalgamation of Toronto

On 1 January 1998, the new City of Toronto was created to replace the former metropolitan level of government and its six constituent lower-tier municipalities (Toronto, Etobicoke, North York, Scarborough, York, and East York) with a single-tier city. Restructuring was not the result of local initiative, but was imposed by the provincial government through Bill 103, the *City of Toronto Act, 1996*.⁶

The new amalgamated City of Toronto has been dubbed the “megacity.” It has 2.4 million residents and covers 632 square kilometres. The City’s operating budget is about \$6 billion – larger than six of Canada’s ten provinces. The City employs 26,000 people; an additional 18,000 work for its 214 agencies, boards, and commissions.

The new Toronto City Council was composed of 57 councillors (two elected from each ward) and the mayor. Although this was a much

6 Municipal restructuring in Ontario is widespread. In some cases, such as in Kingston, restructuring was initiated by the municipality itself with provincial assistance. At the request of some municipalities (for example, municipalities in Kent County and Chatham, and in Temagami), the provincial government appointed a commissioner to make recommendations on restructuring. In four regions (Ottawa-Carleton, Hamilton-Wentworth, Sudbury, and Haldimand-Norfolk), the Province appointed special advisors whose recommendations were subsequently adopted and turned into provincial legislation (the first three will be single-tier megacities; Haldimand-Norfolk will be divided into two single-tier cities). Other municipalities have initiated and implemented restructuring locally. To date, all but four counties in Ontario have undertaken some restructuring.

larger council than is the norm in Ontario,⁷ Toronto councillors represented more constituents than is generally the case in GTA municipalities. For the 2000 municipal election, however, the number of councillors in Toronto was reduced to 44 under the Province's *Fewer Municipal Politicians Act, 1999*. This will result in one councillor for every 54,214 persons in Toronto.

Six standing committees and other sub-committees and task forces handle much of the work of the council. The city is also required to have community councils, in which members of Council represent particular areas of the city. Community councils correspond to the boundaries of the former lower-tier municipalities. They deal with neighborhood issues such as development applications and local recreation needs.

Local services realignment

Beginning in 1998, the provincial government increased the responsibility of municipalities for funding. Table 1 shows the division of responsibilities between the Province and municipalities in 1997 before local services realignment and compares it to the situation in 1998 and afterwards.

Local services realignment involved the province transferring many formerly provincial responsibilities to municipalities and, in return, taking over the funding of elementary and secondary education. (Before local services realignment or "downloading," the province funded about 40% of the costs of education; 60% was funded by property taxes levied by school boards.⁸) These changes meant that Ontario municipalities had to take responsibility for water, sewers, roads, transit, social housing, public health, and ambulances. The province also downloaded greater responsibility for social services onto municipal governments.⁹ In 1999, the Province reassumed some responsibility for funding ambulance services and public health.

7 Don Stevenson, Richard Gilbert, "Restructuring Municipal Government in Greater Toronto: Amalgamation to Form the New City of Toronto and Creation of the Greater Toronto Services Board, 1996–1999" (paper prepared for the City of Montreal, 16 July 1999), p. 18.

8 The Province took over the education property tax (residential and non-residential) to pay for part of the costs of education. The Province then cut provincial residential property taxes for education in half in 1998 to leave tax room for municipal purposes. Further cuts were made in 1999.

9 Regional pooling of social service, social housing, and inter-regional transit costs in the

The formation of the Greater Toronto Services Board

The Greater Toronto Services Board (GTSB) was established after the amalgamation of the City of Toronto to promote and facilitate coordinated decision-making among municipalities within the GTA.¹⁰ The GTSB, however, was given virtually no legislative authority, except to oversee regional transit. As it was not another level of government, it was not given direct taxing authority.

The GTSB was made up of 40 members and a chair. Membership included all 25 GTA mayors, the four regional chairs, ten additional members from Toronto's city council, and one member who sits on both the Mississauga and Peel councils. The Chair of the Regional Municipality of Hamilton-Wentworth also sits on the GTSB when it is dealing with transit issues.

The GTSB, with its narrow mandate for regional transit and transportation, faced crippling divisions among its central city, suburban, and rural members, who did not share common values. As a result, consensus on how to proceed to resolve pressing regional problems was difficult to achieve. The Board's mandate thus came under review.

Property tax reform

In January 1998, a new province-wide assessment system was introduced in Ontario, replacing the outdated approach previously used. The new system resulted in uniform assessment based on "current value" (interpreted as "market value"). As the change to a uniform province-wide assessment system by itself would have resulted in large shifts in tax burdens within and between classes of property, it was necessary to introduce tax policy changes at the same time.

Greater Toronto Area has spread the impact of these changes throughout the region. This is discussed in greater detail below.

10 The *Greater Toronto Services Board Act, 1998*, sets out the structure and responsibilities of the Greater Toronto Services Board (GTSB) and the Greater Toronto Transit Authority.

Table 1: Changes in responsibilities between provincial and municipal governments

Responsibility	1997	1998/99
General welfare assistance:		
Benefits	80-20	80-20
Administration	50-50	50-50
Family benefits assistance	Provincial	80-20 benefits 50-50 admin.
Child care services	80-20	80-20
Long term care	Provincial	Provincial
Hostels	80-20	80-20
Homes for special care	Provincial	Provincial
Women's shelters	95-5	Provincial
Social housing	Provincial-Municipal	Municipal
Child welfare	80-20	Provincial
Municipal transit	33-67	Municipal
GO transit	Provincial	Municipal
Ferries	Provincial	Municipal
Airports	40-60	Municipal
Sewer and water	10-90	Municipal
Policing	10-90	Municipal
Farm Tax Rebate	Provincial	Municipal
Property assessment	Provincial	Municipal
Libraries	5-95	5-95
Public health	70-30	50-50
Ambulances	90-10	50-50
Roads*	Provincial-Municipal	More municipal
Gross receipts tax	Municipal	Provincial
Provincial offences	Provincial	Municipal
Residential education taxes	School boards	50% provincial for education; 50% municipal

* Provincial road grants to municipalities were cut back in 1996; maintenance of some provincial highways was also transferred to municipalities. Changes were made to the downloading of public health and ambulances in 1999.

Before property tax reform, municipalities were required by legislation to levy a residential tax rate equal to 85% of the non-residential rate. As a result of reform, municipalities are now allowed to levy variable tax rates for different classes of property, including

residential, multi-residential, commercial, industrial, pipelines, farms, and managed forests. Optional classes that municipalities may use include new multi-residential, shopping centres, office towers, parking lots and vacant land, and large industrial.

Varying tax rates by type of property allows municipalities to shift tax burdens from one property class to another. In order to ensure that municipalities do not increase inequities among property classes, however, the province has set ranges that represent a fair proportion of the tax burden for each property class. Municipalities can move their relative tax burdens closer to the provincial ranges of fairness or maintain them as they were before property tax reform. They cannot, however, move relative tax burdens farther away from the ranges of fairness.

In addition to variable tax rates, the province legislated phase-in provisions and tax deferrals to address shifts that would occur within classes of property, especially within the residential property class. Municipalities must also establish a program to mitigate assessment-related tax increases for residential properties owned by low-income seniors and the disabled.

Even with the phase-in mechanisms, property tax reform resulted in large shifts in tax burdens. In particular, the tax burden on small retail commercial properties in Toronto increased relative to that of large office towers, because of the recession in office markets in June 1996 (the valuation date). Programs were introduced to cap the allowable increase in property taxes on multi-residential, commercial, and industrial properties.

Reforming property taxes has resulted in shifts in property tax burdens among different types of properties, but it has not reduced the differences between property tax on commercial and industrial properties in the City of Toronto and on those in the outer suburbs. Continued higher taxation of commercial and industrial properties in the city acts as a disincentive to businesses to locate in the city. Furthermore, the commitment of the City of Toronto (and other cities in the GTA) to a property tax freeze is similar in some ways to California's Proposition 13.¹¹ In any event, the results are likely to be

11 In 1978, the State of California's Proposition 13 set a ceiling on property tax increases.

the same – a decline in infrastructure investment and reduced service levels.

Observations on local government reform

The provincial governance reform initiatives were designed to make the city more competitive internationally by streamlining services, reducing costs, and lowering taxes. However, local services realignment, political restructuring, and property tax reform may have had the opposite effect. The education system, which is a key to Toronto's competitiveness, has also been weakened.

The downloading of responsibility for social housing and an increased portion of social services has created the most serious problems for municipalities. This move goes against the advice of every committee, task force, and panel commissioned in this province over the last decade to study provincial-municipal funding responsibilities.¹² Using well-established public finance principles, these reports all said the same thing: social services should be funded entirely by the province. In fact, Ontario became one of only two provinces in Canada requiring municipalities to fund social services; the other was Manitoba.

There are three main arguments against downloading an increased portion of social service costs to municipalities:

1. The property tax is not the appropriate mechanism to fund social service programs, which redistribute income to the poor.¹³

12 See, for example, Hopcroft Report in 1991; Fair Tax Commission Report in 1993; the Report of the Greater Toronto Area (Golden) Task Force in 1996; and the letter dated 23 December 1996 to the (Ontario) Minister of Municipal Affairs and Housing from the provincial "Who Does What" Panel.

13 In other countries in which social services are a municipal responsibility, the main source of revenue is not the property tax. See: M. McMillan, "Taxation and Expenditure Patterns in Major City-Regions: An International Perspective and Lessons for Canada," in Paul Hobson, France St. Hilaire, eds., *Urban Governance and Finance: A Question of Who Does What* (Montreal: Institute for Research on Public Policy, 1997), p. 42. In Stockholm, for example, local governments provide social assistance, education, and health care. The primary source of tax revenue is the income tax which funds almost half of local expenditures. Revenue sharing in Frankfurt means that the City benefits from a share of the income tax.

2. Municipalities are put under great financial pressure to reduce welfare payments (or increase property taxes) when needs increase.¹⁴
3. Social services standards should be uniformly applied across the province. Although the provincial government sets standards for service provision, it does not pay all of the costs. Municipalities must also pay a portion of the costs, but have limited flexibility in terms of how the service is provided.

Transit was downloaded to municipalities without any transfer of corresponding revenues. Formerly, transit was funded through a combination of user fees, property taxes, and provincial grants. With the realignment of local services in 1998, the provincial share of the capital and operating costs of transit was downloaded to municipalities – giving them complete funding responsibility. By contrast, in the Greater Vancouver Regional District, the transit authority has access to some provincial fuel tax revenues for local transportation. Similar sources of revenue are not available to GTA municipalities.

Realigning services between the provincial government and municipalities has meant that the city has been forced to take on new municipal responsibilities, without receiving sufficient revenue to pay for them. The downloading of social services to the municipal level and the transfer of responsibility for elementary and secondary education to the province has created two problems. First, the funding of social service costs was placed upon an inelastic revenue source (the property tax) and, second, local governments lost their ability to enhance the quality of education by increasing local property taxes.

In the long run, the reforms are unlikely to improve, and may seriously undermine, the city's competitiveness. They are cause for concern not only because of their individual impact on the City, but also because all of these changes have taken effect simultaneously. This has resulted in turbulence at the City level and left the public unable to evaluate which changes are positive and which are negative.

¹⁴ The swap of services also has implications for the future. The provincial takeover of education funding at a time when the population is aging means that education expenditures will decrease, while the social service demands on municipalities will increase.

In the following sections we examine the effects of local government reform on the five building blocks required to make Toronto a healthy and competitive city-region.

Service funding and delivery

Toronto is responsible for providing a wide range of services. Table 2 shows the categories of services provided, and summarizes operating and capital expenditures per household. In 1998, total operating expenditures in the new City of Toronto were more than \$5.6 billion, or \$6,013 per household. The three largest expenditures were:

- general welfare assistance (19.5%);
- transit (14.3%);
- policing (9.5%).

The largest capital expenditures are generally for transit and roads, followed by sewers and water. Transit expenditures increased significantly in 1998, mainly because of the downloading of capital and operating costs of transit to municipalities that year.

As municipalities are prohibited from incurring operating deficits, operating revenues are roughly equal to operating expenditures. Table 3 summarizes the distribution of operating revenues by source for the new City of Toronto in 1998.

Table 2: Operating and capital expenditures per household, new City of Toronto, 1998

	Operating (\$)	Capital (\$)
General government	660	46
Fire	242	11
Police	569	33
Conservation authority	8	5
Protective inspection and control	57	0
Subtotal: Protection to persons & property	877	48
Roadways	258	138

Winter control	42	0
Transit	860	611
Parking	63	0
Street lighting	17	0
Other	0	7
Subtotal: Transportation services	1,239	757
Sanitary sewer system	228	81
Storm sewer system	3	22
Waterworks system	192	39
Garbage collection	66	9
Garbage disposal	77	8
Pollution control	6	0
Other	0	1
Subtotal: Environmental services	572	159
Public health services	86	
Public inspections and control	9	
Hospitals	0	
Ambulance services	73	
Subtotal: Health services	167	2
General assistance	1,175	5
Assistance to aged persons	149	14
Assistance to children	0	0
Day nurseries	214	1
Subtotal: Social and family services	1,539	20
Parks and recreation	342	65
Libraries	131	23
Other cultural	49	6
Subtotal: Recreation and cultural services	522	94
Planning and development*	436	41
Total	6,013	1,167

* Includes social housing

Source: Calculated from MARS data, Ministry of Municipal Affairs and Housing.

The property tax is the main source of revenue, followed by user fees for services such as transit, parks and recreation, parking, garbage

disposal, and assistance to the aged. Provincial grants come third; most grants are conditional and must be spent on functions designated by the provincial government. Other revenues include fees from licenses and permits, contributions from reserve funds, investments, and other income.

In terms of capital financing, the main source of revenues are: current revenues, contributions from reserves and reserve funds (which are composed of some property taxes and user fees set aside for capital purposes), development charges, provincial grants and loan forgiveness, and municipal borrowing.

Table 3: Distribution of Operating Revenues, New City of Toronto, 1998

	1998 (%)
Property taxes	45.2
Water and sewer billings	6.9
Total taxation	52.1
Payments in lieu of taxes	3.6
Provincial unconditional grants	0.9
Provincial conditional grants	14.2
Total provincial grants	15.1
User fees	16.6
Other municipalities grants and fees	3.8
Other revenues	8.9
Total	100.0

Source: Calculated from MARS data, Ministry of Municipal Affairs and Housing.

*Impact of amalgamation*¹⁵

Amalgamation has resulted in the harmonization of lower-tier services.

15 This section draws largely from Enid Slack, "A Preliminary Assessment of the Toronto Amalgamation," *Canadian Journal of Regional Science* (2000) vol. 23, no. 1.

Service harmonization applied to only 30% of the new city's total expenditures, because 70% of total expenditures (social services, transit, and policing) had already been amalgamated at the metropolitan level of government. The areas targeted for harmonization were solid waste collection and recycling, winter control (snow and ice removal), public health, and library services.

Service harmonization has been difficult to achieve, mainly because of differences in per-household expenditures among the former lower-tier municipalities. In some cases, higher expenditures meant higher service levels; in other cases, they reflected the need for specialized services. For example, in central Toronto, the former City of Toronto, fire expenditures per household have been considerably higher than in the other former municipalities, because of the higher density of the downtown area. Similarly, garbage collection costs are higher in the former City of Toronto, for two reasons. First, there is a greater proportion of commercial properties requiring pickup in Toronto and, second, the former municipalities had stricter criteria governing commercial garbage collection than Toronto. Public health expenditures are higher in the former City of Toronto because of the diversity of the population living downtown. Expenditures on winter control were higher in the former City of North York because it was the only municipality that cleared sidewalks in addition to roads.

An initial review of service harmonization in the new city shows an overall increase in annual expenditures for winter control and public health and some reductions in expenditures for solid waste management.¹⁶ This initial review of service harmonization excluded fire protection. Subsequent analysis has revealed the need for increased expenditure for fire services.¹⁷

The primary opportunities for user fee harmonization are recreation centres, water and commercial garbage collection. Surprisingly, the harmonization of user fees has led to a reduction in user fee revenues in the new City of Toronto compared to the combined revenues of the former municipalities before amalgamation. In particular, fees for parks and recreation have fallen. Overall, service and user fee

16 City of Toronto, "Building the New City of Toronto – Status Report on Amalgamation" (January 1998 – June 1999).

17 City of Toronto, "2000 Preliminary Operating Budget" (Presentation to Budget Advisory Committee and Policy and Finance Committee, February 2000), p. 23.

harmonization is expected to result in increased costs to the new City of Toronto in 2000 and beyond.¹⁸

One-time transition costs in Toronto included the acquisition of new technology for financial, human resources, and payroll systems; the renovation of existing facilities such as the Toronto City Hall; and hiring technical and professional experts in areas such as telecommunications.¹⁹ In addition to these one-time costs, there were also costs associated with downloading and staff severance packages.²⁰

It was estimated that the expenditure for one-time transitional costs in Toronto would be approximately \$153 million for the period 1998 to 2001. Costs associated with staff severance packages and downloading add a further \$56 million for 1998 and 1999.²¹ The City received a \$50 million grant from the province and an interest-free loan of \$50 million in 1998. The province granted an additional \$63 million interest-free loan in 1999. This provincial assistance was intended to help with the transition costs of downloading. The loan arrangements call for the repayment of the loan from savings achieved once amalgamation is complete.

Amalgamation has not resulted in cost savings

Although the City claims to be on target in achieving cost savings, this claim fails to compare savings to the increased costs of service and user fee harmonization or to other budget increases. For example, the City's estimates of cost savings do not include increased costs from amalgamation, such as salaries for 62 new fire-fighters, recommended following a review of fire services. Nor do they factor in the cost of administrative restructuring, service expansion for solid waste disposal, increased litter cleaning services, and other changes in service delivery. Furthermore, new collective agreements negotiated by inside and outside workers had not at that point been incorporated into the budget.

18 See note 17 above, p. 38.

19 Ibid., p. 70–71.

20 Municipal amalgamations generally result in transitional costs that are often higher than anticipated. See Igor Vojnovic, *Municipal Consolidation in the 1990s: An Analysis of Five Canadian Municipalities* (Toronto: Intergovernmental Committee on Urban and Regional Research, 1997).

21 See note 17 above, p. 70–71.

One advantage of amalgamation is that the former City of York and the former Borough of East York, both of which were experiencing declining levels of assessment and inadequate levels of service, now enjoy higher levels of service. Although amalgamation may have improved service levels in some parts of the new municipality, it does so at an increased cost. Furthermore, amalgamation reduces competition between municipalities, because there is less incentive to be efficient and responsive to local needs in a single, large municipality compared to several smaller municipalities.

Amalgamation has not improved Toronto's ability to provide services

Based on *actual* revenues and expenditures, Toronto is not financially self-sufficient. Fiscal imbalances occur when revenues fall short of expenditures. When own-source operating revenues (total revenues minus federal and provincial grants) are compared to operating expenditures, it is clear that Toronto cannot meet its expenditures from its own revenue sources. Expenditures are about \$5.6 billion and own-source revenues are about \$4.8 billion. The local fiscal imbalance is about \$0.8 billion or about \$354 per capita. With increased responsibilities at the local level combined with the wave of property tax freezes across the province, this fiscal imbalance could worsen.

On the capital side, the city's net debt load is expected to increase from \$1.1 billion in 1999 to \$2.3 billion in 2004. Although Toronto is well within provincial borrowing guidelines,²² an increased debt load means less money available to meet future operating needs, possible reductions in service levels, higher property taxes, or all three. In short, amalgamation has not reduced the fiscal imbalance.

Amalgamation has done little to address key social service needs

Research prepared for the Mayor's Tax Force on Homelessness showed that the incidence of poverty and homelessness is increasing in Toronto. In 1996, almost 26,000 different people used the city's emergency shelter system. Furthermore, there is a growing disparity in incomes between Toronto and the rest of the GTA. According to the most recent census data, the incidence of poverty for families in Toronto was 24.4%, compared to 11.5% for the rest of the GTA and

22 The guidelines state that debt charges may not exceed 20 percent of operating expenditures.

12.2% for Ontario outside of Toronto. Toronto has a disproportionate share of poor households.

Toronto is also over-represented relative to the rest of the GTA in terms of households at greater risk of poverty. Toronto has roughly half of the GTA population but more than 70% of its new immigrants, tenant households, and single-person households, 63% of the region's seniors, and 61% of its single-parent families.²³

The City of Toronto, with the largest share of low-income households in the city-region, faces greater demands for social services and has fewer resources to pay for them. The downloading of social services to municipalities in 1998 has exacerbated this problem. To some extent, the pooling of social service and social housing costs across the GTA has cushioned the impact on Toronto, but this policy is contentious within GTA municipalities. Indeed, some regions have expressed interest in withdrawing from pooling and York Region sought a cap on the funds made available for pooling. Poverty and homelessness have not been ameliorated by amalgamation.

The capacity to plan

The ability to manage the city-region's future socio-economic prosperity depends, in part, on a healthy infrastructure. Studies prepared for the GTA Task Force confirmed that compact urban form is a critical competitive advantage, as it lowers the cost of infrastructure and raises the quality of life for residents. This section explores the impact of governance reform on the capacity to plan in the city-region.

Barriers to efficient development patterns

The Report of the GTA Task Force, tabled in 1996, concluded that the biggest barrier to a more efficient development pattern in the Greater Toronto Area was the absence of integrated planning across the city-region. Numerous submissions to the Task Force confirmed that the GTA needed a development plan that integrated urban growth patterns

23 United Way of Greater Toronto, *Toronto at a Turning Point: Demographic, Economic and Social Trends in Toronto* (Toronto: United Way of Greater Toronto, November 1999).

with efficient, region-wide infrastructure investment. As the Canadian Institute of Public Real Estate Companies noted in its submission to the Task Force, planning within the GTA had become “fragmented, compartmentalized, and complex.”

The Task Force identified three ways in which urban planning and management within the GTA are fragmented:

1. *functionally* by urban element;²⁴
2. *geographically* by regional and local municipal boundaries;²⁵
3. *hierarchically* by provincial, regional, and local municipal jurisdiction.²⁶

Urban sprawl in the city-region is the most visible – and negative – consequence of fragmented planning and inefficient development patterns. Indeed, few issues are of more urgent and direct concern to the City of Toronto and to the regions beyond its borders than unconstrained growth.

Benefits of a more efficient development pattern

The economic costs of unrestrained growth radiating out from the City of Toronto should be contrasted with the benefits of a more strategic approach to development and planning. According to a study prepared for the GTA Task Force,²⁷ a more compact and efficient development pattern could save the city-region an estimated \$12.2 billion in hard

24 Division by *function* refers to administrative fragmentation by city department. Transit, roads, and traffic are overseen by transportation planners; buildings by city planners; municipal infrastructure by public works, and so forth. Functional division means that the interrelationships among administrative areas are not adequately recognized, leading to inadequate coordination and poor decision-making.

25 Division by *geography* also creates coordination problems. In the GTA before amalgamation, there were 35 planning departments employing more than 850 people at the local level and about 200 people at the regional level. In the absence of a region-wide coordinating body, these geographical divisions along municipal and regional lines result in uncoordinated planning and, even worse, competitive planning between municipalities.

26 The Task Force estimated that, in 1996, the Province of Ontario alone employed an estimated 130 planning and review staff in various ministries.

27 See note 6 above, p. 111. This is based on revised IBI Group estimates, presented in “The Economics of Urban Form” (prepared for the GTA Task Force by Pamela Blais of Berridge Lewinberg Greenberg Dark Gabor Limited, September 1995).

infrastructure capital costs over the next 25 years – or roughly 22% of the projected \$55 billion capital investment required to sustain current development patterns.²⁸ This translates into annual savings of approximately \$500 million in capital and maintenance expenses alone. An additional \$200 million could be saved in costs related to air pollution, health care, and policing associated with automobile accidents. When lower congestion, parking, and land acquisition costs are factored in, the total cost savings to be realized by containing urban sprawl could average \$1 billion a year over 25 years.

Compact development patterns make economic sense. They can also foster a higher quality of life. Urban neighborhoods that are considered to be attractive and safe places are generally characterized by mixed land use patterns. The opportunity to walk to a corner market, cycle to work, or enjoy a variety of entertainment and cultural activities within a few blocks of home are among the benefits that could be lost if development patterns continue to radiate outward without form or boundaries.

Solutions – A regional planning capability

Recognizing the need for improvement to both economic and quality of life measures, the Task Force recommended, among other things, that planning for most of the current regional municipal functions should be undertaken at the Greater Toronto regional level. As conceived by the Task Force, a GTA planning council (the antecedent of the GTSB) would have responsibility for directing infrastructure investment and responding to economic imperatives, such as sponsoring and funding initiatives to revitalize particular areas of the city-region.

A regional planning capability would eliminate the existing fragmentation and duplication of functions between regional municipalities and allow for coordination at the city-region level. In an era of limited resources and intense competition between city and

28 The Task Force's estimates of savings from alternative development patterns were based on a review of the literature, analyses of comparative costs in the GTA, and updated cost estimates from the 1990 "GTA Urban Structure Concepts Study." This research confirms that the basic physical structure (or urban form) of the city-region significantly affects the level of capital and operating costs of municipal infrastructure, as well as external costs related to pollution, traffic congestion, and land acquisition.

regions, important infrastructure and development investments must be strategic. They need to be coordinated and ranked in order of importance to ensure that investment decisions are cost-effective.

As the Task Force concluded, coordination will only be possible at the Greater Toronto regional level if a comprehensive perspective on urban structure, transportation, transit, economic competitiveness, and environmental quality can be ensured and regional objectives integrated and achieved.

Evaluating the Greater Toronto Services Board

The GTSB proved to be a poor substitute for the integrated planning body recommended by the Task Force. The GTSB's mandate was confined to transportation management. In spite of the efforts of the Task Force and the compelling expert evidence presented in its report, the GTA was still divided in its approach to planning, the GTSB remained an embryonic institution in search of a mission, and the GTA continued to grow and sprawl across the landscape at an unprecedented rate.²⁹

The GTA is expected to grow by approximately 110,000 new residents a year over the next 20 years. By 2021, the city-region would be home to more than 7 million people and account for 19% of Canada's population.³⁰

The high levels of prosperity currently enjoyed across the GTA can be attributed to several factors:³¹

- The GTA has a diversified economic base, with a concentration in the fast-growing sectors of manufacturing, finance, and tourism.

29 On 1 May 2000, Alan Tonks announced that he would resign as Chair of the GTSB, at the end of his first term, on the grounds that he was unable to make progress. Royson James, "Tonks' exit shows GTA hasn't jelled" (*Toronto Star*, 1 May 2000).

30 Greater Toronto Services Board, *Why the Greater Toronto Area is Important to Ontario and Canada* (background Paper prepared for the GTSB by Strategic Projections Inc., undated). See also Toronto Board of Trade/World Trade Centre Toronto, *Grappling with Gridlock – Bringing the GTA's Infrastructure Up to Speed*, Feb/Mar/Apr. 2000. A recent report in the *Toronto Star* cites new, and as yet unreleased, projections: by 2028, the GTA's population will explode to 7.3 million – a 46 percent increase over 30 years. See Rosemary Speirs, "Toronto is the big magnet" (*Toronto Star*, 9 April 2000).

31 Greater Toronto Services Board, *The State of the GTA in 1999* (prepared for the GTSB by Strategic Projections Inc., November 1999).

- Its job creation rate outpaces that of the rest of the province.³²
- New jobs, requiring a wide range of skills and providing diverse rates of pay, are being created and attract more and more people.³³
- It has a relatively young and well-educated population.
- The rate of labour force participation (68.4%) is among the highest in the country.

At the same time, the first *State of the GTA* report prepared by the GTSB,³⁴ pointed out some worrying trends:

- Even though the GTA enjoys the highest standard of living in Canada, it is still significantly lower than that of the wealthiest metropolitan areas in the United States, as well as that offered by most American metropolitan areas of a similar size.
- Although the GTA has the highest standard of living in Canada – by a margin of 30 percent – one out of five GTA families spends more than half of its income to pay for accommodation and food.
- Poverty levels are increasing and becoming concentrated in the City of Toronto. While the incidence of low-income families in the GTA is higher than the national average and most other metropolitan areas in Canada, within the City of Toronto, one in every 3.5 people is poor.³⁵
- Resolving the paradox of worsening social conditions in the midst of an improving economy requires an integrated policy-making

32 Ibid., p. 9. The GTA created more jobs in absolute terms (240,000 between 1988 and 1998) than any other metropolitan area in Canada.

33 Ibid. “The share of the GTA’s total employment accounted for by the business service sector – the fastest growing job creator on an industrial basis in Canada – at 11.7 percent, is among the highest in the country.”

34 Ibid., p. 28.

35 This finding is contained in a report prepared by the Canadian Council on Social Development (“CCSD”) entitled, *Urban Poverty in Canada* (released 17 April 2000). See Elaine Carey, “Toronto tops the 905 poverty list” (*Toronto Star*, 17 April 2000), p. A1. According to the CCSD, every part of Toronto has a higher percentage of people living in poverty than the provincial average of 17.7%, ranging from a high of 32% in the old City to a low of 23% in Etobicoke. These new statistics will further fuel the debate over the pooling or apportioning of social costs across the GTA. In York Region, for example, municipal councillors recently passed a motion asking for an immediate cap on all funds pooled for social services in the GTA. See Gail Swainson, “York wants cap on social service pooling,” (*Toronto Star*, 28 April 2000).

capacity. Unfortunately, increasing levels of prosperity and growth in the city-region have not been accompanied by the development of an appropriate planning framework.

The Oak Ridges Moraine: A case study

The battle fought over development on the Oak Ridges Moraine illustrates the weaknesses in the city-region's existing planning arrangements.

The moraine is a 160-kilometer ridge formed by glacial deposits. It runs north of Toronto from the Niagara Escarpment east to the Trent River, passing through the regions of Peel, York, and Durham. It has been described as the "rain barrel" of the GTA because its deposits of sand and gravel act as reservoirs for the headwaters of 65 rivers and streams – waterways that recharge Lakes Ontario and Simcoe and Georgian Bay, the main sources of water for GTA residents.

At issue is a development proposal before the Town of Richmond Hill, which has been asked to amend its official plan by re-designating 3,250 hectares of ecologically sensitive land on the moraine to accommodate 17,000 new homes over the next 20 years. The proposal raises serious environmental and planning issues. Is it environmentally sound to permit large-scale housing projects on the moraine? How much housing is really needed? How will sprawl affect the water supply? Who has the power to preserve the moraine and control development?

The resolution of this issue will have ramifications far beyond the borders of Richmond Hill and will determine whether and how ecological values in the city-region are protected.

By virtue of its importance, the moraine has received repeated consideration in planning documents and reports. In July 1990, the provincial government of the day announced a "provincial interest" in the Moraine, followed by guidelines for development within the moraine. A technical working committee and a citizens' advisory committee were formed and charged with the task of creating a strategy for the moraine's long term management and protection. Fifteen studies were conducted between 1991 and 1994 to improve understanding of the hydrologic and ecological functions of the moraine. In 1994, a strategy to protect the moraine was proposed, recommending modifications to the provincial *Planning Act*, and

the development of a specific plan and legislation to protect the moraine.

Unfortunately, the recommendations were never fully implemented by the Province,³⁶ even though the Province is in the best position to develop a comprehensive plan for the management of the Moraine, which crosses more than a dozen municipal boundaries. The provincial government took the position that municipalities already have the tools they require (that is, zoning bylaws and official plan amendments) to manage the moraine in an environmentally responsible manner – despite the fact that these tools are difficult to apply across municipal boundaries.

In Ontario, no overriding policy establishes which planning values should have precedence. Provincial planning policies themselves are inherently contradictory: for example, they require municipalities to protect wetlands and woodlots and at the same time designate enough space for housing for the next 20 years. Ontario's *Planning Act* requires developers to "have regard" for the environment – but nothing more.

In February 2000, Richmond Hill tried to force the province's hand. It reversed its initial decision to allow development and asked the provincial government to come up with a plan to protect the moraine. Richmond Hill argued that, as an individual municipality, it lacked the capacity to deal with an issue that extended beyond its boundaries.

As a result of the planning vacuum, it has fallen to the Ontario Municipal Board (OMB) – a body of government appointees with the authority to override local planning and zoning decisions – to determine the future of the moraine. Since OMB decisions are based on provincial development policies, the absence of appropriate policies may advantage to the pro-development side. Even the best result at the OMB would provide only piecemeal protection of the moraine and would do nothing to help establish a provincial anti-sprawl policy.

Interestingly, the impasse over the moraine has caused the formation of new alliances in the GTA between inner and outer cities. Although the Moraine does not run through Toronto, the city asked for standing before the OMB, because of fears that large-scale development on the

36 Professor Robert M. Wright, *The Evolving Physical Condition of the Greater Toronto Area: Space, Form, Change* (University of Toronto: The Neptis Foundation Study, February 2000), p. 49.

moraine would pollute city water supplies. However, the OMB decided that Toronto, as well as the Region of Peel, did not have a “unique interest” sufficient to allow them to make submissions to the Board. Toronto intended to appeal this decision to the Ontario Divisional Court, arguing that the City should have standing, because the OMB’s decision would have a permanent effect on the entire city-region.

On 4 May 2000, the Province filed a report with the OMB, setting out its official position on the matter. The report said it would be “inappropriate” to urbanize the Richmond Hill portion of the moraine, and provided a map detailing exactly how the public interest and ecological features of the moraine would best be protected. The Province also indicated that a plan for the entire moraine would be forthcoming. Although the Province’s plan weakens the position of development proponents, the protection of the moraine has still not been enshrined as either a provincial policy statement or as legislation that would override the OMB’s deliberations.³⁷ Moreover, the plan deals only with the lands affected by the Richmond Hill proposal – about 1% of the entire Moraine.

Municipalities, environmentalists, and the public agree that there is an urgent need for a provincial policy to protect the moraine. Despite its intervention before the OMB, the province was still leaving this crucial planning decision to an arm’s-length body.

Investment in infrastructure and urban sprawl

Nowhere has the absence of integrated planning in the GTA been felt more acutely than in the area of urban transportation. Rapid population growth, urban sprawl, and free trade are colliding in the city-region, revealing a transportation system ill-equipped to keep pace with demand and woefully unprepared to meet future needs.

Causes of congestion in the GTA

No matter how one measures the problem, congestion in the GTA is

37 One report suggested that recent polling showed that 60% of voters committed to the current government would consider changing their loyalties if Queen’s Park allowed development on the Moraine. See David Lewis Stein, “Tory turnout could save the Moraine” (*Toronto Star*, 4 May 2000).

severe and shows no sign of abating. Every day more than 2 million auto trips take place in the GTA. A recent report from Statistics Canada found that commuting by car takes longer in the GTA than almost anywhere else in the country.³⁸ Travel time is up, as are vehicle counts and the duration of rush hours on major roads. Not only is moving people within the GTA a problem, moving goods in and out is getting harder and harder. Retail businesses suffer because congestion and scarce parking means that customers and deliveries cannot reach their destinations.

The stress on the transportation network caused by general population growth is exacerbated by two additional factors:

1. Transborder trade has more than doubled since the North American Free Trade Agreement was signed in 1989, expected to double again within the following three years. Most of that is trade carried by trucks travelling on the traffic corridor between Windsor and Oshawa – right through the GTA.
2. Suburban sprawl has increased demand for transit services across vast but lightly populated areas. Transit systems work best when they are moving large numbers of people to a few main destinations. Low-density sprawl makes it difficult to provide transit cost-effectively and threatens environmental sustainability.³⁹

Economic costs of congestion

Traffic congestion costs the GTA approximately \$2 billion every year and may have even greater long-term costs because of the area's economic significance. The city-region generates nearly a third of Canada's gross domestic product, but traffic congestion could damage the GTA's long-term productivity and competitive advantages. If people and goods cannot move freely within the GTA, and if links to external markets are constrained, the area's attractiveness as a place to live and invest is diminished.

38 Statistics Canada, *Traffic Report: Weekday Commuting Patterns*.

39 For a detailed discussion of environmental constraints on city-region growth, see: Richard Gilbert, "Environmental and Resource Aspects of Self-sufficiency for the Toronto Region" in *Toronto: Considering Self-Government*, M.W. Rowe, ed. (Toronto, The Ginger Press, 2000), p. 21–32.

Under-investment in infrastructure

While congestion is increasing, the GTA is lagging behind American and European cities in making much-needed investments in rehabilitating and renewing roads and transit facilities.⁴⁰ The pressure on the GTA's transportation system is increasing much faster than the system's capacity.⁴¹

Toronto was the envy of large American cities in the 1970s. The situation is now reversed. American policy makers seem to understand that city-regions will define economic prosperity in the 21st century, and that every dollar spent on infrastructure – whether on roads, public housing or social services – will be more than paid back with higher productivity.

A study prepared for the Canadian Urban Institute found that while major American cities are undergoing a remarkable renaissance, Toronto is in relative decline.⁴² Toronto is investing in new infrastructure at about one-fifth the rate of equivalent American cities, according to the report. Drawing on generous capital grants made available by the U.S. federal government, as well as a broad range of corporate and philanthropic funds, American cities are repairing themselves. All three levels of government in the United States recognize that cities are engines that can drive regional and national economies and are funding them accordingly.

As part of local services realignment, the Province of Ontario transferred responsibility for transit to municipalities and increased local responsibility for highways. Toronto now pays for the entire transit system with money from fares and property tax revenues, without any provincial grants. Although this is one service that is financially self-sufficient, it is strapped for funds.

In Vancouver, by comparison, responsibility for the transit system and regional transportation functions were transferred from the

40 Greater Toronto Services Board, *Transportation, Congestion and Economic Competitiveness in the GTA: Local, Provincial and National Implications* (background paper prepared for the GTSB by Richard Di Francesco, undated). In typical Canadian understatement, the background paper describes a GTA transportation network that has become "less predictable."

41 Ibid.

42 Urban Strategies Inc., *Reinvesting in Toronto: What the Competition is Doing* (Toronto, report prepared for the Canadian Urban Institute, 1999). See also the editorial, "The Road Too Heavily Travelled" (*Globe and Mail*, 27 October 1999).

provincial government to the Greater Vancouver Transportation Authority (TransLink).⁴³ TransLink receives a share of provincial fuel taxes collected in the Greater Vancouver Area.

A tax on motor fuels earmarked for transportation, construction, and improvement makes good economic sense, and is similar to a user fee that charges road drivers for the costs of providing road-related services. Receiving a share of the fuel tax (and possibly vehicle license fees and other transportation-related charges) to fund road or transit improvements, as recommended by the GTA Task Force, would increase Toronto's financial self-sufficiency and its ability to pay for transit and transportation in the region.⁴⁴

Access and participation

The report prepared by the Toronto Transition Team, the group that oversaw the amalgamation of the city, observed that "this is a city where people get involved."⁴⁵ In this section we evaluate whether the traditions of citizen involvement that defined Toronto in the past have been lost in the transition to the new city and examine the criticism of some observers that, one of the "main failures of amalgamation" has been the decline in active citizen participation.⁴⁶

Citizen participation defined

The term "citizen participation" can be defined in many ways. Some definitions have extreme expectations of radical structural changes in the existing system; others consider participation at the ballot box alone. Our definition begins with the assumption that there are degrees

43 This was accomplished in July 1998 by an Act of the provincial legislature of British Columbia.

44 See note 6 above, pp. 129–131. The Task Force recommended that the Province should allow the proposed Greater Toronto Council to introduce user fees on private vehicles, including a region-wide user fee on gasoline, up to a stipulated maximum. Revenues generated from these user fees would be dedicated to transportation and transit infrastructure in Greater Toronto.

45 Toronto Transition Team, *New City, New Opportunities – Interim Report* (Toronto: October 1997), p. 82.

46 Interview with Toronto City Councillor Jack Layton, 24 March 2000.

of meaningful participation within the present system. For the purpose of this paper, we will define citizen participation as:

A component of the democratic system which permits non-elected members of the community to exercise some control over decision-making which goes beyond elections.⁴⁷

Principles of citizen participation

A high level of meaningful participation by city residents in decision-making, policy development, and the monitoring and evaluation of services and programs is a fundamental requirement of local government. Measuring citizen participation, however, is a difficult proposition.

In 1999, Toronto City Council adopted four principles of civic participation, designed to guide the city in developing a broader framework for citizen participation.⁴⁸ The city made a commitment to foster:

- *Collaborative Decision-Making*: governing in partnership with the citizens of Toronto;
- *Accessibility*: continuously working to remove barriers to effective citizen participation;
- *Continuous Improvement in Citizen Participation*: using innovative and creative ways to foster citizen participation in other jurisdictions;
- *Community Capacity Building*: supporting Toronto's citizens in cooperative problem-solving.

Common approaches to citizen participation

At the time of amalgamation, the City of Toronto provided many opportunities for and approaches to citizen participation:⁴⁹

47 Bureau of Municipal Research, *Citizen Participation in Metro Toronto: Climate for Cooperation?* (Toronto: Bureau of Municipal Research Bulletin, January 1975), p. 11–12.

48 The four principles are set out in a memorandum prepared by the city's Chief Administrative Officer to the Special Committee to Review the Final Report of the Toronto Transition Team, 1 February 1999.

49 See note 45 above, p. 82–83.

- *direct contact* with individual ward councillors in person, by phone, in writing, or through neighborhood meetings;
- *deputations* by individuals and organizations to committees of council and participation in formal public consultations on specific issues;
- *opportunities for involvement* in council sub-committees, task forces, and program management and advisory committees;
- *membership on municipal agencies, boards and commissions* responsible for city services such as recreation and community centres, civic theatres, the Metro Zoo, and the Board of Health;
- *involvement in partnerships, coalitions, and joint working groups* among citizens, business groups, elected representatives, and municipal staff to address challenging problems over time;
- *community development initiatives* to overcome barriers to participation for groups of citizens or neighborhoods that might not otherwise be involved in civic or community affairs.

In the next three sections we look at direct citizen contact with local government in Toronto, as measured by electoral representation ratios, opportunities for deputations to council and committees of council and participation on task forces.

Electoral representation

The most important local government contact for citizens is their councillor or ward representative. Under the old system, each ward in the city had one councillor at City Hall and another at Metro Hall. Under the new, post-amalgamation system, each ward still has two representatives, both sitting as ward councillors.

However, representation levels were fundamentally altered by amalgamation. Initially, there was one councillor for every 41,850 Toronto citizens. For the November 2000 municipal elections, the province, through the *Fewer Municipal Politicians Act, 1999*, has further reduced the number of councillors in Toronto to 44. Ward boundaries were matched to the electoral boundaries used for the 22 federal and provincial ridings in the City.⁵⁰ This results in a ratio of one councillor for every 54,214 Toronto citizens.

50 The *Fewer Municipal Politicians Act, 1999*, gave the Province authority to reduce the size of

This ratio should be contrasted with representation levels across the city-region, shown in Table 4, which are universally better than in Toronto.

Table 4: Summary of representation, Greater Toronto Area, 1997⁵¹

	Population	Number of representatives	Representation by population
Toronto	2,385,421	57	1:41,850 ⁵²
Durham	452,606	62	1:7,300
Halton	329,613	43	1:7,665
Peel	869,219	38	1:22,874
York	618,497	75	1:8,247

To justify the reduction in the number of wards in Toronto, the province made comparisons with the City of Chicago, which has similar representation levels and with Los Angeles, Houston, and Dallas, which have poorer representation levels.⁵³

Due to amalgamation, the obvious answer to high ratios – smaller, more manageable wards – is impractical because it would make the council too large.

In January 2000, in response to the province's request for advice on the implementation of the *Fewer Municipal Politicians Act, 1999*, Toronto City Council adopted a model for 44 single-member wards by bisecting each of the 22 federal-provincial ridings into two.⁵⁴ The

Toronto's Council to 44 plus the mayor. The government then sought the City's direct advice to determine how the 22 federal and provincial ridings would be divided through regulation.

51 Enid Slack, *Municipal Finance and Governance in the Greater Toronto Area: Can the GTA Meet the Challenges of the 21st Century?* (Toronto: The Neptis Foundation, January 2000), p. 32–33

52 The number of representatives was reduced to 44 for the 2000 municipal election. This means representation of 1:54,214.

53 Ministry of Municipal Affairs and Housing, "The case for fewer politicians in the City of Toronto" (fact sheet, released 2 December 1999). Within Canada, Calgary has a ratio of 1:52,700; Edmonton's ratio is 1:51,340; Vancouver's ratio is 1:49,430.

54 The Province gave the city little time to undertake public consultations on the new ward boundaries. Peter Clutterbuck, co-director of Toronto's Social Planning Council, criticized the process in his deputation to the Administration Committee on Ward Boundaries (11 January 2000) as follows: "As commendable as [the] attempt at establishing acceptable

council's decision has been widely criticized, because the 22 individual boundary decisions were taken in isolation and without regard to maintaining overall local neighborhood coherence, thereby potentially splitting or diluting the voice of communities at City Hall.⁵⁵

Councillors have an office budget for their constituencies and other ward-related work. Although constituency budgets have been increased to reflect the larger size of wards, many councillors report that they have less time to deal with ward-level issues than ever before.⁵⁶

Some observers have suggested that the reduction in the number of city councillors in Toronto has already fundamentally altered decision-making dynamics at the city council.⁵⁷ For example, developers may now have more influence at city council because councillors are reportedly taking a "hands-off" approach to zoning decisions outside their own wards. In other words, if a ward councillor supports a local development proposal, there is little likelihood that an application to rezone will be challenged by other members of Council.

Deputations to city council

Before amalgamation, citizens' deputations to city council were the most visible measure of citizen participation.

City officials and councillors alike suggest that there is frustration with the inefficiencies associated with this traditional form of public consultation. Deputations use up staff energy and resources that could, for example, be more effectively spent delivering programs and

objective criteria [for the ward boundaries] might be, 57 incumbent Councillors, faced with 13 fewer available seats, are naturally lobbying with each other for ward boundaries that give themselves the best chance for re-election. The primary defining criterion for the long-term ward map may well be the short-term political prospects of the current City Councillors."

55 Ibid. It is important to emphasize the provincial role in this move: the province unilaterally decided to reduce the number of wards and, in doing so, eliminated municipal boundaries that were familiar to all, while retaining for itself the authority to determine final ward boundaries.

56 Councillor Anne Johnston explains that she is overextended because of several new board and committee responsibilities. The alternative to sitting on boards and committees, she explains, is to have municipal "bureaucrats do it," which would be less acceptable. (Interview with Toronto City Councillor, Anne Johnston, 27 April 2000). Similarly, Councillor Brad Duguid states that he lacks the time to be as proactive on community-level issues as he would like to be. (Interview with Toronto City Councillor, Brad Duguid, 28 April 2000.)

57 Interview with Jack Layton.

services.⁵⁸ Some argue that the volume of deputations is irrelevant to council's final decision.

At the same time, lobbyists are becoming more powerful and central to the council's deliberations than ever before. Although it is impossible to determine the effect that a larger city size has had on this new dynamic, the curtailing of evening hours for the council and standing committee meetings has certainly made a difference. Before amalgamation, full meetings of the council would often continue into the evening. Now, a procedural bylaw prevents (in most circumstances) council meetings from continuing past 7:30 p.m., severely limiting the ability of citizens who work during the day to attend or make deputations before council or standing committees.⁵⁹ Lobbyists have moved in to fill the vacuum, and councillors have come to rely increasingly on informal conversations with them rather than on direct citizen participation.

Issue-specific task forces

Post-amalgamation Toronto has seen a proliferation of Task Forces appointed to address specific issues crossing program and departmental lines. The City's website lists some 18 Task Forces and Special Committees,⁶⁰ ranging from the Mayor's Homelessness Task Force to a Task Force to Review the Taxi Industry.

Some observers argue that, given the limitations and frustrations with the traditional methods of citizen participation that have dominated the business of the council, task forces are more effective because they:⁶¹

- create energy around an issue that might otherwise not emanate from the City's bureaucracy;
- integrate the public into the process at the "ground level";

58 Interview with Sean Goetz-Gadon, Executive Assistant for Council Liason - Mayor's Office, 14 April 2000. According to Goetz-Gadon, the "less we see (of social service organizations), the better."

59 Although there is flexibility to schedule evening meetings, this has never been done under the amalgamated City. Standing committees are open to citizen deputations.

60 See <http://www.city.toronto.on.ca/council/committees.htm>.

61 Interview with Sean Goetz-Gadon.

- make it possible to advance a specific policy agenda outside the constraints of the regular process;
- allow for a less formal procedure than deputations, making it easier to engage in informal discussions and to brainstorm around solutions.⁶²

Moreover, once the council decides to create a task force on a particular issue, staff become more involved and the councillors on the task force develop a level of expertise that exists long after the task force has disbanded. Also, arguably, because a task force report is published, the council will be held accountable to its research, findings, and recommendations.

Community councils

Community councils were created by the new *City of Toronto Act, 1997*, and were, to some extent, a political response to those who opposed amalgamation. They were designed to be “accessible civic forums” where citizens could bring local concerns.⁶³ Each of the six municipalities that make up the new city had a community council with a mandate designed to enable a better focus on local matters of common interest than could be achieved by a city-wide standing committee. The tasks of these community councils included:⁶⁴

- holding public meetings on proposed official plans and amendments, zoning by-laws and amendments that relate to land lying within the community council area;
- hearing deputations and making recommendations to the council on matters such as business improvement areas, area streetscape improvement plans, traffic and parking regulations, and exemptions to fence, sign, ravine, and tree by-laws;
- hearing deputations on staff decisions about building permits, encroachments on municipal property, requests to remove trees, damage caused by trees on municipal property, and bills related to snow removal, cleaning and clearing debris, and cutting weeds or long grass;

62 Interview with Councillor Brad Duguid.

63 See note 45 above, p. 85.

64 City of Toronto website, http://www.city.toronto.on.ca/council/comm_council_cttees.htm.

- involving citizens in neighborhood issues such as identifying recreational needs or safety concerns, monitoring the well-being of local neighbourhoods, and reporting to city council on how well community needs are being met.

The community council approach has the potential to involve citizens earlier in the decision-making process than deputations and public hearings. Whether community councils have, in practice, become an important venue for community participation and outreach is difficult to assess. However, anecdotal evidence suggests that:

- Community councils are operating mostly as local planning committees rather than forums in which broader issues relating to community well-being can be addressed.
- The councils generally address individual interests, not city-wide issues. With no venue for collective community participation in city-wide matters, these issues become more distant for people.⁶⁵
- They have occasionally been used to generate momentum, particularly around issues that will ultimately be decided at council.⁶⁶ However, councillors have been known to reverse a position taken at community council when the matter comes before city council.
- Community councils participated actively in the 1999 budget process, hearing deputations from local citizens. In 2000, however, the city's desire to control the fiscal agenda resulted in a truncated process. With community councils excluded from the process, opportunities for citizen participation were limited.

The *Fewer Municipal Politicians Act, 1999* dissolves the existing community councils (as of 1 December 2000) and allows the city to establish new community councils. The city has the option not to

65 Interview with Peter Clutterbuck.

66 By way of example, Peter Clutterbuck described the efforts of the York Community Alliance, a coalition of ethnocultural groups that had no community meeting space. They started their advocacy at the York Community Council and obtained a resolution giving them rights to space at the local civic centre as well as a right to participate in the determination of future uses of the centre. The resolution was ultimately approved by city council.

re-establish community councils (although this course of action has not been recommended). On 11 April 2000, Toronto City Council approved a process to determine the boundaries and appropriate size for community councils.

The city also debated the appropriate size for the communities represented by councils. The Toronto Social Planning Council favored dividing the city into smaller “civic districts” – areas based on historic associations among neighborhoods that could balance the size and workload of community councils.⁶⁷ The argument is that smaller-scale community councils would reinforce residents’ identification with their local communities and help them recognize their connection to the larger city. Some city councillors, however, favored larger community councils, arguing that smaller groups tend to become “cliquish” and parochial, and that the opportunity for a community-wide perspective and decision-making would be lost by creating smaller councils.⁶⁸

Recommendations to resolve this issue were to be presented in a larger report on ways to encourage residents to participate in neighborhood and city-wide issues, expected to go before city council in September 2000. The hope was that the process would result in outcomes that are “enduring” and “permanent” so that citizens can help set the city’s agenda and ... gain an appreciation for the challenges now faced by municipal government.”⁶⁹

Coordination of marketing efforts

While the city-region is experiencing unprecedented levels of population and employment growth, competition from other city-regions is fierce. This section examines the impact of changes to local government in the GTA on its ability to attract and maintain new investment.

67 This recommendation of the Toronto Transition Team is supported by the Toronto Best Practices Group in their “Response to the Interim Report of the Toronto Transition Team” (31 October 1997).

68 Interview with Councillor Brad Duguid.

69 Councillor David Miller, quoted in Jennifer Lewington, “Megacity raises questions of citizenship, professor says” (*Globe and Mail*, 20 April 2000), p. A17.

The building blocks of economic growth

A coordinated approach to economic development is essential to attracting, retaining, and promoting globally competitive business activity. An effective economic development strategy for the GTA should build on regional and local efforts coordinate the spectrum of tools already available to promote growth.⁷⁰

GTA's levers for local economic growth

Admittedly, the extent to which any local government can create a competitive environment for business or leverage local economic growth is limited. For example, it is largely beyond a city-region's power to alter general economic trends or influence the global rationalization of firms. City-regions also have little control over areas that are regulated and taxed by other levels of government.

However, the city-region can affect economic growth by:

- *investing in infrastructure*, including building, maintaining, and upgrading airports, transit facilities, arterial roads, and telecommunications networks;
- *investing in human capital*, which is necessary to support knowledge-intensive businesses;
- *sustaining the quality of life of the City's residents*, which is critical to attracting and supporting business and financial services, as well as tourism;
- *attracting and retaining investment effectively*, with policies that target growth sectors;
- *organizing economic development for competitiveness*, by coordinating regional and local efforts.

The situation before amalgamation: fragmentation and lack of coordination

The report of the Task Force on the GTA concluded that economic development activities should be coordinated across the city-region. At the municipal level, the GTA's profile was being diminished by

70 These tools range from the broad (general infrastructure, promotion) to the very specific (customized training, procurement programs, job creation incentives). It is important to focus on growth opportunities that offer the highest leverage – that is, those goods and services that drive the economic well-being of the city-region.

fragmented regional economic development. Research carried out for the Task Force revealed that, of the 30 local municipalities in the GTA, 25 had economic development budgets covering a full spectrum of activities – from small business incubators to international marketing campaigns.

Unfortunately, by trying to offer a complete package of economic development programs, municipalities were spreading themselves too thin and achieving, at best, marginal results. For example, the lack of coordination in business attraction resulted in subscale operations that provided little opportunity to develop specialized marketing expertise.

The Task Force also found that the absence of strategic focus and coordination across the city-region was costing the GTA: at the local level, municipalities were paying about \$17 million for what was, at best, disjointed and fragmented economic development activities. Development efforts were being duplicated, opportunities to collaborate across local boundaries were lost, and there was no single, identifiable voice for the GTA in economic development.

The local role

This is not to say that local government has no role to play in economic development. Because local economic development staff are close to their clients, they are well positioned to collect company data and sectoral information for analysis at the regional level. They can also pay regular visits to companies and attend to local business needs through, for example, business retention efforts. It is important, however, to distinguish these functions from business attraction and promotion efforts, which are best pursued at a regional level, where common economic development interests can be served.

The response: The Greater Toronto Marketing Alliance

The Greater Toronto Marketing Alliance (GTMA) is a public-private sector cooperative, established in 1997 to attract jobs and international investment to the GTA. The partners are the 29 municipal and regional economic development agencies and the 27 Boards of Trade and Chambers of Commerce in the GTA. The GTMA's goal is to pursue new business investments by speaking with one voice for the entire city-region. Its stated services include many of those identified by the

Task Force as most appropriately provided at a city-region level, including:

- identifying key markets and sectors;
- aggressively promoting the advantages of relocation to the GTA to these key markets and sectors;
- providing relocation services, information, and assistance to business; and,
- acting as a liaison between investors and civic leaders.

Measuring the GTMA's success

The GTMA has established strategic goals to be achieved over five years:

- *job growth* of 20,000 new primary jobs;
- *economic impact* of \$22 billion on the GTA's economy;
- *increased non-resident capital investment* of \$1.7 billion a year (measured by additions to the real estate tax rolls);
- *increased collective personal income* of approximately \$4.5 billion over five years;
- *a balanced industry mix*, targeting specifically the high technology, automotive, medical/bio-tech, financial services, pharmaceuticals, arts and entertainment, and aerospace industries;
- *enhanced international reputation* for the GTA as measured by major magazines influencing opinion makers worldwide.

It is still too early to evaluate the success of the GTMA. The \$3 million now invested in marketing the GTA to a global audience is consistent with expenditures made by similar city-regions in Canada and the United States.⁷¹ Ten new businesses have located in the GTA as a result of the GTMA's efforts. (Most are in the industry, trade, and technology field and will be locating in Toronto.) The development of a marketing alliance agreement and a protocol for handling investment "leads" should provide a foundation for strategic cooperation across

71 The GTMA website (www.greater.toronto.on.ca/mission/htm) compares Toronto GTMA investment with Halifax (\$0.5 million) and Montreal (\$3 million) as well as the American cities of St. Louis (\$4.05 million), Philadelphia (\$2.25 million), Cleveland (\$5.5 million), Dallas (\$4.8 million) and Atlanta (\$4.3 million). All figures are in Canadian dollars.

the city-region. However, the GTMA's situation is similar to that of the GTSB – the struggle to define its mission and to obtain buy-in from the political level is hampering its success.⁷²

The GTMA's problems (and those of the GTSB) can be linked to the lack of a broader vision for the city-region. Without this vision, both the GTMA and GTSB are essentially adrift. Leaders from the municipalities within the GTMA continue to market their particular cities abroad and the City of Toronto is formally reviewing its participation in the GTMA.

The challenge now facing the GTMA is to find a way to work collectively with its municipal partners, rather than at cross-purposes. The organization will act on the recommendations of an internal performance review and focus on securing stronger public-sector participation.⁷³ The outlook, however, is not promising in the short-term, given the current political climate.

Conclusion

It has been more than two years (in 2000) since the Province of Ontario implemented some of the most dramatic changes in local government that municipalities have seen for decades: the amalgamation of Toronto, the transfer of many services to the local level, the formation of the Greater Toronto Services Board, and property tax reform. Although it is too soon to grasp the full impact of these changes, we can make the following preliminary observations:

- Amalgamation has not resulted in the cost savings that were predicted, nor has it improved Toronto's ability to provide services or address key social service needs. There is one constructive change: the agreement on the pooling of social service, social housing and inter-regional transit costs continues the tradition of sharing costs throughout the city-region.
- Local government reforms have not improved Toronto's capacity to plan. The GTSB was not given a mandate to do regional planning,

72 Interview with Ken Copeland, (former) president and CEO, Greater Toronto Marketing Alliance, 28 April 2000. Copeland's departure from the GTMA was announced 2 May 2000.

73 Interview with Ken Copeland.

and the provincial government insists that local development tools are sufficient to address planning matters, even those that cross municipal boundaries.

- Problems created by under-investment in infrastructure and congestion have intensified. The necessary funding to address these problems is not forthcoming.
- Amalgamation has resulted in larger wards relative to population without establishing compensating mechanisms for access and participation.
- The coordination of marketing activity has not been achieved. Clearly, each city wants to compete on its own and is providing minimal support for a united marketing effort on behalf of the region.

In evaluating these conclusions using our four criteria, we can make the following observations:

- *Accountability*: Amalgamation has increased accountability to the extent that there is now only one level of government in Toronto. On the other hand, the implementation of local government reforms at the same time has confused citizens and reduced accountability.
- *Fairness*: Local government reforms have improved fairness in a number of ways. Pooling social service costs throughout the GTA has resulted in a fairer sharing of these costs. Fairness has also increased as a result of specific decisions made by the new city, such as permitting second suites (basement apartments) throughout the new city. Before amalgamation, only the former City of Toronto permitted second suites. Municipalities in Toronto with a smaller assessment base and lower service levels in the past have benefited from improved service delivery.
- *Efficiency*: The cost of services has increased as a result of amalgamation. Furthermore, Toronto's financial stability is being threatened as a result of the amalgamation and the downloading of social services, social housing, and transit.
- *Sustainability*: Current policies are not sustainable. They do not take account of the long-term social and fiscal consequences of urban sprawl. Unrestrained growth in the GTA will mean significant costs

in the future for infrastructure, parking, land acquisition, air pollution, policing, and health care.

Toronto is at a turning point. Amalgamation, combined with other local government reforms, have reduced its ability to compete in the new global economy and are threatening its enviable reputation as one of the best places in the world to live and do business.

Epilogue

The process of change has continued in Toronto since this paper was written in the spring of 2000. The authors find their conclusions remain valid in the fall of 2002, especially the findings that the Toronto amalgamation has not resulted in the promised cost savings and has not improved the city's ability to provide services. The authors offer the following notes to update readers on changes which occurred since 2000.

Perhaps most striking change is the dissolution of the Greater Toronto Services Board (GTSB). The primary responsibility of the GTSB – operating GO Transit, which provides service and links municipal transit systems within Hamilton and the Greater Toronto Area – was resumed by the province. A Crown agency to run the system was appointed by the province as of January 1, 2002.

In addition, the province announced its intention to establish five Smart Growth Management Councils throughout the province to advise the province on coordinated planning, infrastructure, and service delivery across municipal boundaries. Waste management and traffic gridlock were set as priorities for the Central Ontario Council, which includes the Greater Toronto Area, when it was formed in February 2002. It is too early to tell whether the panel, which released interim advice on gridlock in August 2002, will be effective. However, it functions only in an advisory capacity.

The future of the Oak Ridges Moraine, a case study in the need for planning across municipal boundaries, hung in the balance before the Ontario Municipal Board at the time this paper was written. Following almost a year of hearings, the province put an end to the OMB proceedings with the announcement of a development freeze in

November 2001 pending release of a conservation plan for the moraine in April 2002. The plan protects most of the moraine from development; a foundation was also established to monitor the area and fund public education. The plan allows development on a portion of the land that had been subject to the appeal to the OMB, and the province is arranging a land exchange with developers who own other lands now protected in the plan.

Other institutions established during the amalgamation period continue. The six Community Councils were re-established in 2000 and report to Toronto City Council primarily on local planning and transportation matters.

The quality of life in Toronto continues to be uncertain. Roads are congested, major infrastructure upgrades are required, and homelessness and poverty continue in deep pockets throughout the inner city and older suburbs. A study by the United Way of Greater Toronto and the Canadian Council on Social Development⁷⁴ found that even during the economic recovery of the late 1990s, the poverty rate among Toronto residents actually increased.

Notwithstanding these concerns about the deterioration of the quality of life in Toronto, the Toronto community is rising to meet the challenges ahead. A City Summit co-sponsored by the Toronto Board of Trade, the United Way of Greater Toronto, the Canadian Urban Institute, and Rogers Cable was held in 2002 to set an agenda for the next five to 10 years. New plans for the city and its waterfront are coming forward. As the producer of nearly one-fifth of the nation's GDP, the GTA was profiled in a paper released by the TD Bank Financial Group in 2002, as part of its challenge to Canadians to meet or surpass the U.S. standard of living in the next 15 years.⁷⁵

The future of Toronto is also being debated, in part at the national level, as the importance of cities in the nation's economy and social fabric receives increasing recognition. The Prime Minister's Caucus

74 United Way of Greater Toronto and The Canadian Council on Social Development, *A Decade of Decline- Poverty and Income Inequality in the City of Toronto in the 1990s* (Toronto: United Way of Greater Toronto, n.d.)

75 TD Bank Financial Group, "The Greater Toronto Area (GTA): Canada's Primary Economic Locomotive in Need of Repairs". TD Economics Special Report, May 22, 2002.

Task Force on Urban Issues released an interim report in April 2002,⁷⁶ calling for a new approach to Canada's urban regions. The Federation of Canadian Municipalities has widely publicized the shortfall between the responsibilities that cities must carry and the revenues at their command. Business and political leaders alike are looking for a new deal for Canadian cities. The future of Toronto – its quality of life and economic competitiveness – may be looking brighter. At the very least, interest in Canadian cities has increased significantly since this paper was written in 2000.

76 Prime Minister's Caucus Task Force on Urban Issues, *Canada's Urban Strategy, A Vision for the 21st Century*, Interim Report, April 2002.

CAROLINE ANDREW

Evaluating Municipal Reform in Ottawa-Gatineau:
Building for a More Metropolitan Future?

Preface

On January 1, 2001, the amalgamated City of Ottawa was created, covering the urbanized (and urbanizing) territory on the Ontario side of Canada's National Capital Region. One year later, January 1, 2002, the Quebec side of the Region also created a single municipality, named Gatineau. The objective of this chapter is to provide an evaluation of these reforms and attempt to understand how it was that such major reorganizations came about. Three criteria were used to evaluate the reforms: access (including accountability and equity), service (both efficiency and effectiveness), and sustainability. In addition I will evaluate the intergovernmental processes involved.

It is, however, clear that it is still too early to fully evaluate these reforms. This is particularly true in the case of Gatineau, which, at the time of writing this chapter, has just succeeded in avoiding de-amalgamation. This aspect will be examined in greater detail below, but suffice it to say that this context has slowed down the development of the amalgamated city. Even in the case of Ottawa, three years later the municipal government is still in the throes of post-amalgamation organization and not yet in a position to evaluate the results of the reorganized structure. However, this makes it an appropriate moment for a preliminary evaluation, at least in the case of Ottawa. The city itself has been evaluating some of the new structures and, even more importantly, being close to the creation of these structures allows an analysis of the transition, of the initial model for the reforms and of the directions being taken. Thus, it is a good moment to evaluate both the process and the product of reform, including the intergovernmental aspects of this reform.

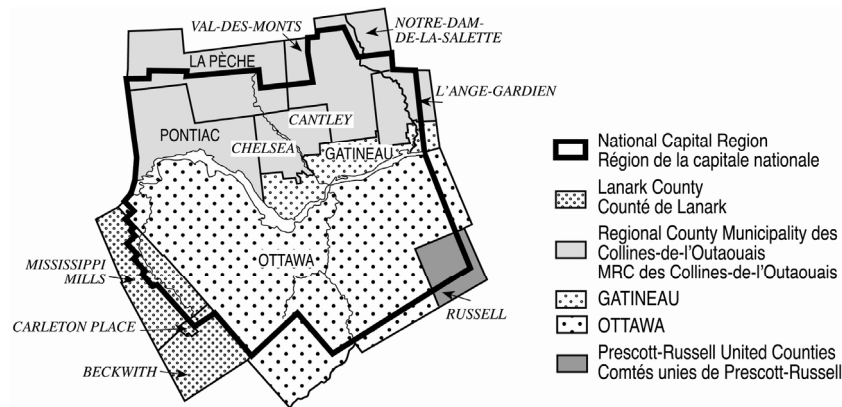


Figure 1: The Ottawa-Gatineau metropolitan area

Before starting the evaluation, it is important to give some initial description of the regional structures in the national capital region (Figure 1). On the Ontario side, the amalgamation reduced a two-tier system of local government to a single structure. The former regional municipality of Ottawa-Carleton (territory 2,757 square kilometers, 1999 population 747,650) included eleven municipalities, from the City of Ottawa with 45% of the population to the village of Rockcliffe Park with a population of 2,010. The territory includes four essentially rural municipalities, which at the time of amalgamation had 9% of the population and 61% of the area. The new City of Ottawa has a population of 774,072 (2001 census).

Ottawa: The historical context

Ottawa was the second area in Ontario to have regional government structures, after the creation of Metro Toronto. The regional municipality of Ottawa-Carleton was created on January 1, 1969, bringing together 16 lower-tier municipalities. In 1973 the 16 municipalities were reduced to 11. Throughout the lifetime of the regional municipality of Ottawa-Carleton, a number of commissions were created (Mayo Commission Report 1976, Bartlett Commission Report 1988, Graham Commission Report 1990, Kirby Commission Report 1992) and these gradually led to increased responsibilities and

powers at the regional level (Gervais, 2001). In 1991, the direct election of the Regional Chair was adopted and in 1994 the direct election of the regional councillors.

Despite, or because of, the constant increase in regional responsibilities, there was ongoing dissatisfaction in the Ottawa area about duplication, lack of planning and lack of consultation. This dissatisfaction led to the creation, in August 1997, of a Citizen's Panel on Local Governance in Ottawa-Carleton with a mandate to recommend, in consultation with the citizens of Ottawa-Carleton, a new structure for local government. The Citizen's Panel disbanded in March 1998, arguing that "the opportunity for an objective and open-minded process has been lost due to the promotion by others of entrenched positions and particular governance models" (Gervais, 2001: 5). The failure of the local community to devise a governance model led to the feeling of inevitability about a provincially imposed decision. This seemed all the more inevitable, given the insistence with which the provincial government had imposed amalgamation on an unwilling Toronto. Therefore Ottawa area residents were relatively resigned to the provincial decision in September 1999 to appoint an Advisor to report on reforms in the Ottawa-Carleton region and then in December 1999 to adopt legislation in order to amalgamate the municipalities constituting the regional municipality of Ottawa-Carleton.

When the Ottawa Transition Board was appointed in January 2000 there was some criticism of the composition of the Board, on the grounds that it was very partisan politically, with close links to the Ontario Conservative Party. This was particularly true of the Chair, Claude Bennett, seen to be a close political ally of Premier Mike Harris and therefore aligned ideologically to a right-wing privatization agenda.

Although amalgamation represented a major restructuring, in terms of responsibilities there was a great deal of continuity between the former regional government and the new city of Ottawa. At the time of amalgamation, at least 80% of public spending locally in the region was being done by the regional municipality of Ottawa-Carleton. The two major areas that were affected by amalgamation and that moved from a local level to a more regional level were recreation and local planning (Andrew, 2005).

Gatineau: The historical context

The Quebec side of the region has a double reality; linked in part to the more populous Ontario part of the metropolitan region, it is also linked in part to the rest of Quebec. This system of dual links has defined the Outaouais for much of its history (Gaffield, 1994) and is an essential part of understanding the history of Gatineau. The region has tried to attract the interest of the Quebec government to support its development, attempts that have been intermittently successful. At the same time the region has also tried to gain federal government support for its development. Federal government support came in the 1970s under the Trudeau government, as part of a federal strategy to counter the independence movement in Quebec.

At the time of the municipal amalgamations in Quebec there was some anti-amalgamation organization in Aylmer, the most Anglophone of the municipalities in the Outaouais. But even here the anti-amalgamation movement was relatively weak because of the regional context. The fact that Ottawa was to be amalgamated made many people in the Outaouais feel that this would only strengthen the Ontario role in the governing of the region and that Quebec's interests and presence would be even weaker if the Quebec municipalities were not to speak with a single voice.

However, more recently the anti-amalgamation movement has come back on the scene, following the victory of the Quebec Liberal Party in the Quebec elections of April 2003. The Liberal Party platform included the possibility of voting on de-amalgamation and, since the election, the government has adopted a timetable for referenda. In the Outaouais, this has led to organization both in the former municipalities of Aylmer, and in Buckingham and Angers, more rural and the furthest removed from the urban core. This has led to debates in the new city as to whether infra-municipal structures should be created, in the hopes of appeasing anti-amalgamation forces by some recognition of local identities. It has also led to enormous uncertainty as to whether the integration of services should proceed.

This is a major question, as the regional level of government had been less active and where, therefore, amalgamation involved a major reorganization of activity and service delivery. On the other hand, Quebec municipalities have none of the social welfare or public health

responsibilities that exist in Ontario, and therefore services are more concentrated in the “hard services” sector. On the Quebec side, amalgamation brought together five municipalities (Aylmer, Buckingham, Gatineau, Hull and Masson-Angers) with a total population of 228,052 in 2001. One of the most controversial elements of the amalgamation was the name given to the new city. Instead of keeping the name of the central municipality, Hull, Gatineau was the name chosen by the transition team and approved by the Quebec government, reflecting both the fact that Gatineau was a French word and that Gatineau, although not the traditional center, had the larger population (Gatineau had 104,542 residents at the time of amalgamation, as compared to Hull’s 65,248).

Evaluation of the amalgamations

It is important to recognize that, despite some grass-roots reactions, the amalgamation processes were relatively calm both in Ottawa and in the Outaouais. The sense of inevitability was very strong on both sides of the river. We will come back to this point in interpreting the reforms, but it is important to keep it in mind as it distinguished the processes of amalgamation in Ottawa and Gatineau from those, better known, in Toronto and Montreal.

Although this chapter is about the governance of the Ottawa-Gatineau region in the post-amalgamation era, the detailed analysis will principally focus on the city of Ottawa. The reason for this is simple; amalgamated Gatineau has not yet had the chance for results to emerge. The more regional focus will come into play in looking toward the future. For, indeed, the governance of the National Capital Region will, in the medium and long run, be greatly influenced by the amalgamations; there are now three major regional players (the City of Ottawa, the City of Gatineau and the National Capital Commission) instead of some 30. The impact of this is speculative at the moment, but this change will clearly have significant results over the next 20 years.

We have chosen to analyze the amalgamations in terms of three criteria: access, service and sustainability, as well as an evaluation of the intergovernmental dimensions. These were chosen in order to

comprehend the fundamental aspects of the quality of the governance system that was established. The access and service dimensions correspond to classic dimensions of evaluating local governments (Tindal & Tindal, 1990) and the sustainability dimension was added to better permit the analysis of long-run strategic directions of the new cities and of the overall metropolitan region. This last dimension necessitates an understanding of the intergovernmental relations that have evolved through the amalgamation processes. Our fundamental interest is in the governance capacity of the Ottawa-Gatineau metropolitan region and, in this regard, intergovernmental relations are fundamental.

Access

The criteria of access raise a series of questions relating to the relationship between citizens and their local governments. It relates to contacts with municipal officials, both elected and civil servants, and also to the structures for citizen participation.

The Ontario government process for amalgamation was a transition board to manage the creation of the new municipality. It was the transition team that established the overall framework for the political structure of the new City of Ottawa. The explicit intentions of the provincial government were clear: amalgamations were to reduce the number of elected officials and to cut costs. Whether or not the provincial government truly believed this to be possible is not clear, but what was very clear is that this was the way it was presented to the public. Although municipal amalgamations had not been a part of the “Common Sense Revolution,” the platform of the Ontario Conservative Party when Mike Harris took power, the amalgamations were presented by the Conservative government in the same light as their general policies— a smaller public sector that would result in lower taxes. The act was entitled the Fewer Politicians Act 1999, and the mandate of the transition board for Ottawa was laid out in this Act:

The primary function of the transition board is to facilitate the transition from the old municipalities and their local boards to the city and its local boards:

- By controlling the decisions of the old municipalities and their local boards that could have significant financial consequences for the city and its local boards; and
- by developing business plans for the city and its local boards in order to maximize the efficiency and cost savings of this new municipal structure. (Gervais, 2001: 10)

The Ottawa transition team was headed by Claude Bennett, ex-municipal councillor in Ottawa and provincial politician and close ideological ally to Mike Harris. Bennett began his work with the intention of creating a new model of municipal government, paring it down to the essential services and installing a more entrepreneurial spirit (Gervais, 2001: 10). At a widely attended public meeting Bennett stated that if a service could be found in the yellow pages, municipal government should not be doing it. However, Bennett was not entirely successful in installing the kind of model he had argued for, in part because of the decision-making processes that the transition team established. Bennett's ambition to rethink and restructure the City of Ottawa led to looking at areas that then involved wider consultation and therefore the expression of a broader set of opinions. For example, it created a Political Infrastructure Project team to look at the political structures, a group made up entirely of volunteer members not on the transition team. Bennett's suggestion that the City should perhaps think in terms of part-time councillors was universally denounced and disappeared rapidly from public debate. It was seen as a political tactic to allow wealthy business sector representatives to continue their business activity while serving on the council, something that was considered to be contrary to the Ottawa tradition where, since the 1970s, many of the municipal councillors had been full-time politicians. Indeed, the final recommendations of the transition team in regard to the political infrastructure proposals were seen as enhancing the role of the councillors, they were to be paid more and have more staff support than before. The transition team did recommend, at its June 12, 2000 meeting, that the council members have offices only in the community and not in City Hall, a recommendation that was simply ignored by the members of the first post-amalgamation council, most of whom had been elected previously, either at the regional or

municipal level. The councillors simply stayed in City Hall and, indeed, had their office space renovated and enlarged.

Despite the significant role described for the municipal councillors, amalgamation has led to more limited access to municipal elected representatives, because of the great reduction in the number of elected representatives. This, of course, was one of the major objectives that the Ontario government had set for the amalgamations and, indeed, the reduction was important: Instead of 84 elected representatives, there were to be 21 councillors and one mayor.

The increasing work load, and resulting problem of access, stems not only from the increased number of electors for each councillor but also from the increased policy role. The transition team (August 28, 2000 meeting) described the councillor's fundamental role as that of legislation, with a task of developing policy, and indeed the new city council has placed an increasing role of policy development on the elected councillors. However, at the same time, the political logic of re-election is still based on satisfying specific, and very local, requests from residents. The councillors are therefore torn between policy development and satisfying constituents, and the combination of the two creates an almost impossible workload.

This increased workload for the councillors has resulted in more difficult access for the public. Access to officials within the municipal bureaucracy has also been more difficult but this is, at least in part, transitional. The reorganization and resulting processes of fitting people into jobs has meant that it is often very difficult to find out who is responsible for which program and, even harder, to contact them.

The transition team also established the initial framework for advisory committees, trying to create a more standard and formalized system. The Political Infrastructure Project Team had made recommendations about the role of advisory committees and so too had the Volunteer Sector Project Team. In addition, the new council increased the number of advisory committees. Despite these recommendations there was not a very clear general policy at the beginning of the new city. Ottawa created a process for applications, and councillors then reviewed the applications and chose initial members of the committees. Criteria would appear to have been experience and a desire to have representatives from across the city. Once the new city began operating, it became obvious that the

organization of the advisory committees, their mandates and their links to one another and to the council were not clear. Meetings were called with the chairs and vice-chairs of all the advisory committees as the city attempted to determine what should be the role, and resources, of these committees.

The minutes of one of these meetings clearly indicate the dissatisfaction of the members of the advisory committees and the lack of clear direction by the city.

Ken Clavette, Chair, Heritage Advisory Committee, expressed concern over the apparent lack of recognition or awareness of the advisory committees, as was evidenced during the work plan debates when advisory committees appeared before their standing committees requesting funding.

The Mayor indicated it was unfortunate that advisory committees were set up without budgets and that although it may not have appeared so to many members, Council members do appreciate what advisory committees do and that the best decisions are the results of consultation. (City of Ottawa Minutes, 2002, iv)

A staff review, made after one year of operation, was then discussed with the chairs and vice-chairs and some clarifications recommended. An amount of \$150,000 was made available to be divided annually among the eligible committees, on the basis of work plans that were to be drawn up for the coming year and were to be approved by the relevant standing committee and the city council. There was an attempt to clarify the roles of the committee coordinators, the Lead Department Representatives and the councillor-liaison, but there was little clarification neither of the relations between the committees nor of those between advisory committees and the standing committees of the city council (City of Ottawa, 2002, Annual Review). The committees were to “provide expertise and input” and to “act as a forum for community involvement and public participation” (Annual Review, 3), but in fact with very little organizational capacity for initiating research or policy formulation. It is clear that the role of the advisory committees will evolve. It may be that the Chairs and Vice-Chairs Committee will take on a coordinating role, or that this might evolve to a bureaucratic level with the council and Committee Service Division.

At the present time, the advisory committees are not seen as central to the city's decision-making. One example of this relates to the development of a city-wide policy for citizen participation. City council staff were developing this policy and the initial work was done without any input from, or even information to, the advisory committees. Somewhat belatedly in the process, members of the advisory committees were invited to a meeting to give input to the development of the participation policy. To say the least, this reflects the fact that the advisory committees are seen as peripheral to decision-making.

It should be noted that Ottawa did not set up sublocal entities, based on neighborhood or other territorial definitions. The advisory committees are all content or constituency oriented; they are not spatially defined. This is different from most of the other amalgamations, such as Montreal, Toronto, Halifax or Quebec (Quesnel, 2002). It will be interesting to observe the evolution of sublocal units and whether neighborhood interests will seek ways of influencing municipal policy, particularly if access through the elected officials continues to appear more difficult than before amalgamation.

Over all, it would appear that access has become more institutionalized and more formalized since amalgamation. The advisory committee system may become a significant channel of citizen access, but certainly at the moment it is not clear whether the system will work, both in terms of relations between the different committees and relations between the advisory committees, city staff, neighborhood interests, council committees and the council.

Another of the principal objectives of amalgamation was to create a more accountable political system. Much of the criticism of the two-tier system had been that it was difficult for citizens to understand and assign responsibility and therefore did not meet the criteria of accountability. Even after 1994 when regional councillors began to be elected directly, it was obvious that large numbers of voters were unclear about who was responsible for what. The non-party municipal political system only adds to this confusion, as there is no clear way of holding any individual elected member accountable for decisions taken.

Amalgamation does increase the possibility of accountability. There is one council that is responsible for all local questions in the region.

However, the benefits of this simpler system will take some time to be seen and this because of the confusion between amalgamation and provincial down-loading. As amalgamation took place at the same time as the provincial government decentralized responsibilities for public housing, public transit and increased activities in public health and social welfare, this has led to confusion about what is local, what should be local, what is provincial and what should be provincial (Graham & Phillips, 1998). At the moment the system does not necessarily appear more understandable from the citizen point of view but this may be because of the recency of the political down-loading.

It is on this question of accountability that the Ottawa amalgamation is clearly different from that of Toronto or Montreal. The new City of Ottawa covers basically all the urbanized and urbanizing area and therefore, at least for the foreseeable future, the council can be held responsible for decisions concerning the development of the urban region (at least for the Ontario part – more about this below). In the case of much larger areas such as Toronto and Montreal, the amalgamated cities do not in any way cover the whole urbanized area and the question of how responsibility for urban development can be exercised has not been solved through the amalgamations. In the case of Ottawa, accountability is at least theoretically possible. And, indeed, since the new council has been functioning, the mayor and some of the councillors do appear to be interested in addressing the broader issues of urban development. This was not apparent during the initial election campaign for the new city, but more recently there are signs of interest in the larger questions.

After an initial Smart Growth summit where the broad issues of the policy dilemmas around urban growth models were debated, the City of Ottawa embarked on an ambitious planning process involving the creation of five plans: an Official Plan, a Human Services Plan, an Arts and Heritage Plan, an Economic Strategy and a Corporative Strategic Plan. These were collectively called Ottawa 20/20 and their preparation involved a very active public information and consultation process. By the summer of 2003 the plans had been adopted, calling for denser development in the urban core and a more compact urban form. The recommendations call for a more pro-active public policy if they are to succeed in redirecting present growth trends in Ottawa. They therefore do reflect policy innovation on the part of the municipal council.

The question of access also relates to questions of equity. Has municipal amalgamation in Ottawa led to more equitable local government? Two rather different arguments developed about the likely impact of amalgamation: one was that through equalizing resources across the region greater equity could be achieved, and the second, that by diminishing the political weight of the inner-city and increasing that of the suburbs, it would be more difficult to create and/or maintain the political support for policies and programs aimed at increasing equity. Toronto seemed to illustrate the second. In Quebec, there had been discussion and organization around the question of the impact of amalgamation on women, but it is too soon to know the concrete results.

The question of equity can be examined in the Ottawa case around four dimensions: policies with regard to the Francophone population, women, the multicultural population and the rural areas. The question of bilingualism was the most controversial political question of the entire transition period. The Report of the Special Advisor on Local Government Reform (Shortliffe, 1999) that was the precursor to amalgamation in Ottawa had recommended that the City of Ottawa be legislatively designated bilingual, but the Ontario government did not accept this at the time and has continued to refuse to grant it bilingual status. The transition team formed a Language Services Working Group early in the transition period in order to determine a policy “so as not to interfere with the municipal election campaign” (Gervais, 2001: 53). Its policy did not recommend a bilingual status, preferring to propose the provision of services in French. It was a continuation of the policy framework of the Regional Municipality of Ottawa-Carleton with the addition, from the old City of Ottawa, of the designation of certain positions as bilingual. The senior management team “preferably will either be bilingual or become bilingual” (Gervais, 2001: 54). Neither of the major candidates for mayor of the new city campaigned for a bilingual status, both arguing that services in French were more important than an official status (neither being clear on what services were to be included). The result was that the amalgamation process missed the opportunity of creating a city more equitable to the Francophone population or more symbolically attuned to being the capital of a bilingual country. The debate continues on this question, and in the spring of 2003 the leader of the Ontario Liberal Party

announced that, if elected, the Liberal Party would designate Ottawa with bilingual status. Following the election victory of the Liberals, they did not adopt a full bilingual status for the City of Ottawa but rather adopted legislation endorsing the existing policy of the City of Ottawa.

The advisory committee system of the new city does not explicitly deal with the question of gender equity, although the Diversity Advisory Committee appears, by its membership, to cover not only issues of multiculturalism and sexual orientation but possibly gender equity. However, a Working Group on Women's Access to Municipal Services,¹ created prior to amalgamation, following the endorsement by the regional council of the Declaration by the International Union of Local Authorities (IULA) on Women and Local Government reported after the amalgamation, and this context increased the interest of the city in having a bench-mark evaluation of the experiences of marginalized groups within the population with municipal services (Andrew, 2002; 2005; Working Group, 2001). As the Working Group had focused very clearly on doubly-disadvantaged women, the interest of the city was as much, if not more, related to its interest in issues of ethno-cultural diversity, than to its preoccupation with gender equity. The city accepted the report and agreed to study the detailed recommendations by the fall of 2002 in order to indicate what they had implemented, what they would implement and what they did not feel should or could be influenced. The Working Group has not led to specific changes so far, but it has somewhat increased the saliency of gender in terms of service delivery. For example, the Human Services plan quotes the Working Group's report in underscoring the need for greater awareness of gender. This report has led to a second phase of the project, entitled the City for All Women Initiative.

Ottawa is currently becoming more diverse in ethno-linguistic terms. Although not the third urban center in terms of overall population not born in Canada, it is presently the third Canadian urban area in terms of recently arrived immigrant population, behind Toronto and Vancouver (Rose, 2002). Amalgamation could have been an opportunity to rethink city services, but this has not happened up to the present. As has been

1 The author was one of the members of the Working Group, and therefore this account should be understood as that of a participant observer.

previously stated, the general political context of amalgamation was that of budget restraints and service restrictions, not one of service expansion.

Toward the very end of the transition period, some grass-roots organization began in favor of a more pro-active local government, including youth groups and multicultural groups (Gervais, 2001: 30-31). These groups made recommendations consistent with the Ottawa tradition of a fairly open municipal system, in reaction to the early excesses of the transition team's entrepreneurial vision. The more recent Human Services Plan does give major consideration to the question of ethnocultural diversity and to the importance of integrating this dimension into service delivery, but this remains, at present, largely at the level of recommendations.

Finally, the issue of rural representation which was examined by the transition team has exploded as a political issue. The rural areas were initially given two representatives for each area so as to increase the rural voice. The new council set up an external committee that recommended new boundaries and when the city council voted to implement the new boundaries, the provincial government blocked the municipal action, arguing that it was unfair to the rural areas. The municipal council was furious, arguing that it had the power to take the decision and that the under representation of the rapidly growing suburban areas was a denial of democracy. This issue is still unresolved. Clearly, from a strictly numerical point of view, it is the suburban wards that are the most under represented. But the rural areas are those most closely linked to the Ontario Conservative government and therefore the areas with the greatest political weight at the provincial level. The November 2003 elections took place under the old boundaries.

In conclusion, access seems both to have suffered and improved with municipal reform. The link between citizens and their elected representatives is more distant, inevitably because of the reduced number of elected officials. On the other hand, the system is simpler and, in that way, the potential for improved accountability has increased. The City did not take advantage of amalgamation to rethink service delivery in a more equitable fashion, but given the overall ideological context of amalgamation, it is perhaps more significant to indicate that services were not reduced.

Service

Improved service delivery was certainly one of the explicit aims of the municipal reform. However, the aspect of improved service that was most often discussed by the provincial government was that of reducing duplication, but this discussion was rarely supported by specific examples or concrete figures. Both Ottawa and Gatineau were supposed to have reduced costs with service levels being maintained. In both, financial shortfalls have been indicated, with the inevitable link to discussions about cuts to services. This serves as a reminder of the complexity of judging the efficiency of service delivery and the limits of simply making expenditure comparisons or staff comparisons without knowing exactly what was being done before and after. For instance, recreation policies varied across municipalities— some municipalities charged higher fees, either because they made more use of professional staff and less use of community volunteers or because they wanted fee-for-service programs. The two largest suburban municipalities had had very different philosophies in regard to recreation policies. Nepean had developed highly professional services and charged in consequence. Gloucester, on the other hand, had developed extensive use of volunteers and charged less. But when judging both efficiency and effectiveness, these differing models are not easy to evaluate. Should municipal recreation programs be judged in terms of the total cost divided by the numbers of users, or should equity factors be included – what is the use made by the poor? by ethnic minorities? by women? by the handicapped?

Perhaps the most interesting innovation in terms of service effectiveness was Ottawa's decision to create a Department of People's Services bringing together social services, housing, public health, library and recreation services. Potentially this has the capacity to provide integrated policy across a broad social policy perspective. On the other hand, this creates a large bureaucratic structure with enormous challenges in establishing the kind of horizontal coordination that would lead to coordinated policy. Politically there are also huge challenges with the new department, as the constituencies linked to the social welfare programs were most concerned that the political popularity of recreation programs would dominate the budget process of People's Services and that, as a consequence, if cuts had to be made,

they would be made to the social welfare activities rather than to recreation. The constituencies linked to recreation have the same fears for their programs.

Indeed, People's Services was reorganized in 2004 to become the base of Community and Protective Services, a less encompassing service. Even with this smaller unit, it is still a debate as to whether Ottawa can end up with a pro-active population health vision of municipal social policy. If it works, it would be a major improvement to service effectiveness.

Sustainability

Does amalgamation increase the likelihood of having municipal structures capable of planning for the long run and therefore more able to consider long-term goals of environmental sustainability? Or, another possibility, does it create a political structure even more influenced by the short-term or by political pressure favorable to the continuation of low-density sprawl development. Certainly there is sufficient literature to suggest that current municipal policies relating to land-use and to the built form are not sustainable when one considers the pollution caused by the private automobile, the costs in commuting time, the expenses of low density infrastructures, etc. But how does amalgamation affect this?

It depends very much on the way the political scene evolves. Are larger structures more conducive to taking a bigger picture – or are they more under the control of existing suburban interests? Certainly the first municipal election campaigns for the new cities, both in Ottawa in 2000 and in Gatineau, in 2001, gave no indication of a larger picture – almost all the candidates were politicians already in municipal politics with very low-key and pragmatic positions and seemingly with little desire to take a larger perspective or to argue in favor of an enlarged role for the new city government. However, following the Ottawa election, Mayor Bob Chiarelli has taken some initiatives that are indicative of a broader vision, with longer-term objectives that give greater weight to sustainability. The June 2001 “Smart Growth” Summit was an attempt to get a public discussion going about the consequences of the present system of low-density

development. By encouraging citizen input into the Summit, the mayor was hoping to build political support for denser development and better public transit.

Not a lot of specific policy developments came out of the Smart Growth Summit, but this was not unexpected. The City then moved on to the planning process and the elaboration of recommendations connected to the five plans. By the summer of 2003 the overall recommendations, as described above, called for a more compact urban form with a denser urban core based on mixed commercial-residential development on the main commercial streets. One of the principal elements of the plan is better public transportation, and the mayor has been a strong advocate for a major investment in a light rail system. The mayor has been strongly lobbying the federal government to invest in the Ottawa transit project, and some federal support has materialized. Indeed, private development interests have indicated that they will object to the city council's recommendations for denser development. The results of these objections are as yet unknown, and so is the degree of political will of the Ottawa Council to stand fast behind the principles of a more compact form of urban development.

Another dimension of sustainability is that of social sustainability and the extent to which amalgamation facilitates policies that act to reduce income and spatial polarization. Present-day urban development across the world is increasing social polarization and even in Canadian cities these processes are taking place. One very concrete example of this are the growing numbers of the homeless in Canadian urban centers, a complex phenomenon but at least in part linked to the federal government's abandonment of public housing and to federal and provincial programs of de-institutionalization without increasing community resources (Bourne, 2000; Harris, 2000; Peressini & McDonald, 2000). Ottawa has been quite active at the municipal level in putting resources into initiatives aimed at reducing homelessness and in pressuring senior government officials to act. This activity can be related to the strong community mobilization on this question and to the links between the community mobilizing and the city structure, both in terms of city staff and elected officials. However, the politics of the council are not all that supportive of major municipal initiatives; there is some support (and an Ottawa tradition) for looking after the

unfortunate, but much less support for a structural analysis of exclusion, and policies consequent with the analysis.

The criteria of sustainable development bring us back to the broader region of the National Capital and the impact of the two amalgamations on the sustainable governance of the region. Coordination should be more likely with only three major actors and, indeed, the National Capital Commission seems already to be consulting more closely with the mayors of Ottawa and Gatineau.

Conclusion

This overview of the impact of municipal amalgamation comes to a somewhat paradoxical conclusion as to the importance, but also the limits, of amalgamation. It is a major reorganization of municipal services, but the structural reform alone has had a relatively limited impact. The more important impact will stem from the political dynamic emerging from municipal amalgamations. Will the major political actors be interested in the potential for broader policies and for a coordinated vision of urban development? If so, the amalgamated structures may provide opportunities but, if not, the amalgamated structures can coexist with very conservative municipal politics.

Why did amalgamations take place? The most immediate answer is that Gatineau happened because of Ottawa, and Ottawa because of Toronto – if the Ontario government had succeeded in pushing through the Toronto amalgamation despite the very strong opposition, it was felt that amalgamation in Ottawa was inevitable. And, as stated above, once Ottawa was to be one city, the amalgamation of Gatineau became inevitable.

There are, of course, more long-term factors that lie behind these explanations. The Canadian tradition of strong provincial governments provides a base of political support for unilateral provincial decisions. This in turn can be linked to questions of Canadian political culture, to the mixture of conservatism and radicalism, or of authority and equality, that mark Canadian development. Authority implies that political initiatives can come from above, that provinces are seen as legitimate actors in areas of municipal development and equality, that

provincial policies have often created reformed structures to equalize resources on a regional basis.

This is certainly not to suggest that amalgamations are inevitable and, indeed, the Gatineau example illustrates this clearly. De-amalgamation was a possibility and the Quebec context, particularly in Montreal, remains uncertain. Not only are amalgamations subject to political strategies and decisions, this also implies that their impact cannot be determined in advance. The politics of amalgamation are vital and this involves the analysis of the patterns of governance with a multiplicity of actors – the governments, organized civil society, the media, the population, individual staff and individual politicians. The evaluation of the impact of amalgamation involves an understanding of these governance patterns. We hope to have at least demonstrated the interest of such an analysis.

For the case that interests us here, the Ottawa-Gatineau metropolitan area, the major factors that will play out for the overall governance capacity are intergovernmental. Will Ottawa and Gatineau establish effective mechanisms to plan and direct development of the whole metropolitan area? Will these mechanisms include the federal government and, if so, will it be through the National Capital Commission? The amalgamations have created the potential for a governance system for the metropolitan area, but only time will tell if this potential will be translated into reality.

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PIERRE HAMEL

Institutional Changes and Metropolitan Governance:
Can De-amalgamation be Amalgamation?
The Case of Montréal

Since the late 1980s, there has been a renewed interest, both among public-sector decision makers and urban-studies researchers, in metropolitan issues and management of large urban areas (Lefevre, 1998). The transformation of these areas – by multiple interrelated processes, such as urban sprawl, the breaking up of the traditional center, and the appearance of new types of fragmentation associated with a redefinition of social and spatial inequalities – testifies to a change in modes of regulation and of social relationships with the urban space (Balme et al., 1998; Savitch, 1998; Soja, 2000). This is what certain researchers are trying to convey when they speak of passing from the era of the “city of urbanization” to that of “metropolitanization” (Kaufmann et al., 2001).

In many respects, the metropolitan question is becoming a major political issue. This is reflected in particular in reforms undertaken in recent years – aimed, among other things, at setting up supra-municipal institutions (Petitet, 1998) – in order to adapt territorial-management structures and mechanisms to the new economic, social, cultural and urban realities that characterize large urban areas. From this point of view, what has taken place in Montréal in the last six years, which we will examine in detail below, is not remarkable for its originality. Nevertheless, the issues involved in this metropolitan reform, undertaken by the government of Quebec, make it a particular case – in the White Paper announcing the project, the Minister of State for Municipal Affairs and the Metropolis spoke of the “unique status” of the metropolis (Gouvernement du Québec, 2000a: 37) – which merits our attention.

The economic and social difficulties facing the Montréal region are similar to those encountered by other urban areas in northeastern North America. Since the 1970s, economic and industrial changes have required wholesale modernization and conversion of production systems, including their Fordist structure, to respond to a new wave of tertiarization of the economy and to adjust to transformations in economic and social demand. However, given its geographic position, the past advantages of which have dwindled, and its particular history, notably linguistic – considering its bilingual character (Levine, 1990) – Montréal must deal with irritants that other large cities in North America do not have to be concerned with. In addition, even though the costs of moving to the Montréal region are very favorable for new companies, the city nevertheless has a low degree of attraction.

Leaving aside for the moment the challenges that the Montréal region must face in coming years in order to increase, or at least maintain, its competitiveness on a continental scale and then within the constellation of world-class cities (Fossaert, 2001), it must be recognized that in the context of strongly tertiarized economies, the organization of the territory is a differentiating factor (Jouve & Lefevre, 1998). Although Montréal's city center is very dynamic, the form of the urban area has obeyed the principle of the spread city that prevails throughout North America, testifying to the same failure of government policies to control urban sprawl (Stephens & Wikstrom, 2000: 5). Patterns of land development comprise only one problem confronting metropolitan governance, but, given the ineffectiveness of past solutions to this problem alone, it is prudent to raise crucial questions about the effectiveness of recent reforms proposed by governments.

From this point of view, what does the metropolitan reform drawn up for Montréal in the past years change? Above all, how effective will it be on the institutional level with regard to metropolitan governance? To what extent will it contribute to resolving problems such as urban sprawl and the other economic and social problems currently associated with globalization? These include, notably, competitiveness and capacity to innovate in terms of research and development, social integration of new immigrants, and protection of the environment, but also the prevention of the emergence of new forms of poverty and the multiplication of social inequalities (Dubet, 2000). In relation to these

factors, will the metropolitan reform add coherence on the city-region scale?

I advance the following hypothesis regarding the present metropolitan reform. Even if this reform has revealed an unprecedented determination on the part of the leaders of the government of Quebec with regard to the municipal level – in light of the numerous and vigorous protests made by mayors of the suburbs on the Island of Montréal and of the cities on the North Shore – its range in terms of institutional innovation is weak. Thus, it seems above all to reflect a number of economic, political, cultural and governance-related changes that had already occurred, rather than being the harbinger of major transformations to come, which might be impelled by the new bodies set up by the reform. One must be careful, however, in advancing this hypothesis, because the political uncertainty created by the installation of new cooperation, coordination and planning structures on the metropolitan scale must be taken into account.

In light of this hypothesis and to respond to the questions raised above, I have organized this essay in three sections. First, I present an outline of the main components of the metropolitan reform that was adopted for Montréal over the last years. Then, from a theoretical point of view, I discuss the main institutional issues that metropolitan reforms raise in the present political and urban context. Then I will return to the case of Montréal to evaluate the road taken and consider some of the new challenges that the metropolis will have to face in the future.

The recent metropolitan reform in Montréal

The debate over the place, the role, and the issues of development in Montréal as a Quebec and Canadian metropolis is not a new one. We will not review the entire history of the municipal administration, though it should be noted that the first institutional concerns with regard to management of large public organizations go back to the beginning of the 20th century (Dagenais, 2000: 9). In 1970, the H. M. R. report (Higgins, Martin & Raynauld, 1970), commissioned by the Federal Department of Regional Economic Expansion, suggested that government policies with regard to revival of the development pole

that Montréal represented at the time, at least within Quebec, be reviewed. The preceding year, the government of Quebec had created an intermunicipal layer on the Island of Montréal – the Montréal Urban Community (MUC) – in order to solve the problem of funding urban services, in particular the constantly growing costs of public security, which the city center was no longer able to finance (Boisvert & Hamel, 1998). The idea was to refer to a principle of distributive justice to spread the fiscal burden more evenly among all the municipalities on the island of Montréal, gaining a larger contribution from the wealthier municipalities in the western part of the island (Benjamin, 1975).

With the adoption of the new intermunicipal structure came the integration of policing services, creation of a roll for collection of municipal taxes, and the establishment of an area development plan, to name just three of the ten domains that became the prerogative of the MUC. Over the ensuing 30 years, Montréal has been examined under a microscope: reports, commissions and summits have succeeded each other without any reversal in trends in the existing governance model.

Nevertheless, the Montréal administration did not exist in a vacuum. The same influences that had marked the issue of urban governance in all Western cities since the 1980s were at work in Montréal. Experiments with public-private partnerships proliferated, especially for urban development. Public debates and deliberations were used to improve the functioning of local democracy. In 1988, the City of Montréal adopted a framework policy for public consultation in an attempt to change the relations that had prevailed between the municipal administration and the population. Under this policy, three key mechanisms were instituted by the municipal administration to broaden decision-making processes. The first was recognition of the permanent commissions of the council set up the previous year. Second, consultative committees were created in each of the nine boroughs of the old City of Montréal. The representatives to these committees were local elected officials from the territories concerned. Their role was to transmit notices and recommendations to the city's executive committee on a series of statutory subjects, including modifications to zoning regulations. Finally, the policy framework created the Bureau de Consultation de Montréal, which had the mandate to consult the public on questions or projects assigned to it by the executive committee (Hamel, 2006).

In spite of these changes, the Montréal administration remained embroiled in problems specific to large urban areas, for which the existing management structures seemed ineffective. These included the damaging effects of urban sprawl in terms of social costs and negative impacts on the dynamism of the city center, financing of regional-scale facilities, environmental problems and international promotion of the metropolis.

These problems are neither recent nor new. They can be associated with the image of the spread city or the emergent city (Chalas, 2000) or with that of the “technoburb” or “techno-city” (Fishman, 1987). According to Fishman, in the United States technoburbs appear on the periphery of city centers. They can be as large as a county and constitute viable economic zones. They develop along highways and give rise to corridors of growth, punctuated with commercial centers, functional public spaces – businesses, hospitals, schools – and various types of housing. In technoburbs, the residents find employment and fulfill their needs in the immediate vicinity. This is a new form of urban diversity, without the type of concentration that existed in city centers. The proliferation of technoburbs on the scale of an entire metropolitan region leads to creation of a techno-city – a more or less integrated network, over a vast territory of functional poles that ends up causing in-depth changes to the role of the city center.

Fishman’s description of technoburbs and techno-cities, of which the Los Angeles region constitutes the most complete example, corresponds to a model of the metropolis that draws on a variety of trajectories but whose form follows a general trend: metropolitanization (Bassand, 2001). The decentralization of functions and activities, urban sprawl, and increased mobility that characterize contemporary metropolises reveal a fundamental movement to which are added political dimensions arising from fragmentation and greater competition between territorial units in a single metropolitan space (Dreier *et al.*, 2001).

Even though some features characteristic of metropolitanization are less pronounced in Montréal than they are in other North American metropolises, they are nonetheless present. In fact, it is largely on the basis of the political and institutional consequences of metropolitanization on urban fabric and urban life that the government

of Quebec has justified its recent interventions with regard to metropolitan reform.

Without delving into all aspects of the reform's administrative labyrinth, it is useful to recall its main components. According to the promoters of the reform, starting with the Minister of State for Municipal Affairs and the Metropolis, Montréal, in spite of certain assets in terms of quality of life, culture, higher education – including the dynamism of many private and public research centers – the diversity of its economy, and the variety and quality of its public services, is mired in major structural problems. Among the problems of greatest concern is urban sprawl – in spite of the fact that Montréal, along with New York, is one of the most compact urban areas in North America – because it wastes resources, puts a strain on public funds, and has damaging effects on the environment.

In addition, the city is witnessing the impoverishment of a growing part of its population: “Within the city of Montréal [in 1996], one person in ten lives under the Statistics Canada low-income threshold” (Gouvernement du Québec, 2000a: 39). The result is increased expenditures on social housing and on programs related to income security. At the same time as they sometimes require supplementary disbursements by the state, these disadvantaged populations possess fewer resources to contribute to financing of infrastructure in the central city, management of major metropolitan facilities, and the international function that the city center must assume, which also requires additional resources. As a consequence, Montréal is facing growing administrative costs for its facilities and services. This is why the public authorities chose to set their sights on a “development vision on the scale of the urban area” (Gouvernement du Québec, 2000a: 40), rather than confine themselves to the central city, the hypothesis being to have the costs of operating and developing the metropolis shared by those who profit from them. This explains why the metropolitan reform was undertaken in two complementary areas.

The first step aimed to increase resources and powers for the City of Montréal by creating a mega-city through forced mergers of the twenty-eight municipalities that existed on the Island of Montréal. The new city came into being on January 1, 2002, following municipal elections held in November 2001 (Figure 1). In parallel, the government started on a second step, which was implemented before

the first one. This consisted of elaborating a process of cooperation with representatives of the municipalities throughout the region, with the objective of setting up a region-wide structure for management, coordination and planning. For this purpose, the government of Quebec created the Communauté métropolitaine de Montréal (CMM), covering the territory of the census metropolitan region as defined by Statistics Canada (1996 census), with representation from all municipalities in the metropolitan region. The CMM came into existence on January 1, 2001 (Figure 2).

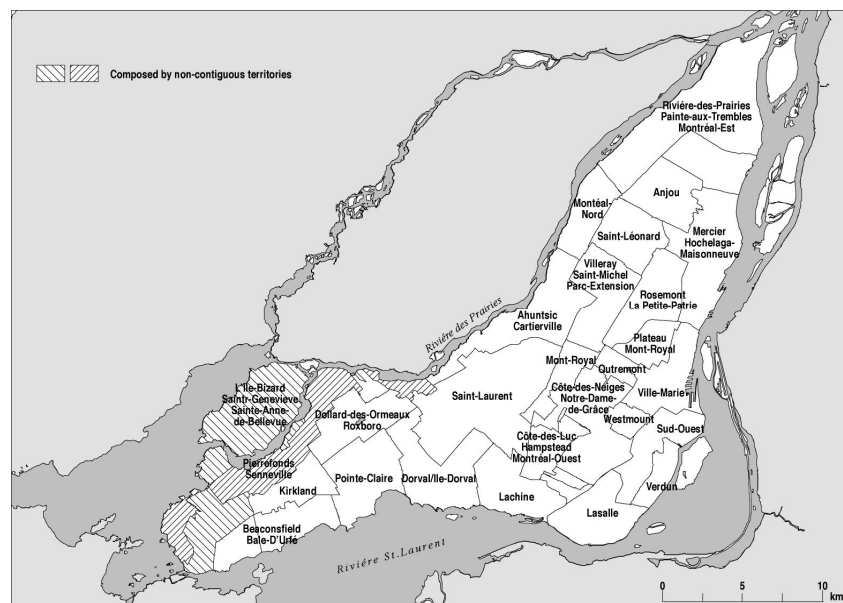


Figure 1: The new City of Montréal and its Boroughs, 2002

The creation of the mega-city of Montréal, with a population of 1.8 million, and of the CMM, which encompasses more than 3.4 million inhabitants, raised numerous controversies. On the Island of Montréal, opposition to the forced mergers came mainly from elected officials who mobilized their fellow citizens in an effort to stop the reform plan. Opposition was manifested mainly in English-speaking cities, but not exclusively: the city of Anjou, a French-speaking suburb and an enclave in the old City of Montréal, was clearly in the camp of those opposed to the government's project.

Opponents saw in the forced mergers a blow to the integrity of their communities, their culture, and the principles of local democracy (Sancton, 2000). Although opposition to the mergers on the Island of Montréal was virulent before the elections of November 2001, it was nevertheless quickly quelled following the elections, and many of the opponents joined the ranks of the Union des citoyens et citoyennes de l'île de Montréal – a new municipal political party – which had won the majority of seats in the election, taking control of the new city's municipal council. This party, led by an ex-minister of the Quebec Liberal Party, was based on a coalition formed of ex-mayors of the suburbs and the main opposition party on the council of the old City of Montréal, the Montréal Citizens' Movement.

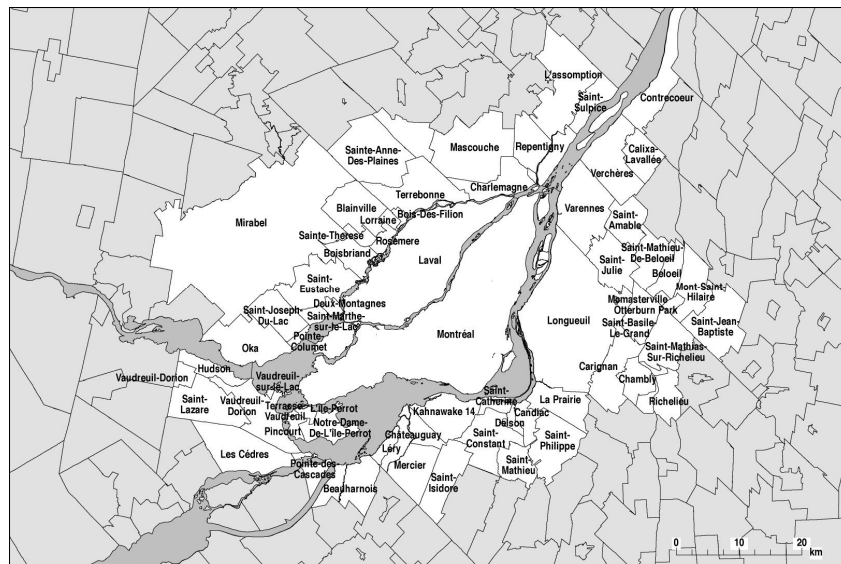


Figure 2: The Communauté métropolitaine de Montréal

If there was a calm spell after the municipal election of November 2001 concerning opposition to the forced merger of municipalities on the Island of Montréal, the coming to power of the Liberal government in Spring 2003 started again the debate and the opposition to the mergers more than ever. This can be explained by the fact that during the electoral campaign the Liberals had declared that if they won the election, it would be possible for citizens, through referendums to be

consulted on a de-amalgamation process, giving them the possibility to get back their previous municipality.

Opposition to the metropolitan reform did not come exclusively from suburbs on the Island of Montréal. Elected officials on the North Shore – the suburbs off the Island of Montréal located north of Rivière des Prairies – repeatedly expressed their reservations. In this case, as far back as 1996, the provincial government had reopened the debate on the future of Montréal and its region through public consultation with all decision makers in the urban area with a view to creating a real region-wide planning and management body. But it finally set this project aside until a new strategy was engaged in by the government's political leaders.

The government of Quebec's objectives with the forced mergers on the island of Montréal – forced mergers also took place among the municipalities of the North Shore and South Shore with the same objectives – were to improve the quality of services offered to citizens, to reduce the costs of these services, and to increase the efficiency and accountability of municipal management. The government's intention was to spread the fiscal burden more evenly among all citizens in the new City in a perspective of greater equity. Thus, Bill 170 (Gouvernement du Québec, 2000b), which created the new City of Montréal, established an updated territorial-management structure. This structure is based on 27 boroughs, which respected, on the whole, the borders of the old suburbs and the main urban neighborhoods of the old City of Montréal. The new city council is composed of one mayor and 72 councillors.

The new boroughs are responsible mainly for local services (urban planning, infringements on the ban on converting a building into condominiums, fire prevention, waste removal, local economic, community, and social development, culture, recreation, borough parks and local roadwork). However, many of these responsibilities have to be shared with the city of Montréal administration. In fact, the boroughs have only two exclusive areas of power: fire prevention and infringements on the ban on converting a building into condominiums (Bruneault & Collin, 2001). In addition, the borough councils have no power of taxation. The city council supplies them with an operating budget, although they may, with approval from the city council, levy a

special tax on their territory in order to improve the local services offered to the population.

Coming back to the election of the Liberal Party in spring 2003 regarding the municipal reform issue, the Quebec government made haste. A strategy in two steps was adopted. The first decision, through Bill 33 (Gouvernement du Québec, 2003a) consisted of amending the Montréal's city charter in order to increase decentralization in favor of the 27 boroughs of the new mega-city. It means, for example, that from now on the boroughs have the capacity to amend the land use plan or to levy certain taxes for nearby services. In addition, Bill 33 is also a symbolic gesture. The name of the borough's president has been replaced by the one of mayor of the borough.

The second step of the strategy was more delicate. Launched in December 2003 it consisted in a process of "consulting residents of municipalities where the merger process (that has been held by the previous government) was not voluntary," which was the case for all the suburb municipalities on the Island of Montréal. Without getting into the mechanics of the consulting process – which is rather complex – Bill 9 (Gouvernement du Québec, 2003b) will not give back to the residents exactly the same municipality they knew before the forced merger occurred. More than before the merger, they will have to share an important part of their activities and services with the City of Montréal. For that matter, Bill 9 creates an agglomeration council (conseil d'agglomération) that will take decisions over the whole territory for collective matters. It is as though Bill 9 is increasing the decentralization process initiated by Bill 33, while reiterating the necessity to maintain an overall management structure over the island controlled by the City of Montréal.

Of the 28 old suburban municipalities on the Island of Montréal, twenty-two decided to hold a referendum on June 20, 2004 in order to take action (or not) regarding de-merger (that the government presented in terms of "démembrement"). The referendum took place on June 20. Fifteen of the 22 municipalities which had decided to go for the referendum succeeded in obtaining the possibility to recover – at least partly – the previous situation of their local municipality. However, the impact on the management of the City of Montréal should not be seen as catastrophic as predicted by many observers of the local scene. For example, before the de-merger process took place,

the population of the City of Montréal counted 1.8 million with a property value of \$127 billion. After the de-merger Montréal still has a population of 1.6 million inhabitants with a property value of \$103 billion. This can be explained by the fact that most the citizens of the 15 boroughs who decided to go for re-composing their municipality reside in municipalities of the West Island and these are small municipalities. Without any doubt however, in the mind of those who opposed the creation of the mega-city of Montréal, winning the referendum is part of an “étapiste” strategy. Their strategy is to put pressure on government once they have the power granted to their boroughs at first through Bill 33 and more recently through Bill 9. Their idea is to recover the situation that exists *ex ante*.

Two aspects are worth mentioning regarding the last events of this reform saga. The first is related to the management of urban services on the Island of Montréal. The second has to do with the metropolitan scale. If the impact of de-merger is not catastrophic for the management of urban services as predicted by many, there will be an impact. In different ways the de-merger process is introducing some uncertainty for the future. Further tensions to those that already exist between the boroughs and the City of Montréal are added. When the Liberal Party government launched the de-merger process, the harmonization of service management between the boroughs and the city of Montréal was still to be completed. Supplementary adjustments will be required for civil servants and managers – at least in the fifteen boroughs where the vote for de-merger was positive – opening the door to new administrative adjustments and bargaining.

On the metropolitan scale, the impact should be of less importance. The City of Montréal remains strong at this level. This said, there might be a reconfiguration of power between the three main actors at the council of the CMM (Montréal, Laval and Longueuil), because Longueuil lost almost 40% of the citizens – four boroughs (Saint-Lambert, Brossard, Boucherville and Saint-Bruno) of the current merged municipality.

In creating the CMM through Bill 134 (Gouvernement du Québec, 2000c), the provincial government wanted to institute a strategic authority for regional planning, the environment, transport, economic development and international promotion. The law calls for the CMM to develop a “metropolitan plan for land use and economic

development” covering the entire metropolitan region. The goal of this plan is to set, for the future, “a strategic vision of economic, social, and environmental development aiming to facilitate the coherent exercise of the Community’s powers” (Gouvernement du Québec, 2000c, art. 127, parag. 1). According to the law, the metropolitan plan must be adopted before December 31, 2005.

The CMM is not really a regional government. Representatives are not directly elected, but are chosen from among the elected officials of the 63 municipalities within the five administrative regions that constitute the metropolitan region. These representatives assume responsibility for the operations of the CMM through two bodies – the council and the executive committee.

The council includes 28 municipal elected officials: 14 from Montréal, three from Longueuil, three from Laval, four from the North Shore, and four from the South Shore. Under Bill 134, the chairperson of the CMM is the mayor of Montréal. During sessions of the council, if a vote is tied, the vote of the chairperson of the CMM is the tiebreaker (Gouvernement du Québec 2000c: art. 30, p. 11). In addition, the CMM is responsible for agencies with a metropolitan vocation and for special commissions. Aside from the Metropolitan Transport Agency, the Agricultural Consultative Committee, and Montréal International, which has the mandate for international promotion of Montréal, in May 2001, in conformity with the law, five commissions composed of eight elected officials were created in the following areas: transport, land-use planning, economic planning and metropolitan facilities, environment and social housing.

The CMM can intervene in a number of areas, including urban planning, economic development, and the environment, in which it must share its powers with both the City of Montréal and the city’s boroughs. However, with regard to metropolitan-level facilities, infrastructure, services and activities, as well as international promotion of the region, it has exclusive powers, although it may delegate its powers relating to international promotion to a third party. This is precisely what it did in granting Montréal International – a consortium representing business interests and public agencies concerned with economic promotion of the city-region – the mandate to assume this function for the moment. For facilities, infrastructure,

and metropolitan-level services, the CMM must define the mode of financing by calling upon metropolitan solidarity.

However, the CMM has few powers and resources with which to convince the 63 municipalities and the economic actors on its territory to develop and share a common vision. Its capacity to define a true development strategy for the entire metropolis also seems limited at the moment. The question that arises is that of cooperation and collective action with regard to new metropolitan issues. To what extent will the changes introduced by an institutional reform of the type that created the CMM enable a common vision and a substantial intervention strategy for the metropolitan region to be elaborated?

Metropolitan reforms and institutional issues

Associated with new trends toward globalization, metropolitanization – defined as “the process that shapes metropolises” (Bassand, 2001: 3) – is unprecedented. It goes hand in hand with the spatial and social restructurings that have profoundly changed the face of modern metropolises. Formed in the late 19th century and influenced by a quickly expanding industrial society, metropolises resulted from the specialization and fragmentation characteristic of modern societies. They were articulated around criteria of size and centralization, and they were organized in networks.

Although contemporary metropolises retain many of the distinctive features of modern metropolises, over the last 25 years they have been swept by major changes: tertiarization of the economy and gradual segmentation of the labor market (Corade & Lacour, 1995). The result has been a redefinition of the functions of the city center toward a new geography of centrality (Sassen, 1999: 141), characterized mainly by urban sprawl and the redeployment of economic and cultural activities within city-regions whose borders are constantly being pushed outward (Chalas, 2000). Due to this fact, it seems necessary to review the priorities of urban planning (Ascher, 1998).

Contemporary metropolises have more extensive and more dispersed territories – discontinuous and less dense – than did those of modern metropolises (Bourdin, 2000). Increased mobility, which has contributed to in-depth transformations to the location and organization

of economic and social activities (Ascher, 1998) explains a large part of this phenomenon. New dimensions quickly emerged. One can think of economic issues, with regard to increased competition between municipalities. But environmental problems are also at stake, with regard to protection of natural resources. Finally, social dimensions in their connection to space and territory are articulated to new forms of segregation and exclusion. The latter is no doubt what has drawn the most attention from researchers in recent years.

The new social relations within the spaces that characterize contemporary metropolises have engendered not only new urban hierarchies, but also new forms of social inequality. A number of researchers (Altshuler et al., 1999; Clarke & Gaile, 1998; Donzelot, 1999; Dreier et al., 2001) have discussed widening social inequalities in contemporary metropolises between, on the one hand, the middle classes fleeing to the periphery of city centers or barricading themselves in gated communities and, on the other, the working classes, often formed of recent immigrants, for whom social recognition and integration have become almost impossible and whose living conditions are deteriorating. What flows from this is a social dualization of social relationships within the city, the repercussions of which on the metropolitan space threaten its dynamism – and even its viability.

For many researchers (Bauman, 1998; Préteceille, 1998; Sassen, 1999), these social inequalities are articulated in various ways around modes of economic restructuring provoked by globalization and are forcing local public actors to rethink the framework within which they act. As Albert Malibeu notes, “With the emergence of new local problems, flexibility in territorial public-sector action has arisen” (Malibeu, 1998: 437; our translation). It is these new forms of management that the framework of urban governance has been trying to highlight since the 1990s.

By relying on a principle of flexibility and by bringing a large number of actors into political management or the formulation of projects, governance attempts to increase the institutional capacity of local communities (Le Galès, 1995). At stake is improved performance in the light of new economic, social and political challenges that result from globalization.

The theme of governance is the reflection, within both public-sector

management and civil society, of a new awareness of the limitations of traditional interventionism and of the need for increased cooperation between public and private sector actors to overcome the problems noted above. However, governance is proving to be a porous notion with poorly defined contours (Hamel, 2002). Even though it accords importance to public debate (Blondiaux, 2001), its relationship with representative democracy poses problems (Lafaye, 2001). It is not self-evident that the actors involved in governance are concerned about those who do not have the resources to participate in these cooperation activities. In addition, common use of the notion sometimes goes hand in hand with a definition of social relations that is non-conflictive. In this respect, such a definition underestimates what is at the root of these relations, namely conflict, which is precisely what the notion of governance is trying to remove. We can think in particular of the mediation processes that accompany the institution of any governance framework and engage the subjectivity of actors (Khorsokhavar, 2001).

In spite of these limitations, since the mid-1990s, the notion has seen great success, which is not due solely to effects of sociological marketing. It conveys the public sector's growing difficulty in dealing with the uncertainties that result from globalization. On the other hand, it is leading to learning and decision-making processes that throw into question the bureaucratic model and the value system that underlies it (Paquet, 2001).

One can also see governance as an intermediate solution between communitarianism and liberalism (Barraqué, 2000). In this perspective, governance encourages local communities to participate in the management of a common good. It is a matter not of proscribing the defense or pursuit of private interests but of tempering their expansion in favor of community solutions when defense of the common good requires it. In this sense, governance goes hand in hand with institutional innovations favorable to resolution of conflicts between private interests. This would appear feasible, on condition that the steps undertaken remain under the "control of institutions making use of democratic sovereignty" (Barraqué, 2000: 132).

The fact remains that in the context of advanced modernity, institutions, including those of governance, are still very fragile (Hamel et al., 1999). This fragility has even grown in recent years, such that institutions are less and less able to guarantee their ability to contribute

to the renewal of solidarity. This is explained by the questioning by the middle classes of the old socio-political compromises, associated by social-sciences researchers either with the welfare state or with social democracy that supplied certain guarantees to the working class. Since the 1980s, on both sides of the Atlantic, these compromises have crumbled, with negative repercussions for the poorest people in terms of impoverishment and deterioration in living conditions – in short, some researchers describe this situation as a true process of urban secession by the middle classes from the working classes (Donzelot, 1999).

To what degree has the response to the disintegration of old models of solidarity been implemented through the setting up of new forms of metropolitan governance? Can the old conflicts between the suburbs and the city center – when the flight of the middle classes to the suburbs corresponded to a preference, in conformity with the American liberal tradition, for the values of individual freedom to the detriment of those who promote political equality (Swanstrom, 2001) – be overcome as the result of new institutional arrangements that redraw the lines of management responsibility on the metropolitan scale? Can this solution be imposed on local actors without engendering other forms of withdrawal or disaffection?

These questions, though they were not initially on the minds of the metropolitan reformers, deserve our attention. This is what we will now consider, returning to the example of Montréal.

Assessment and new challenges

Like other North American metropolises, Montréal is engaged in a process of transformation from modernity toward a cosmopolitanism open to the challenges and new opportunities offered by globalization (Soja, 2000: 231). In this context, the question of competitiveness is posed both internally, between municipalities within the urban area, and externally, in terms of the place of the urban area in the constellation of mega-cities. Although it is rife with paradoxes, if not contradictions, the question seems difficult to avoid. To be competitive, both local communities and large urban areas must improve living conditions for all their residents, but they must also be

capable of supplying companies with educated and skilled labor (Clarke & Gaile, 1998). Urban sprawl, environmental deterioration, the funding and quality of public services, concentration of urban poverty – to name just a few of the challenges that face local managers – although not recent or new concerns, suddenly are seen in a fresh light. How can the performance of local communities and the urban center be improved on the whole? Could regionalization be a valid solution (Foster, 1997)? And what kind of regionalization should it be?

Proponents of the new regionalism claim that it is necessary to establish coordination mechanisms between municipalities in a single region in order to ensure the economic viability of the entire region, one of the hypotheses being that the dynamism of the suburbs goes hand in hand with that of the city center (Rusk, 1995). This position, which counts above all on governance, must be seen in relation to the solutions of traditional institutionalism, which counted more directly on taking direct charge of regional problems. The new regionalism must also be contrasted against the “public choice” approach, which emphasizes enlightened choices of the citizens and increased competition, rather than cooperation, between the public and private sectors to improve the quality of urban services (Bish & Ostrom, 1973).

In the United States, the thesis of the new regionalism was recently thrown into question. It has not been proved that fragmentation of regional governance threatens economic growth, or that the quality of life in the suburbs depends on the performance and quality of life in city centers (Swanstrom, 2001). In Canada, provincial governments have preferred to set up coordination structures that are related more to the old regionalism, even though the justifications put forward by political leaders resemble the values that the new regionalism defends (Sancton, 2001).

This is also true for the CMM. By setting up a formal region-wide coordination structure, the government of Quebec has imposed a solution from the top down. It has justified its decision by noting the specificity of the area planning problems, which often overflow the boundaries of the municipalities. Interpreting these problems from the perspective of urban governance, the government has concluded that there is a need to create a regional cooperation body (Gouvernement du Québec, 2001: 76–77).

It must be remembered that this solution is the outcome of a public debate that goes back to the 1960s, when the authors of a provincial urban planning commission complained that there were too many decision-making centers and no framework for planning and area development for the region (Commission provinciale d'urbanisme, 1968). In the early 1990s, the Groupe de travail sur Montréal et sa Région (Working group on Montréal and its region, 1993) proposed that a regional government be created, to be elected by universal suffrage. More recently, in 1996, the government of Quebec decided to appoint a new Minister of State for Municipal Affairs and the Metropolis, and the minister undertook a vast public consultation with all "decision makers" in the urban area. At the end of this process, he proposed a flexible cooperation structure in which elected officials and representatives of civil society would participate. But this was never implemented, even though the law was passed.

The CMM has proved to be an institutional response following several decades of equivocation. As with all institutional changes, there is a choice to be made by the government between the flexibility and openness that characterize, for example, approaches using governance, and the coherence and stability that increase the legitimacy of coordination bodies and reduce uncertainty. The government of Quebec has resolutely opted for the second option. What it gains in direct control of the structures and processes that it sets up, it risks losing when it comes to anticipated results (Lundqvist, 2001). This may be explained by the fact that the approval of socio-political actors will be difficult to guarantee, given their low degree of mobilization.

At first glance, the solution proposed by the government of Quebec has few of the requirements that metropolitan governance approaches lay claim to. For the moment, the leaders of the CMM have chosen to consolidate a traditional position. In 2003, they hired a consultant to elaborate the strategic vision that has been used to define the first metropolitan area and development plans. In doing this – in simply fulfilling the letter of the law rather than taking advantage of this challenge by starting a public debate open to all social, economic and political actors in the region – they have reinforced the initial choice made by the government of Quebec with regard to the CMM.

However, as Clyde Mitchell-Weaver and his colleagues (2000) have emphasized, directive approaches to metropolitan management are not

without their merits. For one thing, they allow objectives of fiscal equity to be pursued on the scale of a city-region, but are they effective for attaining an objective such as “meeting the challenge of world competition” (Gouvernement du Québec, 2000a: 33; our translation), which remains one of the main goals of the metropolitan reform in the case of Montréal? How will they be able to establish a common vision among all metropolitan actors, given that the new cooperation body offers few constraints and has limited resources and few exclusive areas of power compared to the powers of the City of Montréal and the boroughs? Above all, how will it convince the old opponents to regional cooperation, in particular the municipalities of the North Shore,¹ to abandon their past recriminations against the city center and its managers and agree to participate in a collective approach that would go beyond formal support of the administrative obligations required by the law?

Finally, in the CMM’s relations with the central city, three concerns arise. First, in amalgamating the suburbs of the Island of Montréal and the old City of Montréal, the government of Quebec changed the representations of the social composition of Montréal. Over all, although the poor have not disappeared, Montréal appears to be a wealthier city. The community groups and urban movements that previously succeeded in introducing debates and issues at city hall must now turn to the boroughs. Suddenly, their importance in the city and in the municipal administration has decreased. As a consequence, if they want to be able to have an impact on urban problems on the scale of the island and the metropolitan region, they will have to review their past alliances. Second, within the city-region, the question of the balance of power between the central city center and the suburbs

1 In the memorandum they submitted to the public hearings on Bill 134, the law creating the metropolitan community of Montréal, a body representing the prefects and mayors of the North Shore took an unequivocal position defending the rural nature and the socio-communitarian nature of their communities, reiterating their independence from the City of Montréal, and criticizing the arguments advanced by the government of Quebec. “Recognizing that the City of Montréal is having financial difficulties and that the bill has been tabled with the goal of helping to improve the finances of the city center, the municipalities of the North Shore deem it unacceptable and irresponsible to participate in the institution of the Communauté métropolitaine de Montréal, the outcome of which will lead ineluctably to the destruction of the peripheral communities of Montréal” (Table des préfets et des maires de la Couronne Nord, 2000: 4–5).

remains an unknown. How much will the city center choose to defend the interests of the old urban neighborhoods? Will a similar scenario play out in Montréal as it did in Toronto, where the amalgamation helped to strengthen an anti-urban sentiment, at least during the first months of the reform's implementation (Keil, 2000)? What forces can speak on behalf of the metropolitan region when the responsible authority, the CMM, was created to play a supportive role toward the central city while its leaders have chosen a low-profile strategy?

Conclusion

The Montréal metropolitan reform raises more questions than it answers. However, I must emphasize that the first months of the new city of Montréal have come and gone in an atmosphere of good relations between unions and the municipal administration, and between the new mayor and the citizens. From January 1, 2002 up to the coming to power of the Liberal government following the provincial election of Spring 2003, optimism has been the watchword and has helped to heal old wounds, in particular the fierce opposition to forced mergers on the island by elected officials and populations in the suburbs. Nevertheless, it is too early to judge whether the new political-administrative framework, seen from the angle of a body governing a large urban area, will become "a motivating element in the transformation of public policies" (Faure, 2003; our translation), especially if we take into account the uncertainty created by the public consultation process initiated by the government with its bylaw on territorial reorganization (Bylaw no. 9).

Since the reform was instituted, observers of the local Montréal scene have been concerned mainly with what would happen on the scale of the city of Montréal itself: the new mayor's degree of popularity; problems that might be caused by integration of certain municipal services; union demands; and action priorities for the new administration. What has taken place on the metropolitan regional scale and concerning the CMM – its operations, its ability to elicit a true sense of belonging and to meet the old and new challenges of the city region – has not drawn their attention.

Up to now, the CMM has had very limited resources and a limited

mandate. In most fields, it must share its powers with those of the city of Montréal and the boroughs, not to mention the other cities in its territory, the *Municipalités régionales de comté* (regional county municipalities), and the five administrative regions that have not been abolished. In addition, as we have seen, many doubts remain with regard to its scope in terms of urban governance at the metropolitan scale.

In this regard, the government of Quebec has chosen an extremely conservative path. It has opted for an institutional reform that hardly modifies the prerogatives and powers of the existing actors. On the metropolitan scale, the reform seems to offer few constraints to the main partners. It does not oblige local actors engaged in an approach of regional cooperation to review their values and old modes of action – at least, not substantially. Nevertheless, we cannot conclude that over the medium term the CMM's operations will not lead to major changes with regard to the management of metropolitan space. Everything will depend on the willingness of CMM authorities to become involved in a true political debate concerning metropolitan issues and to invite civil-society actors to participate in this debate.

However, it remains true that there are also external forces to the immediate local scene that could count. For example, in the near future, will the Federal government decide to bring back urban affairs on the policy agenda, to paraphrase the title of a recent book (Andrew, Graham & Phillips, 2002)? And what about the market forces? What will be the amount and relative importance of re-investment in the Montréal city-region? The future of Montréal will certainly remain in the hands of its main economic and political leaders as long they are able to deal skillfully, on the one hand, with ongoing or upcoming global trends and, on the other hand, with local social forces. In this respect, the creation of Montréal as a viable city-region remains an issue that should be defined in terms of metropolitan governance.

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CHRISTOPHER LEO AND MARK PIEL

Winnipeg:

UNICITY Superannuated at 35

Winnipeg's Unicity began in 1972, in the flush of enthusiasm over the accession to power of the Manitoba New Democratic Party. This was the first turn at the helm for a party that, in those days, would not have hesitated to style itself social-democratic. In its first term in office, the new provincial government launched an ambitious amalgamation of the 13 municipalities in metropolitan Winnipeg, under what conservative local politicians fearfully referred to as One Big Government, together with a panoply of other organizational innovations.

The original concept of Unicity was the brainchild of Meyer Brownstone, a veteran of the top ranks of the civil service in the leftist Co-operative Commonwealth Federation (later NDP) government of Saskatchewan from the 1940s until its defeat in 1964 (Gutkin & Gutkin, 1987; Lipset, 1950). Brownstone, a strong believer in social justice and a grassroots version of parliamentary democracy, sought to design a local government structure that reflected his beliefs.

Yet, even in the process of passage, the original concept was compromised and over the next 26 years a series of subsequent revisions of the City of Winnipeg Act constituted a gradual chipping-away at it. Then, in 1998, in a much more conservative era than the early 1970s, the counter-revolution struck full force in the form of a complete revamping of the remaining vestiges of Unicity under the auspices of a Progressive Conservative provincial government.

Finally, in 2002, another NDP government, substantially more centrist than the earlier one, introduced the City of Winnipeg Charter Act, a revision of the former City of Winnipeg Act that retained the 1998 reforms, but added an ambitious devolution of power from provincial to municipal government. In these pages, we trace the main

lines of this story, and consider its significance at the middle of the first decade of the 21st century.

UNICITY

The launching of Unicity in 1972 was a thoroughgoing reform of municipal government, aimed at banishing fragmentation of authority and segmentation of financial capacity, while greatly increasing citizen participation in municipal decision-making (Manitoba: Urban Affairs, 1971). In the years since then, Unicity has been subjected to a great deal of criticism, while praise has generally been muted at best. In part, this preponderance of unfavorable commentary was a response to the extraordinary ambitions of Unicity's creators, and a reaction to the unrealistic expectations raised by their promises.

To a considerable degree, too, it was motivated by partisan politics. It was not, however, fully justified by the actual performance of Unicity, which – although it fell well short of its creators' expectations – registered some achievements, and functioned tolerably on the whole. In order to draw up a balance sheet of its achievements and its shortcomings, it is necessary to begin by looking at what was being attempted in this first era of metropolitan governance reform in Winnipeg.

The task Unicity's creators set themselves was that of reversing a long-standing trend in Canadian municipal politics, which combined a progressive weakening of political control over municipal government with a steady improvement in administrative capacity. This trend, which paralleled a similar one in the American municipal reform movement of the late 19th and early 20th century, was based on the idea that municipal government should focus on effective service delivery and, insofar as possible, eschew politics.

Such institutional features as small councils, at-large elections of council, non-partisanship, and city manager or council-commissioner systems of administration were designed to ensure that the political role in local government would be limited to oversight at the level of broad policy, while municipal administrations developed a powerful capacity to formulate and implement policy (Smith & Stewart, 2005a). This is in keeping with the American separation-of-powers model of

government, but at variance with the parliamentary tradition of a partisan legislative body headed by and fused with a powerful political executive (Anderson, 1979: 73–111; Leo, 1986; Weaver, 1977).

The power of municipal administrations was bolstered indirectly through a reduction of the effectiveness of political supervision, and directly through professionalization of municipal officialdom and introduction of more and more sophisticated administrative techniques. In itself, the value of improved municipal administration is beyond dispute. Indeed, the transformation of municipal administrations from the casual, bumbling, corruption-ridden organizations of last century to the modern bureaucracies we have today is a major, and largely unsung, achievement of government in the 20th century.

The trend toward weakened political control is a very different matter: the question of whether it was appropriate, and of whether it was a necessary concomitant of the administrative achievements remains controversial. The important point for us is that Unicity was a determined attempt to revamp municipal political and administrative structures in such a way as to restore political control over municipal government, by restoring parliamentary principles and leavening them with measures designed to strengthen the grassroots.

Reforming structures, ignoring functions

Both the idea and the manner of its implementation had flaws, including some rather obvious ones. The most glaring, at least in retrospect, is the fact that they addressed structures without seriously considering functions. One of the main reasons for municipal governments' loss of political strength, it is clear, is the fact that, with the passage of time, they became less and less involved in the making of important decisions.

In the last century, most of the decision-making which is now covered by the medicare, welfare and unemployment insurance programs was being made, either by municipal governments or by locally-based charitable organizations. In 1971, and indeed today, all of the basic decisions in these areas are made by senior governments and local authorities have either lost all influence or have been reduced to a purely administrative role. In education, the appearance of local decision-making has been maintained, but its substance has been largely removed by growing provincial intervention.

The Manitoba government, for example, prescribes curricula and textbooks and decides whether and where new schools or school expansions will be permitted. It also allocates a portion of education funding, in the process deciding on the amount to be made available. In at least a couple of cases, school boards, having apparently given up the last pretense of being anything more than administrative agents for the province, have actually called upon the Minister of Education to decide, in cases where enrolment was declining, which schools would be closed.

Even in the area of land use control, which, on paper, remains primarily a local prerogative, senior governments have become increasingly prominent actors whenever important decisions are being made. In Winnipeg, many of the most important initiatives of the past 50 years – the expansion of roads in the 1950s, the Core Area Initiative (Clatworthy and Associates, 1990; Dector & Kowall, 1990), the convention center, the Winnipeg Development Agreement of the late 1990s and the decision in 2003 to tear down the landmark Eaton building and replace it with an arena, to name only a few examples – have been subject to substantial senior government intervention.

A less conspicuous, but even more significant way in which local governments are deprived of power is through the legalistic rigidity of provincial enabling legislation. Thus, such ordinary, every-day activities of government as passing regulations, requiring licences and taking enforcement action typically cannot be undertaken without the permission of the provincial government unless they are specifically authorized in provincial legislation – legislation that, typically, also specifies the precise circumstances under which they can be undertaken.

The practical effect of such a welter of detail is often that, on those rare occasions when municipal councillors work up the courage to propose an imaginative solution to a local problem, it is as likely as not that the municipal solicitor will tell them that the authority for their proposed action does not exist in the legislation, in short that they cannot do it. This can have the effect not only of blocking needed action, but, more damagingly, of discouraging initiative and blocking thought and imagination. The apparent assumption is that, although provincial governments can trust municipal politicians to manage city governments, they cannot be trusted to figure out how best to do it.

Much of the political weakness of local government, therefore, stems, not from the way it is organized, but from its lack of authority. Given that reality, the idea of trying to restore local governments' political strength through the establishment of parliamentary-style institutions, without giving local authorities more decisions to make, is clearly over-optimistic. This is a serious oversight, and is a major contributor to the unrealistic expectations raised by the Unicity reform, as well as to the ensuing disappointment.

Unification and participation

Still, the institutional reforms were carried through, boldly and with finesse, and those that have survived the storms of the 1980s and 1990s are worthwhile achievements. The Unicity legislation unified Winnipeg's urban area under a single political authority, a rarity in North America, and a feature that undoubtedly strengthens the hand of municipal government.

For example, a local leader interviewed in 1985 – a prominent conservative and a good friend of the development community – argued that the existence of unified government had done much to strengthen the municipal government's hand in its dealings with developers, both by making better planning expertise available to it and by depriving developers of their ability to play municipalities off against each other – an ability that has been restored by urban growth in recent years.

The legislation also established a council of 50 members, each representing a ward with a population of about 10,000. The wards were grouped into areas of the city, called communities, and a variety of local matters were brought in the first instance before a so-called community committee, a subcommittee of council that held public meetings regularly in neighborhood offices (Hefferon, 1972; Manitoba, Urban Affairs, 1976).

Community committees, as well as the relatively large council, were intended to ensure that the unification of the metropolitan area under a single government did not produce an over-centralized government. Another provision intended to promote grassroots participation was Resident Advisory Groups, which soon became known as RAGs, each chosen at an annual community conference to advise its community committee on issues arising within the community. Since these bodies

were intended to reflect the community voice in a very direct way, each community was empowered to determine the manner of election and the size of its RAG, as well as the length of members' terms.

The establishment in the Unicity legislation of a relatively large council based on wards was an initiative that remains defensible today. And the idea of combining this city-wide representative system with community committees, which help maintain neighborhood identity without political fragmentation, is an ingenious feature that has proven its utility for both citizens and leaders. Numerous disputes between neighborhoods and the central municipal government – over expressways, library branches, swimming pools, halfway houses and video arcades, to name just a few – testify to the fact that citizens made use of the representation Unicity affords them, and would presumably regard themselves as worse off without it. Even when the number of wards was subsequently reduced, this local representation remained important (Figure 1).

The RAGs were a different matter. From the beginning, they were perceived by some city councillors as a training ground for future electoral competition, and given an unfriendly reception when they made representations at community committees. Their attempts to marshal the case for their concerns also ran up against a deeply-rooted habit of secrecy in Winnipeg's municipal government, and they were blocked, sometimes by outright refusals to make information available and sometimes by such devices as being allowed access to documents, but only through photocopying at exorbitant rates.

Nor were they provided with funding to allow them to secure necessary secretarial or research assistance, or assistance in maintaining communication with their constituents and placing their positions before the public (Brownstone & Plunkett, 1983; Wichern, 1984).

In addition, as the Taraska Commission observed in 1976 (Manitoba, Urban Affairs, 1976; Wichern, 1984), the Unicity legislation failed to define a concrete role for RAGs. The Taraska Report recommended that the provincial government try to revive them by giving them a role in the city planning process, but the provincial government chose to pursue a policy of benign neglect. RAGs continue to exist where community members opt to organize them, but they have not been a significant factor in city politics.

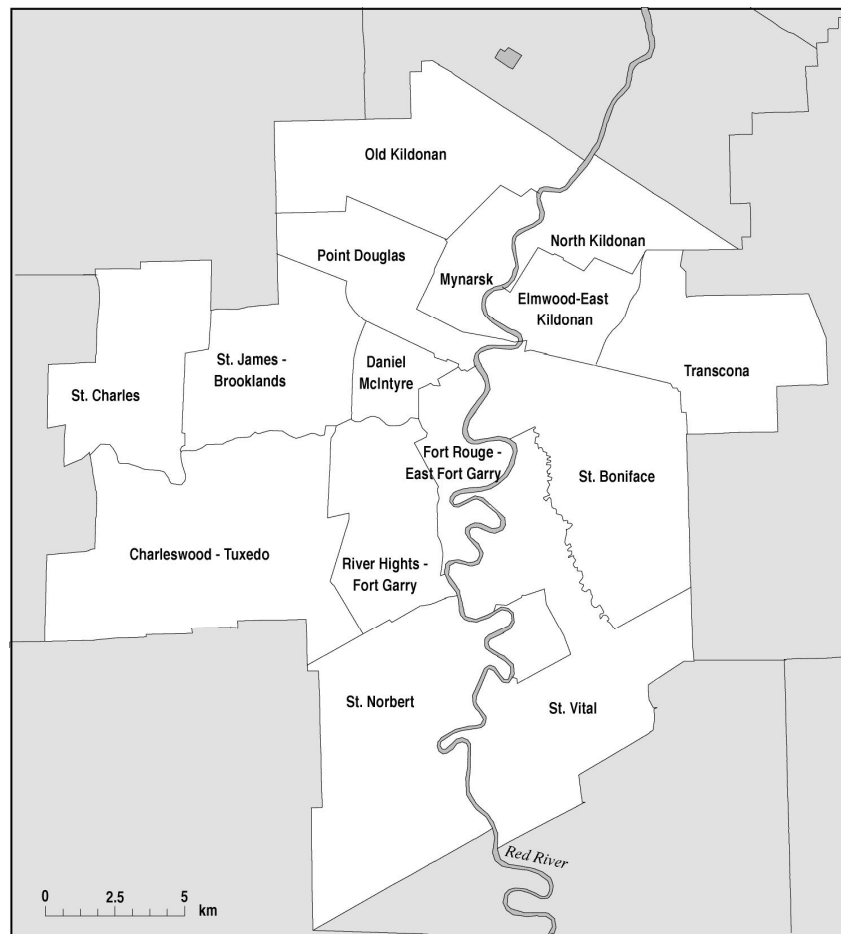


Figure 1: City of Winnipeg Ward boundaries

At various times, RAGs in some communities have been able to maintain good working relations with their community committees, and were seen by some councillors as a constructive feature of city government. Thus, though they obviously failed, in part because of design flaws in the original Unicity legislation, they were never really given a serious chance to succeed. In short, although Unicity's provisions for metropolitan unification and its structures of representation and participation have fallen short of the extravagant expectations of their creators, they measure up reasonably well when judged by more realistic standards.

Equalization

Some of the excessively harsh criticism that Unicity has suffered was the creators' own fault, brought on by unrealistic expectations – driven by sweeping change – that structural reforms would open up new vistas of effective, responsive government. However, a share of the blame must also be borne by the critics, whose ill-will and/or partisan political motivations have led them to focus a great deal of attention on those aspects of Unicity most vulnerable to criticism – notably the ill-fated resident advisory groups – while taking for granted its achievements (Axworthy, 1980).

This seems especially true of one of the most obvious and notable achievements: the equalization of general municipal revenues, as a result of the creation of a single municipality unifying what was then an entire metropolitan area, which eliminated the unseemly spectacle of impoverished and wealthy municipalities existing side by side. Equalization was and is a major political accomplishment, as important as it is rare and difficult. It deserves at least to be recognized for what it is.

In practical terms, equalization has been instrumental in a major shift in development policy, from a focus on suburban arenas, swimming pools, roads and other facilities on the urban fringe to a renewed emphasis upon preservation and improvement of existing facilities in the heart of Winnipeg. Major upgrading of public facilities in the low-income neighborhoods of Brooklands and North Point Douglas during the 1970s are part of this trend, as was the Core Area Initiative of the 1980s, the Winnipeg Development Agreement of the 1990s and current programs for the renewal of downtown residential neighborhoods and then revival of the commercial core. To be sure, many factors besides equalization share credit for these changes, but it seems likely that equalization is among them. If, in another generation, history records that Winnipeg managed to avoid the kind of downtown deterioration so lamentably familiar in many other cities, equalization may be given part of the credit.

“Repatriation” of special-purpose bodies.

Another major political achievement of Unicity's creators – one which has gone virtually unnoticed – was their success in enhancing the control of council over a variety of municipal functions without

unleashing the political storm which might well have been expected had the coup been carried off less skilfully (Leo, 1987). During the urban reform movement at about the turn of the last century, such bodies were created in great numbers, partly in order to achieve more effective administration, but also as part of a calculated effort to undermine municipal politicians who were seen in business circles as being dangerously representative of the interests of immigrants, petty traders and working people (Anderson, 1979; Weaver, 1977).

Although the specific ideological impulses of the turn-of-the-century reform movement have been diluted somewhat, the idea that it is desirable to keep municipal politicians weak is still very much a part of the municipal conventional wisdom, and special-purpose bodies are still helping to deprive municipal politicians of their effectiveness and prestige by removing large slices of municipal authority from them.

Any attempts to reverse this state of affairs are seriously hampered, both by the conventional wisdom that sees municipal activities as being somehow sanitized when they are “removed from politics,” and by pressures from specific groups (educators, librarians, lawyers and so forth) whose interests are served by the fact that the activities most important to them (schools, libraries and police forces, for example) are insulated from the public scrutiny focusing upon and emanating from city hall.

The authors of the 1970 white paper and the Unicity legislation – Meyer Brownstone and a Toronto lawyer named Dennis Hefferon in particular (Hefferon, 1972; Leo, 1987; Manitoba, Urban Affairs, 1971) – decided to restore the powers municipal politicians had lost to the authorities and had the political shrewdness to find a way of doing it without directly confronting either the interest groups or the conventional wisdom.

The Brownstone-Hefferon strategy for overcoming these obstacles was to retain the appearance of the bodies’ independence while deftly removing its substance, simply by providing that the majority of board members be members of city council. The strategem worked. Although initially there were sporadic complaints from interest groups that their favorite boards had lost their independence, the fact that the boards were still manifestly in existence made it difficult to mount a concerted attack on the new order of things. In the meantime, the new order has become the status quo, and the complaints have died out.

This little bit of shrewd manipulation is a genuine tour de force, and with luck a permanent achievement. The virtual elimination of special-purpose bodies from Winnipeg's municipal scene has removed what has long been regarded as a major source of fragmentation and blurred accountability.

R.I.P. Unicity

Nevertheless, Unicity was not the breakthrough its creators clearly hoped it would be. Meyer Brownstone's original concept had called for full parliamentary government, with election of the mayor by the council, instead of the public at large, mimicking the responsibility of the prime minister to parliament. This proposal failed even before the Unicity legislation was passed, for a couple of reasons.

One was that a mayor elected by the council was suspect in the eyes of a public and a leadership accustomed to city government modelled on presidential rather than parliamentary traditions. Possibly an even more important factor was the provincial government's anxiety to secure the support of then-mayor Steven Juba, who had ambitions to become Unicity's first mayor and who was more noted for his skill as a cultivator of voter support than as a leader of political colleagues (Brownstone & Plunkett, 1983: 97–100)

Successive revisions of the Unicity legislation reduced the size of the council, first to 29 in 1977 and then to 15 in 1992, and the citizens of Winnipeg now have twice as many representatives in the provincial legislature as they have in city hall. The accompanying increase in the costs of running for the council, as well as in the budgets of individual councillors, has seriously reinforced the staying power of incumbents, and in the 2002 election the only two councilors replaced were ones who had retired. The next civic election is in 2006.

As we saw, resident advisory groups have not lived up to the hopes of the creators of unicity and of many citizens who, at the founding of Unicity, hoped for a new era of greater citizen participation and government responsiveness. As we will see, a recent revision of the legislation has given the council the power to abolish community committees if it chooses. The term "Unicity" itself has fallen into disuse. Twenty-first Century Winnipeg Unicity is, quite simply, Winnipeg.

However, if Unicity was less than a success, it was not as much of a failure as its detractors made it out to be. Three achievements stand out.

- First, the equalization of general tax revenues, though it is now being eroded by a fresh round of exurban growth, remains in place for more than 600,000 citizens of a Census Metropolitan Area with a population of a little less than 700,000 (StatsCan, “Community profiles,” 2001 Census).
- A second lasting achievement is the subjection of special-purpose bodies to council control.

Both of these features are no longer subject to direct political challenge. But the exurban population, which is exempt from Winnipeg taxes – though only 12 per cent of the CMA population so far – grew more than six per cent between 1996 and 2001, 38 times as fast as the population of the city, which grew a mere 2/10 of one per cent in five years. If those growth rates continue, it will not be long before a significant proportion of the metropolitan population is once again slipping free of tax equalization (authors’ calculation from *ibid.*).

As for the special-purpose bodies, there are periodic calls for their re-establishment, on the basis of the time-honored assumption that one function or another will be better performed if it is freed of “political interference,” which is otherwise known as democratic governance. Thus gradual re-establishment of special-purpose bodies remains a possibility.

- Finally, there are the community committees, which remain a lively forum for political debate whenever a controversial matter comes before them, one of the few elements of Winnipeg government that are genuinely open to voter participation.

The Counter-Revolution

Thus ended the revolution. The counter-revolution began in 1997, with the publication of *Reshaping our Civic Government*, adopted by the City Council in March 1997, in response to a report of George B. Cuff

Associates, an Edmonton consulting firm (City of Winnipeg, 1997; Cuff and Associates, Ltd., 1997: 9). The document represents the belated empowerment of Mayor Susan Thompson, who had been swept into office in 1992 on the one-word slogan “Change,” promising a hard-nosed, cost-cutting, businesslike approach to government, had been repeatedly thwarted in her attempts to carry out her planned reforms, but was nevertheless re-elected in 1995.

After her second election she gave up her long-cherished notion that a businesslike mayor should abstain from politics, developed an effective, if dictatorial and widely resented, leadership style and began to get her way. In retrospect, *Reshaping our Civic Government*, a commitment to “affordable government,” marks the turning point.

In addition to a variety of contracting-out initiatives already underway – such as park mowing, transit for disabled people and refuse collection – the document committed the city to a list of further initiatives designed to bring about a drastic reduction in the size of the public service establishment through privatization and alternative forms of service delivery. It is this set of initiatives that is at the heart of the “Cuff” round of reforms.

With the help of the so-called Cuff Report, which spelled out the political and administrative implications of the new policies (*ibid.*), Mayor Thompson and her newly compliant council set about the task of eliminating obstacles to the desired changes, beginning with golden handshakes for the existing administrative leadership, a four-member board of commissioners, and its replacement by a single chief administrative officer. These changes were followed by a thoroughgoing shake-up in the ranks of the public service, together with corresponding changes in the council committee system.

Under the new system, the mayor became arguably the most powerful municipal executive in Canada. She chaired the executive policy committee (EPC), the equivalent of a cabinet, and appointed its members, four of whom she simultaneously appointed as chairs of the standing committees. She also has the power to suspend the chief administrative officer (CAO) for up to three days, by which time the EPC must either extend the suspension for 30 days, reinstate the CAO or recommend dismissal to council (City of Winnipeg Charter Act, 2002, Sections 57–59, 98).

The council continued to have 15 members, elected by wards, and the term of the council and the mayor was extended from three to four years. The council has the power to appoint members of standing committees, not including the chairs. It decides how many members the EPC will have, up to a maximum of 7 (*ibid.*, Sec.63).

All of these changes help to ensure the accountability of the administration to the council, and especially to the mayor and the EPC. However, as has been the case ever since the first flush of enthusiasm over Unicity died, this enthusiasm for political control and administrative potency is not matched by a similarly strong commitment to effective representation of the public in political decision-making.

Capping a succession of reductions in the size of the council – each of which necessarily increased the cost of campaigns and reduced the intensity of representation¹ – the latest legislation gives the council the power to abolish community committees. These committees of the council, which, as we have seen, were one of the more successful parts of the Unicity concept, comprise, respectively, the councillors from each of Winnipeg's five communities and become the first political forum for deliberation of such local issues as subdivision and demolition approvals, rezoning, snow removal issues, parking issues, construction and maintenance of recreation facilities, and so forth.

These committees have been lively forums for debate, in noisy meetings that sometimes extend far into the night. It is their duty to produce recommendations to the council, and the recommendations have been influential. The council has generally been reluctant to overturn a community committee recommendation, unless it was felt that pressing city-wide concerns justified overriding the local community's expressed will.

In the original Unicity legislation, there were 13 community committees. As the size of the council dwindled, the community committees likewise dwindled to five, and now they could disappear. The replacement in 1998 of the conservative Susan Thompson by Glen Murray, formerly a left-wing councillor, and North America's first openly gay big city mayor, made their abolition appear less likely, but

1 The compensation for reduced intensity of representation is that councillors receive a pay increase and their positions are designated as full time. Whether they are spending their extra time staying in touch with and responding to constituents remains open to debate.

the legislative provision remains on the books. Murray announced his resignation as mayor in May 2004 – the first city mayor to quit mid term – to run for the Liberals in the June 28, 2004, federal election. He was defeated. Under his successor, Sam Katz, the city’s first Jewish mayor, the continued existence of the community committees is currently under review by the Winnipeg council (www.winnipeg.ca, accessed March 1, 2005). However, in the meantime, the community committees continue to operate in their present form and have the same powers and duties as they did under the City of Winnipeg Act before it was amended in October, 1998 (www.winnipeg.ca, accessed March 3, 2005).

The Charter Act

The 1998 revisions of the City of Winnipeg Act were legislated in the twilight of Progressive-Conservative government in Manitoba. In 2002, the provincial New Democrats, who had won power in 1999, introduced legislation to provide the city of Winnipeg with a new charter in January 2003. While the city has had its own charter since 1972, the latest effort by the provincial government sought to modernize many aspects of the old Unicity Act.

Murray, then mayor of one of Canada’s self-designated five “hub cities,”² was a vocal advocate for substantial increases in the power and independence of the governments of major cities. Murray, who, unlike Susan Thompson, was able to cultivate good relations with the provincial government, called the new city charter an acknowledgement on the part of the province of the responsibility and accountability of Winnipeg’s local government (Province of Manitoba, *News Release*, 2002).

Following are some of the act’s key features:

- 2 The C5 was originally conceived by renowned urbanist and economist Jane Jacobs and Toronto-based businessman and philanthropist Alan Broadbent. It first met in Winnipeg in May, 2001, with Murray acting as host, in order to develop a strategy for Canada’s economic hub cities. The mandate of the C5 is to push for a legislative reform agenda and renegotiate a new relationship for municipalities with senior levels of government. See Christopher Leo, “Rethinking Urban Governance in the 21st Century,” Halifax, Canadian Political Science Association paper, 2003, pp 1-2.

- A significant expansion of the city's powers to act independently of provincial control.
- Provisions to increase the city's ability to buy and sell goods and services in innovative ways.
- Authorization to undertake tax increment financing.
- A miscellany of measures billed as mandating an increase in the city government's accountability to the public.

Regional governance

The Unicity reforms of 1972 were revolutionary by Canadian municipal standards, but they were Manitoba's last revolutionary venture. Despite revisions of the City of Winnipeg Act in 1977, 1992 and 1997, there had, until 2003, been no far-reaching reform of the powers delegated to the city, nor a shift in municipal boundaries. Unlike Ontario's recent efforts to "disentangle" provincial and municipal functions in the 1990s,³ no similar attempt were made to do so in Manitoba. Considering the contrast between the prudence and "wait and see" attitude of the Manitoba Progressive Conservatives and the ideologically motivated neighboring Ontario Conservative government then led by Mike Harris (Premier, 1995–2002), this is hardly surprising (Piel & Leo, 2005).

The province's reluctance, since 1972, to wade into very deep political waters is also evident in the contrast between a number of major municipal amalgamations across the country on one hand and the Manitoba government's unwillingness on the other to undertake any serious initiatives in the governance of the Winnipeg region. The provincial government's efforts at regional governance have eschewed substance in favor of appearances. The province established a Capital Region Committee in 1989 to address regional issues affecting

3 On this, see, for example, Province of Ontario, Report of the Advisory Committee to the Minister of Municipal Affairs on the provincial-Municipal Relationship (Toronto: Government of Ontario, January, 1991; something wrong with these parentheses David Siegel, "Disentangling Provincial-Municipal Relations in Ontario," Management (Toronto: IPAC, Fall, 1992); Canadian Urban Institute, Disentangling Local Government Responsibilities – International Comparisons (Toronto: January, 1993); and the former Toronto Mayor/MP chaired David Crombie Who Does What Panel – appointed by Ontario Premier Mike Harris in 1996. Its final report was in December, 1996.

Winnipeg and 15 surrounding municipal jurisdictions. Each municipality is allowed one member on the committee.⁴

Thus, one person represents more than 600,000 citizens and the other 15 represent an average of about 5,000 each. Most of the 15 fringe municipalities have an incentive to build their own tax revenues through low-density urban development with minimal service levels, resulting in a very competitive tax rate. Under those circumstances, it is clear that the committee of 16 will not meaningfully control exurban growth. The committee's real role has been limited to minor housekeeping matters.

The do-nothing status of the committee has been enough of an embarrassment to motivate both the previous and the current provincial government to commission investigations into the state of regional governance.⁵ So far, however, neither the committees nor the successive governments themselves have proved willing to take regional governance beyond hollow exhortations to the 16 municipalities to cooperate.

Legalistic rigidity and natural person powers

In looking at Unicity, we made the point that the 1972 reforms concentrated on structures of government and overlooked functions, with the result that Winnipeg's government, like other municipal governments, continued to be shackled by the legalistic rigidity of provincial legislation.

In the 1990s, the Government of Alberta caused a buzz in municipal circles by granting "natural person powers" to its municipalities, allegedly addressing the problem of legalistic rigidity (Government of Alberta, 2005). British Columbia added a similar provision in its Community Charter, passed in May, 2003 and in effect since January 1, 2004; according to the BC Ministry responsible, the new Charter would "replace a provincial tradition of rigid rules and paternalism with flexibility and co-operation, ... will encourage municipalities to be

4 See also, Golden and Slack, this volume, on the GTA for a comparison.

5 For recent reports regarding the Capital Region Committee, see The Province of Manitoba, Department of Intergovernmental Affairs, *Strengthening Manitoba's Capital Region* (2002), The Province of Manitoba, Department of Intergovernmental Affairs, *Planning Manitoba's Capital Region: Next Steps* (2001) and The Province of Manitoba, Department of Intergovernmental Affairs, *Final Report of the Capital Region Review Panel* (1999).

more self-reliant ... [and] presents simple, concise legislation that balances broad municipal abilities with public accountability and protection of province-wide interests in key areas like the economy, environment and public health (BC Ministry of Community, Aboriginal and Women's Services, 2002: 3). What difference the BC changes have meant remains less certain.

The previous Manitoba government, in revising legislation covering municipalities other than Winnipeg, opted instead to grant corporate powers to its municipalities (Manitoba, *Municipal Act*, 1996), which sounds a great deal like the power municipalities have always had. Does that mean, as has been suggested, that Alberta, in a bold stroke, expanded the autonomy of local government, while Manitoba, in the 1990s, proceeded more cautiously?

It is our argument that in this, as in so many other things, both the devil and the angels are in the detail, and that the labels "natural person powers" and "corporate powers" tell us very little about what is actually going on. For what it is worth, the previous Manitoba government argued that they considered Alberta's approach and rejected it after concluding that, far from being too radical, it was quite simply inappropriate (Nesbitt, 1999). A number of considerations speak for their argument.

In the first place, since municipalities more nearly resemble corporations than individuals, corporate powers can be seen as providing a more straightforward path than "person powers" toward the objective of expanded powers. Secondly, natural person powers are expressed primarily through the language of rights, powers and privileges, with little mention of limitations, obligations and duties.

Some of the broad categories that could be described as natural person powers include: (1) contractual powers; (2) commercial powers; (3) instruments of commerce; (4) rights of expression and philanthropy, such as selling services, goods or land below market value; (5) general powers such as the right to sue or be sued including the ability to sue and be sued for more "personal torts" like defamation of character and the like.

Council by-laws, meanwhile, are necessarily limited to municipal purposes, whereas natural person powers are in no way subject to such limitations. Finally, individuals do not have the ability to pass

legislation or collect taxes, things which are of obvious importance for municipal jurisdictions.

In short, once natural person powers have been granted, a great deal of further legislation is needed to clarify what that means for municipalities, and it is this clarifying legislation, together with court decisions, which determines what the original grant of power actually means. The previous Manitoba government apparently concluded that the Alberta approach was as likely in practice to fatten the bank accounts of lawyers as it was to enhance the powers of municipalities.

Undoubtedly Alberta authorities could respond to this argument by pointing out that municipalities, in reality, are neither persons nor corporations, and that Manitoba too has had to specify in legislation what the expanded powers actually consist of. In fact, the argument will not be settled by reference to the general strengths and weaknesses of competing legal concepts.

The current Manitoba government has undertaken an apparent reversal of the previous government's stance on the question of natural person powers vs. corporate powers, but a closer examination suggests that it is in fact corporate powers that are being granted (City of Winnipeg Charter Act). As we have argued, the test of what either theory implies for the actual powers municipal government is able to wield can be found, not in the broad theory chosen, but in the detail, to which we now turn.

In the City of Winnipeg Charter Act, the powers of municipal government, instead of being set out in a wide array of detailed grants of very specific powers, are consolidated into 14 broad categories of powers (City of Winnipeg Charter Act, 2002, Sections 128–223). The 14 are: public convenience, health, safety and well-being, activities in public places, streets, activities of businesses, buildings, equipment and materials, floodway and floodway fringe areas, waterways, water, waste, public transportation, ambulance services, fire protection and police.

So far, so good, and there is more. In the earlier act, the city only had powers explicitly granted. And they were so scattered throughout the act that only a lawyer could venture a meaningful interpretation. In addition to the many detailed grants of power, there were process clauses that specified exactly how these powers might be wielded.

In the new Charter Act, which took effect at the beginning of 2003, everyday government actions – such as joining an organization of municipalities, passing regulations, requiring licences and taking enforcement action – are permitted, provided they are taken in pursuit of the specified powers. For a city council accustomed to deferring routinely to the solicitor, and going frequently and on bended knee to the provincial government with pleas for specific powers, it is a potentially dizzying grant of power, but whether it consists of natural person powers is another question.

A section entitled “Natural Person Powers,” located at the beginning of the act, states: “The city has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act” (ibid., Part I, 7[1]). But that is the only mention of natural person powers in the act, while 22 sections (202–23) are devoted to corporate powers. In any event, it is clear on the face of it that such matters as licensing and enforcement are corporate powers, not those wielded by a person.

It seems likely, therefore, that when the dust raised by the current round of grants of natural person powers to Canadian municipalities has settled, we will conclude that the term contains more politics and public relations than legal substance. Despite fine words, the City of Winnipeg remains subject to a heavy provincial hand. The excision of 275 pages of restrictions in the City of Winnipeg Act still leaves the Charter Act with a weighty 328 pages. Moreover, Part 5, which is devoted to powers, contains many sections setting out qualifications on the powers granted.

Nevertheless, early indications are that the City of Winnipeg will enjoy a great deal more authority than it has in the past and, even if there are no layoffs in the solicitor’s department, perhaps the solicitors will be able to say Yes more often than they have in the past. More to the point, council may be in a position to respond more meaningfully to its constituents and to the city’s needs.

Procurement and provision of goods and services

As we enter the third millenium, the term “innovative solutions” is often synonymous with public-private partnerships, not least in municipal government. Municipalities routinely discontinue offering services in favor of contracting these services out to private enterprises,

and expanded municipal powers will provide new opportunities for such activity in Winnipeg.

Alternatively, two or more municipalities can jointly establish an arms-length special purpose body to administer the service for the combined geographical area. There are numerous reasons for this: (1) in many cases a municipality does not have the bureaucratic expertise in administering and delivering a given service in the most efficient and effective manner; (2) if a municipality does have that expertise, it is often thought to be more cost-effective to contract out to companies that are subject to market discipline, in hopes that this will drive down costs; and (3) if a municipality is an efficient and cost-effective provider of a service, it may benefit by offering that service on contract to other municipalities.

All of these possibilities are opened up in Sections 214–16 of the City of Winnipeg Charter Act, in which broad powers are granted to the city to procure goods and services and to create special service units that can supply goods and services both within and outside the city.

Tax increment financing

The Charter Act contains provisions that, it is claimed, would make Winnipeg the first city in Canada authorized to adopt tax increment financing (TIF), a financial tool that has been in use in a number of American cities for some time. It has generated some debate in the U.S. on its usefulness as a municipal development financing technique (Johnson & Man, 2001). What follows is a short description of TIF: the Charter permits the use of TIF to raise funds for urban development or infrastructure projects (City of Winnipeg Charter Act, Section 222). TIF is designed to ensure that the benefits of new development accrue to the area in which the development took place.

TIF, in effect, creates a revenue shelter for a geographical area within a city. Property values are first assessed in the designated area, and then those values are frozen. Increases in tax revenue due to investment and development in the area are channeled into a reserve fund to pay for future infrastructure projects or development subsidies in that district. Johnson and Man (2001) write: “The creation of a TIF district assures private investors that their property taxes are used to pay for infrastructure needs and development expenditures in the

district which directly benefit their businesses, rather than to pay for the general cost of local government services. In the absence of TIF, these costs would be borne by those investors.”

There are draw-backs to such a program of development financing. Should the tax revenue from development projects fall short of initial estimates, the city will have to finance the project from general tax funds, creating a heads-I-win-tails-you-lose situation in which the beneficiaries of the development program get help from the rest of the city in dealing with costs, but do not have to share benefits. TIF can be used to finance infrastructure, but insofar as the benefits accrue to private investors, it may actually be little more than another subsidy shell game.

More positively, and at its best, TIF can serve as a viable way of financing projects in inner-city redevelopment, urban revitalization, affordable housing, or other worthy projects the funding of which might otherwise prove difficult or impossible. Portland, Oregon, for example, used it for downtown housing before TIF's were subsequently abolished there.

Increased accountability?

In the original version of Unicity, the large council – 50 ward-based councillors – was part of the plan for achieving a more democratic, responsive and accountable municipal government. What some called a bloated representative system was designed to ensure that wards were small enough to keep public office within the financial reach of ordinary citizens, and that each councillor knew her or his ward well enough to provide effective representation.

The Charter Act empowers city council to increase the number of wards by by-law. In theory, therefore, the act permits restoration of increased accountability via more intensive representation (City of Winnipeg Charter Act, Section 17[1]), but a significant change along these lines is unlikely. There is little appetite in Winnipeg for a return to a council comparable in size to the original Unicity council, and even much more modest increases are not high on the political agenda, especially since any boundary change is likely to jeopardize incumbent political bases.

In any event, many in Winnipeg would disagree with the suggestion that a larger council represents greater accountability. More readily

saleable is the suggestion that greater direct citizen involvement in decision-making is tantamount to greater accountability. Part of the claim that the Charter Act increases accountability, therefore, rests on a provision that allows council to appoint citizens to appeal bodies empowered to adjudicate such questions as taxes and land use planning decisions (*ibid.*, Sec.83), theoretically making council more responsive to civil society.

The practice may prove very different. Considering how cozy council and the business community are, it would hardly be the workings of a paranoid mind to assume committees may become excessively representative of the business leader. In reality, this so-called accountability measure could prove to be the thin edge of the wedge for a reversal of Unicity's "repatriation" of special-purpose bodies, discussed earlier in this article.

While the idea of appointing citizens to council committees sounds good, there is no protection against membership on such committees becoming exclusive. In the worst case scenario, Winnipeg might find itself once again suffering the fragmentation of powers that the Unicity legislation greatly reduced by bringing special-purpose bodies under council control. The Charter Act, therefore, could initiate the erosion of one of the few enduring legacies of Unicity.

Also billed as an accountability measure is a provision allowing the council, in the words of a government press release, "to identify those matters it thinks are of such importance that more than the normal 50% majority vote of Council is required." If the entrenchment of questions beyond the reach of majority rule is an accountability measure, it is certainly some variety of accountability other than democratic accountability. Aside from Manitoba New Democrats thinking, this idea of "super majorities" is reflected in the May 17, 2005 referendum on electoral reform in neighboring British Columbia. Here, reform required the support of 60% of the May, 2005 BC General Election total vote, plus a 50%+1 majority in 60% of the province's constituencies, or 48 of the 79 BC ridings (www.gov.bc.ca/referendum_info, accessed February 28, 2005).

Two other measures, somewhat more likely to have a positive impact in the promotion of democratic governance are a provision requiring the council to adopt a code of conduct for employees (*ibid.*,

Sec. 89 [1]) and one extending the jurisdiction of the provincial ombudsman to municipal government (*ibid.*, Secs 462–463).

New Revolution, or Counter-Revolution Continued?

The reforms of 1972 tried to build a serious concern with democracy into municipal institutions that have a long tradition of sacrificing democratic accountability to administrative strength. Much of what was attempted in 1972 failed, though, as we saw, a couple of those innovations have endured to the present.

The 1998 reforms constituted a fully-fledged return to the pre-1972 traditions. While the reforms may have achieved greater administrative effectiveness and efficiency they did nothing to support, let alone expand, democratic accountability, indeed they undermined it further by raising the possibility of a future abolition of community committees. The Charter Act reinforces the 1998 drive to greater efficiency and effectiveness by widening municipal powers in the area of procurement and provision of goods and services and authorizing the city to undertake tax increment financing.

At the same time, it perpetuates the 1998 approach to democratic accountability through reforms that, while they are labelled accountability provisions, in fact look more likely to undermine genuine democratic accountability than to support it. In this respect, Winnipeg's situation is similar to that of BC municipalities under its 2004 Community Charter (Smith & Stewart, 2005b; Smith and Oberlander, this volume).

However, the elimination of a great deal of detail from the provincial legislation governing the City of Winnipeg – in other words the attempt to free the council from the shackles of legalistic rigidity – is a different matter. It is too early to tell whether the Charter Act has actually succeeded in granting wider powers to the council. We will have to await the results of practical experience in the operation of the city government under the new act, as well as court rulings to test the interpretation of the wording in the act, before we know whether the council is indeed significantly freer to act than it was before. Early 21st century results suggest no dramatic shifts.

These reservations are important ones. It is a lamentable fact of political life that our representatives would sometimes rather refrain from exercising power than take action on our behalf and risk being held responsible for it. Likewise, anyone who has a motive for limiting the power of the city council can bring the matter before a court system deeply habituated to very strict interpretations of municipal acts. Here judicial rulings, such as on Ontario's Megacity Toronto amalgamation challenges, continue to underscore the significance of the province in such matters (Golden and Slack, this volume).

But if experience proves that the redefinition of powers in the Charter Act really does leave municipal government freer to set priorities and pursue them, then the Manitoba government will deserve credit for at last having addressed the problem the designers of Unicity overlooked: the expansion of the functions of municipal government in such a way as to enable it, more meaningfully than in the past, to serve as an effective government, able to be genuinely accountable to its constituents.

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PATRICK J. SMITH AND H. PETER OBERLANDER

Greater Vancouver: *l'exception canadienne métropolitaine*

The first thing to say about Vancouver in terms of the theme of metropolitan governing is that British Columbia's major metropolitan region is unlike the other city regions of Canada. Despite being Canada's third largest city region, Greater Vancouver is the essential "odd-one-out" in the Canadian re-metropolitanization trend line of bigger is better. Whether in Halifax, Ottawa, Toronto, Hamilton, Winnipeg, Calgary or Edmonton, and – perhaps – even Montreal, the Canadian experience is toward a more amalgamated, megacity model. In Greater Vancouver, this Canadian trend has yet to take hold; indeed it is being resisted. Metropolitan Vancouver is a federated system with all its weaknesses and difficulties versus a centrally-imposed amalgamation. Greater Vancouver, thus, remains "l'exception canadienne métropolitaine."

One of the other things to add about metropolitan governance is that the constitutional order Canadians work under is a product of the 1860s – when three-quarters of Canadians lived in rural/agricultural settings and "local" really **was** local – whether in building schools or maintaining public roads (with the exception of "the King's highways"). Today, as noted in our most recent 2001 decennial census, 80% of Canadians live in urban centers of 10,000 people or more, and rural population has continued to decline. More importantly, by 2001, almost two-thirds (over 64%) of Canada's population, or about 19,500,000 people, lived in 30 census metropolitan areas (CMAs) (see Appendix 1). Yet the constitutional order of the 1860s remains.

Finally, by the last 2001 decennial census, 51% of Canada's population concentrated further in just four broad metropolitan regions (Figure 1) – up from 49% in 1996:

- the extended/Toronto-centered Greater Golden Horseshoe in southern Ontario;
- Montréal and environs;
- the Calgary-Edmonton corridor. and
- Vancouver/BC's Lower Mainland & southern Vancouver Island (Statistics Canada, 2001)

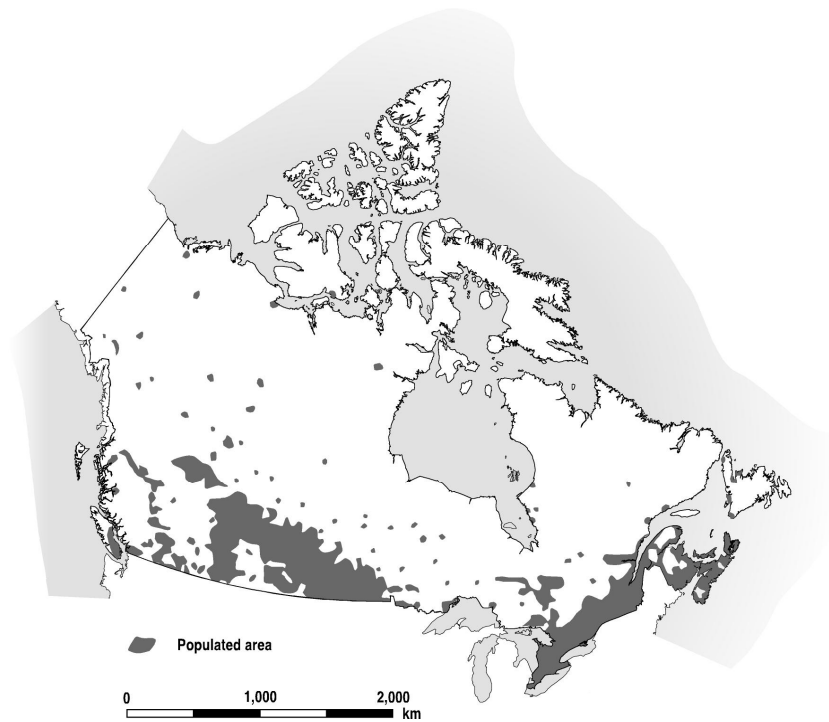


Figure 1: Where Canadians live

Source: [http://www.canadainfolink.ca/canadian cities.htm](http://www.canadainfolink.ca/canadian%20cities.htm)

The Setting: British Columbia and the Vancouver Metropolitan Region

British Columbia is Canada's third most populous province – 4,196,383 citizens (July 1, 2004) (BC Stats, Ministry of Finance, 2005) – representing just over 13% (13.032%) of the total Canadian (31,825,400) population (ibid.). Despite being Canada's third largest

province (948,600 square kms.), 85% (about 3.548 million) of the provincial population resides in 156 incorporated municipalities encompassing just one percent of BC provincial territory. Over half of the citizens of the province (2.393 million people – 57.5% – BC Stats, 2005) reside in the “Lower Mainland” – comprised of two regional districts along the Fraser River Valley adjacent to Vancouver. This “Lower Mainland” [bounded on the south by the United States border, on the north by mountains which extend virtually without interruption to Alaska, and on the east – at Hope, approximately 160 kms. away – by similar mountain ranges, with its western extremity, including the City of Vancouver, the gulf waters of the Pacific Ocean] represents the economic center of the province (Bond 1996; Smith, et al., 1996; Hutton 1997). Politically, the region elects just over half (50.7%) of the members of the legislative assembly of the province. In Jacobs’ terms, this Vancouver-centered “Lower Mainland” forms one coherent “city region. (Jacobs, 1984; Oberlander & Smith 1993).

Greater Vancouver is Canada’s third largest metropolis. It is one of the four fastest growing urban areas in North America, Canada’s fastest. The Greater Vancouver region has grown to over 2 million (2.133 million as of 2004 – BC Stats, 2005). It is the core of British Columbia’s “Lower Mainland.” The Vancouver census metropolitan area now essentially corresponds with the redefined Greater Vancouver Regional District (Figure 2). Established in 1967, the GVRD is a federation of 21 municipalities and one unincorporated electoral area, covering 3,250 sq. kms. The Greater Vancouver Region contains a little over half (51.3% – 2.133 million people) of the provincial population and a majority (6 of 9) of the largest (over 100,000 population) and 11 of 19 (over 50,000 population) local authorities in the province (BC Stats, 2005). For the May, 2005 BC general election, this “Lower Mainland” has 47 legislative seats (59.5%) and the Vancouver metropolitan region has 39 of the 79 legislative seats, 49.4% of the provincial total.

Whatever its substantial growth potential, the fastest growing areas in the Vancouver metropolis are in the Fraser Valley suburbs within and beyond the eastern boundaries of the GVRD. By 2025, for example, GVRD projections have the Greater Vancouver suburb of Surrey surpassing the central city Vancouver in population. (The City of Vancouver’s population is currently 583,296, close to neighboring

Seattle's 580,800, BC Stats, 2005). Adjacent non-GVRD metropolitan/outer suburbs, such as Mission, Abbotsford and Chilliwack are the fastest growing areas in the province; and "next door" municipality Abbotsford (126,634 population, BC Stats, 2005) is "in" the GVRD for its parks functions.

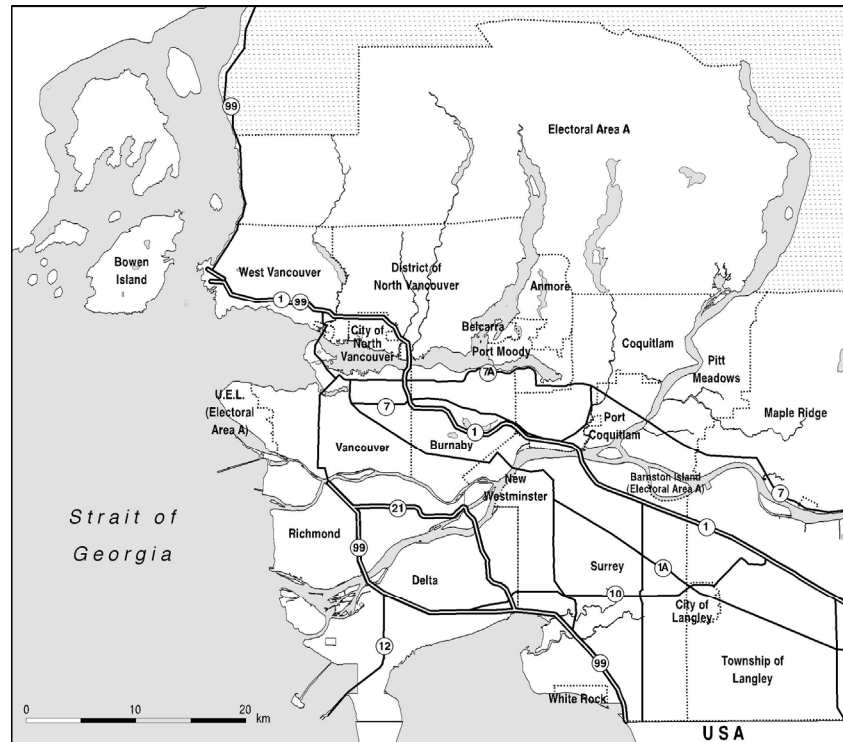


Figure 2: Greater Vancouver Regional District
Source: GVRD

One byproduct of the rapid growth of the Vancouver metropolitan area is that the ethnic makeup of the region's population has become increasingly multicultural; more than half of the public school population of Vancouver has English as a second language, for example; other municipalities are not far behind. This translates, increasingly, into politics around who will represent these communities. In metropolitan Vancouver, that has produced new representatives for the Indo-Canadian communities, and the first provincial representatives from the Chinese community (in the May

1996 and 2001 BC general elections). The June 2004 Canadian general election also included an increased number of ethnic/visible minority community candidates; this trend continued in the May 17, 2005 BC General Election.

In terms of the development of metropolitan Vancouver's economy, there has also been a growing dichotomy between the "Lower Mainland"/Southwestern BC and the rest of the province: much of the BC economy has been resource extractive, with heavy reliance on logging, mining and fishing, and a limited manufacturing component. The economic base of the "Lower Mainland," on the other hand, is increasingly service-oriented, with a strong reliance on personal and corporate services, including sectors such as tourism and the film industry, and province-wide distribution of goods and services (Howlett & Brownsey, 1992; Smith, 1994; BC Stats, 2005). Combined with its significant internationalist population, a more interdependent – and internationally oriented – regional economy, and its Pacific port location [the Port of Vancouver is the second busiest in North America, and the busiest on the west coast of the Americas] (Smith, 1992; Bond, 1996; Port of Vancouver, 2005), metropolitan Vancouver has become an "international city" (Smith & Cohn, 1994, Smith, 2002); and the provincial economy has become even more internationalist (Cohn, Merrifield & Smith, 1989; Cohn & Smith, 1996; Smith, 2004; BC Stats, 2005).

One additional factor that impacts on economic development decision making and intergovernmental relations in the Vancouver-centered region is the fact that most of the best arable land in British Columbia is found in the "Lower Mainland." Only one-quarter of the land in the province is suitable for any form of farming – and most of the prime agricultural land is in the Vancouver-centered region. Thus, the potential for policy conflicts and the necessity of devising regional solutions – including on cross border issues like air quality – to resolve urban development problems as part of any economic development strategy – domestic or international – become immediately apparent (Smith, 1996; Smith & Oberlander, 1998). Cross-boundary disputes such as the one created by plans for a Sumas II electrical generator in Washington State, approved after several rounds of hearings in Washington in 2002/4, but not in Canada, suggest regional Cascadia-based activity can be an irritant as well as cooperative (Smith, 2004).

The increasing nature of such intra- and trans-regional activity also demonstrates the need to look beyond existing territorial boundaries for “metropolitan Vancouver” solutions: the Cascadia option – variously defined – has provided a new territorial – and institutional – dimension for problem solving on a range of economic, social and environmental issues. Examples such as the Cascadia Mayors’ Council, which meets on issues of regional concern, from the regional environment to crime, and meetings of the three regional/metropolitan authorities for Vancouver, Seattle and Portland to develop metropolitan policy learning capacities attest to the growing interest in Cascadia-based solutions to regional policy dilemmas. As such, these also represent an inclination to develop capacity outside of more traditional local-senior governmental settings.

Themes

Four themes stand out in examining metropolitan governing in Greater Vancouver:

- In terms of brief comments on the notion of *Levels of Management in Metropolitan Vancouver*, the regional district model, in place since the mid-1960s, has offered a fairly flexible and efficient form of management for the Greater Vancouver region. The combination of limited *mandated* functions and a long list of *voluntary* functions has left much to be decided locally/regionally; this approach to governance has, until recently at least, worked fairly well for “Vancouver.”
- On the theme of *Developing and Implementing Metropolitan Reforms*, two factors stand out in metropolitan Vancouver: first, historically, the development of regional institutions was locally-inspired – and solutions were the result of local negotiations at the regional level; second, the senior (provincial) governmental approach largely has been what two commentators have described as “gentle imposition” (Tennant & Zirnhelt, 1973).
- On the idea of *Coordinating Actors at the Metropolitan Level*, what has been a generally successful model of consensus decision-making, through the regional district’s two-tiered indirect election

form, has begun to show signs of reaching the limits of its “best-before date.” Tensions within, and critiques from outside the GVRD suggest increasing need to rethink the current form of coordination and governance for metropolitan Vancouver.

- Finally, on the theme of *Linking Central/Senior Government Policies and Metropolitan Initiatives*, an ability to adjust metropolitan boundaries to generally reflect population/growth patterns on the ground has helped in metropolitan Vancouver and reflected senior/provincial governmental support for regional capacity. As noted below, there has been a range of shifts in the Vancouver region’s ability to act independently: sometimes these have reflected an increase in metropolitan competence; in other, more recent, instances, it has been reflected in a re-assertion of senior (often provincial) ascendancy. Here the Richmond-Airport-Vancouver rapid transit (RAV) line decision, discussed below, or the provincial-West Vancouver dispute over Sea-to-Sky 2010 Olympic highway rebuilding, are good exemplars.

There have been innumerable social and economic prognostications about challenges for the 21st century, but few on governance or global metropolitanization. Yet solutions to the problems of a now highly urbanized world will not occur without a reconceptualization of the future network of metropolises based on an assessment of some of the governance forms which have worked, those which have failed and those which need to be tried. Can metropolitanization based on a dynamic governance process contribute to national well-being and to global sustainability, as Savitch and Vogel (1996) have concluded in their assessment of an emerging “post-city age”? (see also Savitch and Vogel, this volume). Sancton and Rothblatt (1998) think so: in their *Revisit of Metropolitan Governance*, they came to the conclusion that regional/ metropolitan governing forms – and attendant intergovernmental reforms – may provide the most helpful answers to the challenges of governance for the new millennium.

This suggests a series of related questions – both for Greater Vancouver and beyond:

- What are the comparative governance lessons for the 21st century across metropolitan city regional settings?

- What comparative lessons can be learned from *changes* in metropolitan government and governance over the past six postwar decades of the 20th/21st centuries?
- How have these changes occurred?
- What forms and outcomes have resulted?
- What have we learned about attendant local/regional – senior/central intergovernmental relations?
- Where are our “best metropolitan practices”?
- Are there identifiable city-regional experiences and global threads on which to base a new metropolitan – and urban intergovernmental – reconceptualization for the 21st century?
- What has the metropolitan Vancouver experience contributed to this debate?

As noted in the introduction to this volume, the notion of “one size does not fit all” increasingly has become part of the discourse on metropolitan reform. Comparative studies of the metropolitan experiences over the last half of the 20th century and the beginning decade of the 21st offer the best possibility of identifying needed governance options for this still new century. Only then might there be real urban solutions to global problems.

This article, on “Greater Vancouver Experiences,” poses the above questions for the metropolitan Vancouver region. Here, one conclusion is that despite a history of some considerable success – and indeed a perception that to date this has offered one best practice model – there are limits to the regional district system found in British Columbia; metropolitan Vancouver appears increasingly past that limit.

As researchers who have argued for much of the last quarter century that regional districts and regional planning in British Columbia represents one of the most successful policy initiatives and governance forms, this conclusion may seem somewhat heretical. And the critique of Greater Vancouver’s current governance model does not extend to all the other 27 regional districts in the province; it is largely Vancouver-specific.

The intention here is to make four simple points:

- Governance matters – and its adaptability in the Vancouver city-region has been one of its strengths;

- Regional districts in British Columbia – and earlier regional organizational forms – have worked well over the past 40 plus years; and in all but the largest metropolitan region, Vancouver, regional districts continue to provide an efficient, flexible and effective form of regional governance;
- In British Columbia's largest – Vancouver – metropolitan region, an accountability crunch has come to challenge regional district efficiency arguments and claims. This might result in the conclusion that for metropolitan versus regional governance in British Columbia, indeed “one size does not fit all”;
- “What next, in metropolitan Vancouver?” at least, would appear to require legislative reform toward a new, more politically accountable Greater Vancouver Authority (GVA). That has implications for how senior governments and metropolitan initiatives might be linked – and how Greater Vancouver is governed.

Retrospective

The history of regional planning in metropolitan Vancouver is both long and short with a variety of regional authorities created, dating from near the beginning of the 20th century. Initially, these represented “ad hoc” (and often single purpose) responses to a number of local/regional service dilemmas. Almost without exception, the early regionalization experiences were premised on locally-perceived necessity. Actual “regional” beginnings date from 1911, just 25 years after Vancouver's founding, when the City of Vancouver with its Point Grey, South Vancouver and Burnaby municipal neighbors formed the Burrard Peninsula Joint Sewerage Committee. The Committee funded a study which recommended “an ongoing co-operative response,” and by 1914 had convinced the provincial government to pass legislation to create a Joint Sewerage and Drainage Board. Subsequent local action resulted in a regional Water District being created in 1926; this was followed by the establishment of four area health/hospital boards between 1936 and 1948 (Oberlander & Smith, 1993).

Modern regional structures best date after the Second World War: in 1948 – a year of significant flooding in the Vancouver-centered Lower

Mainland/Fraser River Valley, amendments to the Municipal Act were passed, allowing contiguous local authorities in a metropolitan region to develop a joint planning capacity. As a result, the Lower Mainland Regional Planning Board (LMRPB) was formed. It covered the whole physical region – from Vancouver, up the Fraser Valley to the mountains and Hope. In some ways this was a recognition – and extension – of a voluntary planning association (of Vancouver, Burnaby, Port Moody, Coquitlam, North and West Vancouver) created in 1937 (North & Hardwick, 1992; Oberlander & Smith, 1993: Case Three, 356–366).

Despite these various local initiatives, provincial action on regional government was slow. Tennant and Zirnhelt (1973) have persuasively argued that the proliferation and success of these early joint boards and authorities did lead the way to provincial consideration of more broadly-based regional solutions to urban development problems, particularly with regard to their application in metropolitan Vancouver. The process of reform, they called “gentle imposition” by the province.

The thinking of W.A.C. Bennett’s Social Credit provincial Government (first elected in 1952) was obviously affected by the early experience – and publicity – of metropolitan government reform in Toronto in 1954. As a result, community and regional planning provisions were added to the Municipal Act in 1957, empowering the Minister to direct adjacent municipalities in “Metropolitan Areas” to establish a joint committee “to study and report on such matters of an inter-municipal nature as shall be set out by the Minister...” The already established LMRPB was able to undertake such a process, leading to an official regional plan for the whole of British Columbia’s “Lower Mainland” by the mid 1960s. *Chance and Challenge*, the “official regional plan,” was approved in August 1966; but as the LMRPB was moving toward this success, the provincial government, perhaps feeling threatened by a jurisdiction representing half the province’s population, and reflecting on some intra-regional tensions, determined that administrative and political diffusion was a more appropriate response.

Accordingly, a regional district system for the entire province was created between 1965 and 1967. As stated by then Municipal Affairs Minister Dan Campbell, the British Columbia government’s intention was clear: “regional districts are not conceived of as a fourth level of

government, but as a functional rather than a political amalgamation” (Campbell, 1976).

As a result, the “Lower Mainland”/LMRPB was divided into four separate regions. Within the Greater Vancouver Regional District (GVRD – originally incorporated as the Regional District of Fraser Burrard on June 29, 1967), as elsewhere in the new provincial system, functions given to the regional districts were of two types:

(i) To carry out **mandated functions** from the province to the new regional districts. These mandated functions included general planning for the region as well as responsibility for governing of the hospital district. In Greater Vancouver, mandated functions also included Water Board and Sewage and Drainage District responsibilities.

(ii) **Voluntary functions** were the second category of responsibilities for the new districts. These voluntary functions were established by Letters Patent. They included 78 functions from A to W (ambulance and animal control to unsightly premises and weed control), and each district could choose the function it was to perform (Statistics, 1989: 3).

In the 1970s, the new Greater Vancouver Regional District successfully completed a Livable Region Plan (LRP). It set out growth planning ideas such as regional town centers and preservation of agricultural and green space which guided regional development into the 1980s (Oberlander & Smith, 1993). This capacity to plan regionally continued despite the loss of formal planning authority in 1983 – through a direct provincial legislative intervention removing the regional planning authority from regional districts due to a land-use dispute between the GVRD and the Province (Magnusson, Carroll, Doyle, Langer & Walker, 1984) – but by the 1990s, significant growth pressures confronted the region.

In metropolitan Vancouver and British Columbia, the response to regional growth management problems and issues of metropolitan democracy were to seek to build on the successes of prior regional agreements. In 1995, under a leftist/NDP administration, new provincial planning legislation – a Growth Strategies Act – was passed for British Columbia. This legislation required municipalities to plan regionally (Smith & Oberlander, 1998) and allowed the province to establish mediative forms when local-regional agreement was not forthcoming. This new provincial legislation was the result of an

extensive provincial-municipal consultative process which included consideration of other planning and governance models comparatively.

In 1995, the Greater Vancouver Regional District (with recently enlarged boundaries generally equivalent to the Vancouver Census Metropolitan Area) arrived at the end point of a five year long local-regional process of consultation and discussion to establish a new Livable Region Plan. This “Creating Our Future” process produced broad agreement, one initial major suburban dissent – Richmond – and the possibility of the first use of the province’s “mediation to closure” procedures under the Growth Strategies Act. In early 1996, local-regional resolution of this dissent – and minor ones with Surrey and Langley Township – was arrived at without such provincial mediation. Greater Vancouver’s “Livable Region Strategic Plan” (LRSP) was approved by the provincial government in Spring, 1996 (Smith & Oberlander, 1998). Translating that “on the ground” – with “context statements” by the region’s 21 municipal units was the next task. That was followed by a review of the regional plan and subsequent adjustments. In 2005, the GVRD has been involved in a full review of the LRSP (www.gvrd.bc.ca/growth/lrsp).

The Region had already undertaken a “Cities Plus” (for “Cities Planning for Long-term Urban Sustainability”) initiative along with 30 other Canadian cities. In June 2003, Greater Vancouver’s was named the Grand Prix winner at the International Sustainable Systems Design competition in Tokyo for its 100-year plan for the region (Cities Plus, 2005). This initiative has led to a range of ongoing initiatives focusing on sustainability in the region: including awards from the International Gas Union on energy sustainability, work for Vancouver’s hosting of the World Urban Forum in 2006, a Green guide for the region, and work on risk management (see Sheltair, 2005 www.sheltair.com) and the Sustainable Region Initiative (SRI).

Vancouver’s Sustainable Region Initiative is a partnership of the GVRD, GVTA (Greater Vancouver Transportation Authority), the Fraser Basin Council, and NGOs – the Business Council of BC, the United Way of the Lower Mainland and Smart Growth BC – focusing on three aspects of sustainability: economic, social and environmental. This “three-legged stool” involves short, intermediate and long-range plans/strategies. It does not include the increasingly prevalent notion

that “governance” is a fourth, and necessary leg in sustainability (www.sustainability.ca; www.gvrd.bc.ca/sustainability).

Both the mid-1990’s British Columbia provincial planning legislation and the GVRD’s planning process/resolution spoke directly to arguments about metropolitan governance, local/regional-provincial intergovernmental relations and growth management reform. It also spoke about the extent of “senior governmental interest or capacity” to address major urban issues (Frissen, 1994), and proposed suggestions that a “consensual model,” as exemplified by Greater Vancouver, suffered from a “lack of mandate,” lack of representation and “an inability to achieve consensus on matters of specific policy.” While Golden and her GTA Commissioners concluded that “differences in regional political culture helped explain the relative success of “consensual decision-making” in the Greater Vancouver case, such an approach in other settings was “inherently weak” (Golden, 1996). Subsequent to the GTA Task Force Report, Tindal and Tindal (2004) reminded students of local governing of the continued benefits of this flexibility, while also noting that accountability concerns had increased in prominence:

The regional districts have proven to be a flexible structure for dealing with a variety of considerations. They have assumed direct responsibilities for...municipal services...in unorganized areas. They have also acted as the administrative agency for certain functions or projects which some of their member municipalities wished to pursue jointly. In addition, they have assumed responsibility for various functions delegated to them by their constituent municipalities.... (But while) the flexible structure of the regional districts allows diversity and preserves a sense of community, ... accessibility concerns exist.

The Greater Vancouver and British Columbia experience of the 1990s suggested an alternative to metropolitan restructuring being pursued in other jurisdictions like Ontario – with Metropolitan Toronto Megacity, and the Greater Toronto Area, in Ottawa-Carleton, in Nova Scotia, with a new metropolitan Halifax, and elsewhere. The British Columbia experience also supported a notion of metropolitan governance as a clear alternative to metropolitan government, and to ideas such as “bigger is better.”

That was then, and this is now: this article explores some of the more recent experience of British Columbia and metropolitan Vancouver and comments on the relationship between turn of century restructuring forms such as the creation of a new Greater Vancouver Transportation Authority (popularly known as TransLink), the creation of new provincial legislation – the Community Charter – and arguments put forward in rethinking metropolitan government and governance for Greater Vancouver in the early 21st century. (www.thinkcity.ca).

Contemporary Greater Vancouver: challenges not yet met

(I) Simply put, the first contention here is that much of the success of regional planning in British Columbia has been tied to reform of local governing structures: whether locally inspired before World War I and II, in the 1940s with the provision that adjacent municipalities might begin to plan together to establish regional planning, through the legislation of a first Municipal Act – and provisions for official regional plans in the 1950s or the creation of regional districts themselves in the 1960s, the first three decades of regional planning in British Columbia were closely tied to structural – governance – reforms.

(II) And it worked! It worked so well that regional planning did either commence or continue in the 1960s and 1970s, and perhaps more importantly, often continued (certainly in Greater Vancouver), albeit under a different guise, even when legally abolished in a provincial pique in the 1980s (Oberlander & Smith, 1993; Magnusson et al., 1984). It did so largely because of a number of governance factors: as Richard and Susan Tindal (1995) have noted, “municipal government reform in British Columbia ... resulted in one of the most imaginative and flexible governing arrangements found anywhere in Canada. The regional structure allow(ed) existing municipalities to continue, with whatever communities of interest they represent(ed), provide(d) for the delivery of a variety of services by the regional authority, and avoid(ed) the bureaucratic build-up and duplication often associated with full-blown two-tier regional governments.”

Former British Columbia Municipal Affairs Minister Dan Campbell, provincial spokesperson on regional districts in the 1960s, 1970s and 1980s, argued consistently that regional districts were **not** regional governments, preferring a regional service delivery definition. Not all agreed: Donald Higgins (1977, 1986), following the “if it waddles and quacks like a duck test,” concluded that regional districts had indeed become regional governments. Bob Bish (2000) came to the same conclusion more recently, but noted that the regional system in British Columbia has allowed “the division of responsibility – ...’who does what’... – between municipalities and the regional government (to be) made by the municipalities themselves.”

That aspect – both local recognition of the value of, and often local initiation of particular regional solutions and resultant local buy-in – produced a positive regional experience of success, often following success. It is a view largely shared by Andrew Sancton (1995), even in the context of major urban-regions:

Can a large city-region contain a number of municipalities, establish a regional-local government institution and avoid the pitfalls of two-tier municipal government? This is the biggest structural question facing urban government today..... All... Canadian city-regions require an institution similar to the GVRD (Greater Vancouver Regional District): one that is comprehensive in territory and flexible in function. Such institutions do not require large bureaucracies. In fact, they will probably work best if they have no operational responsibilities at all. Their aim should be to provide a forum where regional issues can be discussed, to act as a catalyst for the creation of inter-municipal agreements and special purpose bodies and to enact planning documents with sufficient legal status to coerce municipalities into adhering to broad strategic objectives for the use of land.

(III) The questioning here is not of where metropolitan Vancouver has been, however, but where Greater Vancouver is going. The much less certain future of British Columbia’s largest regional structures, as they take on more and more responsibilities, lies on bedrock of what has been largely a positive, locally-inspired, policy, governance and intergovernmental experience. While not a rejection of the success

represented by the past 50+ years of regional planning and governance in British Columbia, it is time to raise serious questions about whether that achievement of the last half century can endure long into the 21st century.

Current assessment is that increasingly citizens in British Columbia's largest city-region, Greater Vancouver, (2,132,824 population, 2004) have come to resemble Butch Cassidy and the Sundance Kid looking back at their pursuers and asking "who are those guys?" Citizens in the GVRD increasingly are wondering who is responsible for making more important and more expensive decisions – on transportation, infrastructure, maybe policing and beyond, and on new forms of taxation – and have begun to ask the same question as Butch and Sundance.

Perhaps this is illustrated nowhere more obviously than in the recent experience of Greater Vancouver's Transportation Authority – TransLink. In June 1998, the second NDP/Clark Government, under Minister of Finance/Deputy Premier Joy McPhail, initiated the Greater Vancouver Transportation Authority (Ginnell & Smith, 2001; Smith & Stewart, 2005). Under this act, responsibility for transportation and related services in metropolitan Vancouver was passed from the provincially-appointed British Columbia Transit to the Greater Vancouver Transportation Authority (popularly known as TransLink). The Act mandated that TransLink and the GVRD "work together to establish a mutually agreeable strategic transportation plan and growth management strategy." But while the provincial act legally established TransLink as a separate entity from the GVRD, the two organizations were joined in many formal and, most importantly, informal ways. For example, members of the indirectly elected GVRD hold 12 of the 15 TransLink board positions and the other three – Provincial appointments – have remained unfilled.

The functional mandate of TransLink has been to "plan and finance a regional transportation system that moves people and goods efficiently and supports the regional growth strategy, air quality objectives and economic development of the Greater Vancouver Regional District." Total funding for TransLink's operations in 2004-5 was approximately \$680 million dollars. The province "contributed" 37.5% of that from the provincial motor fuel tax from the region, 2.5% from a provincial-regional levy on electricity accounts and 2% from

the provincial sales tax on off-street paid parking (TransLink @ www.translink.bc.ca/About_TransLink/Financing_Annual_Report 2001); this was to increase to over \$1billion by 2009. TransLink was also given the ability to increase revenues through several other “taxation” instruments – though in many instances, such as a vehicle levy, it needed provincial assistance to collect this revenue. The TransLink board’s institutional image is one of an almost at-arms-length provider of management for the several subsidiary companies and programs it established under its jurisdiction. It has described its role or management style as “steering not rowing” (Rock, 2001).

In creating GVTA/TransLink, the province recognized that the needs of the Vancouver region were different from those of other regions in the province. That was a small step forward. BC Transit is a purely provincial entity under the supervision of the appropriate minister, TransLink can be said to be a new addition to the family of regional governing bodies in metropolitan Vancouver because its board, while a separate entity, is controlled by indirectly elected GVRD members. With that change in structure came a corresponding change in function – in that the Greater Vancouver Transportation Authority Act moved responsibility for the Vancouver area’s transportation into the hands of locally elected officials. Financially, the capacity to toll and tax – even if still needing provincial assistance on its collection in many instances – marked a change in the de facto financial power of those holding seats on the GVRD/GVTA as well.

In terms of efficiency and accountability, moving control over transit to a regional body continued the trend of decentralization begun in British Columbia in 1997 that an optimist might describe as an attempt to unleash the innovational power of local officials and make transit more efficient. However, in terms of accountability, TransLink has created a new problem: it has more fully empowered indirectly elected officials who are now two steps removed from their constituents. While the GVRD has been primarily a forum where locally elected mayors and councillors could discuss, negotiate and make voluntary agreements on issues such as regional growth, there was little need for them to be directly elected. But now that these same officials are vested with the power to make decisions over service provision and taxation with little provincial supervision, a stronger

argument can be made for more accountability such as through democratic reforms like direct elections.

This was demonstrated late in 2000 when TransLink attempted to use one of its new revenue generating instruments to levy a vehicle tax directly. The proposed levy generated widespread public opposition from many different sectors and was ultimately abandoned when the Province of British Columbia refused to collect the new tax. This underscored the fact that while GVRD/TransLink now has the jurisdictional capacity to impose such charges, they often lack the administrative capacity to collect such taxes. More importantly, the public outcry against the vehicle levy highlighted the ongoing regional accountability gap. This accountability gap became a ravine during the summer 2002 Vancouver bus strike; lasting over several hot summer months, no one could find any accountable politician at TransLink, which had turned management of its buses over to a subsidiary, Coast Mountain Bus Company Ltd. (Fershau, 2003). The lack of an accountability oar to match the one intended for efficiency was clearly apparent.

This Vancouver metropolitan governance dilemma has had several impacts on linking senior governmental policies and metropolitan initiatives. Perhaps two recent examples illustrate this best: (1) the senior governmental pressure to ensure regional building of a rapid transit airport-to-downtown Vancouver link – the Richmond-Airport-Vancouver (RAV) line, as part of senior (Federal and Provincial) efforts for the 2010 Winter Olympics in Vancouver; and (2) the clash between the values of local initiatives/home rule included in the new British Columbia Community Charter Act and subsequent provincial legislation, re-asserting its jurisdictional ascendancy with the Significant Projects Streamlining Act (Bill 75, the Significant Projects Streamlining Act was introduced November 3, 2003) (www.gov.bc.ca and www.dogwoodinitiative.org/SignificantProjectsStreamliningAct.htm). The Act was given Royal Assent Dec. 2, 2003 (www.civicnet.bc.ca).

On the RAV line decision-making, after considerable local lobbying to get transportation planning authority from the province, the GVRD finally achieved this goal in mid-1998. Coupled with earlier efforts, such as the Long-Range Transportation Plan for Greater Vancouver (Transport 2021 [1993] – a joint GVRD/BC project) which reported in

September 1993, and the development of the land-use based LRSP in 1996, the intention was that metropolitan Vancouver would be able to plan for both metropolitan land-use and transportation aspects as the region saw fit.

The regional plan (the LRSP) was clearly set out – for both land use and transportation. It did not include a RAV link in the early stages – certainly not before one additional cross-regional link – and a subsequent spur to the Northeast was completed. Then came the decision – promoted particularly by the provincial and federal governments – to award Vancouver the 2010 Winter Olympics. Both senior governments came offering additional funds for the RAV-line, with provincial support tied to a P-3 (Public-Private Partnership) option, unlike the two prior lines' public enterprise aspect. The dollars offered by the senior governments were substantial – \$300 million from the province, \$450 million from the federal government, combined with \$300 million each from Vancouver's airport authority and \$300 from TransLink itself. These monies were tied to the RAV project going ahead of other already established regionally-defined rapid transit needs.

As a case study in linking senior and metropolitan initiatives, RAV tells much about the relative lack of change in British Columbia. The new rapid transit “skytrain” RAV-line addition is costed at \$1.5 – \$1.7billion. The federal government provides \$450 million, the province now \$370 million, an anticipated private builder/operator and the region and airport authority picking up the rest. In spite of the clear desire of both levels of senior jurisdiction to have the RAV line built in time for the 2010 Winter Olympics in Vancouver, the regional authorities (GVRD and TransLink) had serious reservations about the proposal. Their concerns were threefold:

- the P-3 requirement imposed by the provincial government;
- the question of anticipated cost-overruns – particularly for a then anticipated tunneled section in the City of Vancouver – and the fact that these would have to be covered by metropolitan taxpayers;
- the fact that the RAV-line itself was not the top transit priority as identified by more than a decade of discussion within the Greater Vancouver region.

That combination of local/regional concerns led to a TransLink decision (7–5) on May 7, 2004, “not to precede work on the RAV line due to projected cost overruns.” Provincial disappointment in the metropolitan authority’s decision led the Premier to announce on June 15, 2004, that British Columbians collectively would cover any cost overruns as well as contribute \$170 million to the RAV-delayed Northeast Skytrain connector. On June 18, 2004, TransLink again defeated the RAV proposal with a 6–6 vote.

The province’s Transportation Minister, Kevin Falcon, MLA for Surrey (Greater Vancouver’s “second city,” south of the Fraser River, and an area subject to considerable commuting stress) announced that the provincial dollars were lost for RAV/TransLink and would instead be used for a provincial “Gateway Project” – including the twinning of suburban portions of the Trans Canada Highway and twin the Port Mann Bridge crossing the Fraser River into the older inner suburbs and the City of Vancouver – an area of considerable private auto congestion for his constituents and those in government-friendly ex-urban municipalities beyond. Such a proposal ran completely counter to more than a decade of land-use and transportation planning by the region (Steffenhagen, 2004).

The combination of senior governmental dollars and overt political pressure resulted in an unprecedented third vote on the same issue. The result was that the senior governmental priorities overruled regional policy decisions – with a vote of 8–4. RAV is being built; regional priorities were altered.

On the clash between the new Community Charter legislation and the Significant Projects Streamlining Act, the juxtaposition of competing values is just as stark: the Community Charter Act (Bill 14), “commenced” January 1, 2004; it set out its purpose in language recognizable to advocates of modest home rule; for Canadian urbanists, British Columbia’s Community Charter legislation also includes language which students of Section 92–8 recognize as maintaining provincial jurisdictional oversight potential; American local governance observers might simply recognize this as Dillon’s Rule Lite – or “Home Rule Extra Lite.”

This is clearest in the purposes of the new Community Charter:

Purposes of the Act

3. The purposes of this Act are to provide municipalities and their councils with
 - (a) a legal framework for the powers, duties and functions that are necessary to fulfill their purposes,
 - (b) the authority and discretion to address existing and future community needs, and
 - (c) the flexibility to determine the public interest of their communities and to respond to the different needs and changing circumstances of their communities.(Community Charter Act, proclaimed May 29, 2003)

The principles of the Act sound closer to the views of local autonomy/home rule advocates. They reflect a stated desire to clarify both the municipal and the provincial components of the provincial-municipal relationship in British Columbia, and, potentially, to add to local autonomy:

Bill 14 – May 2003

COMMUNITY CHARTER

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

Part 1 – Principles, Purposes and Interpretation

Principles of municipal governance

- 1 (1) Municipalities and their councils are recognized as an order of government within their jurisdiction that
 - (a) is democratically elected, autonomous, responsible and accountable,
 - (b) is established and continued by the will of the residents of their communities, and
 - (c) provides for the municipal purposes of their communities.
- (2) In relation to subsection (1), the Provincial government recognizes that municipalities require
 - (a) adequate powers and discretion to address existing and future community needs,

- (b) authority to determine the public interest of their communities, within a legislative framework that supports balance and certainty in relation to the differing interests of their communities,
- (c) the ability to draw on financial and other resources that are adequate to support community needs,
- (d) authority to determine the levels of municipal expenditures and taxation that are appropriate for their purposes, and
- (e) authority to provide effective management and delivery of services in a manner that is responsive to community needs.

Principles of municipal-provincial relations

- 2 (1) The citizens of British Columbia are best served when, in their relationship, municipalities and the Provincial government
 - (a) acknowledge and respect the jurisdiction of each,
 - (b) work towards harmonization of Provincial and municipal enactments, policies and programs, and
 - (c) foster cooperative approaches to matters of mutual interest.
- (2) The relationship between municipalities and the Provincial government is based on the following principles:
 - (a) the Provincial government respects municipal authority and municipalities respect Provincial authority;
 - (b) the Provincial government must not assign responsibilities to municipalities unless there is provision for resources required to fulfill the responsibilities;
 - (c) consultation is needed on matters of mutual interest, including consultation by the Provincial government on

- (i) proposed changes to local government legislation,
- (ii) proposed changes to revenue transfers to municipalities, and
- (iii) proposed changes to Provincial programs that will have a significant impact in relation to matters that are within municipal authority;
- (d) the Provincial government respects the varying needs and conditions of different municipalities in different areas of British Columbia;
- (e) consideration of municipal interests is needed when the Provincial government participates in interprovincial, national or international discussions on matters that affect municipalities;
- (f) the authority of municipalities is balanced by the responsibility of the Provincial government to consider the interests of the citizens of British Columbia generally;
- (g) the Provincial government and municipalities should attempt to resolve conflicts between them by consultation, negotiation, facilitation and other forms of dispute resolution.

The language hides as much as it illuminates, however: for example, despite talk of limiting interference by the senior provincial authority, should local governments under British Columbia's Community Charter decide to raise local taxes – such as on businesses – rather than opt for the province preferred user-fees and the like, the province reserves the right to impose limits on property tax rates – in direct contradiction of the Community Charter's "empowering local autonomy" intent. And under a re-defined provincial-municipal relationship, the Community Charter reminds local governments that apart from acknowledging and respecting each other's jurisdiction, the legislative intent is to "work towards harmonization of provincial and

municipal enactments, policies and programs.” This may work in many instances, but not where a local government wishes to take a rather divergent policy tack. Here, the intergovernmental game becomes more perilous for local authorities (Smith & Stewart, 2005).

The past dismissal of some school boards in British Columbia and the “over a weekend” order-in-council elimination of the GVRD’s authority over the region’s watershed when it tried to block provincial implementation of a natural gas pipeline through that watershed to Vancouver Island, serve as historical reminders of senior provincial powers (Smith & Oberlander, 1998). The more recent provincial overturning of a local governmental (Delta) bylaw to limit negative air quality impacts of large greenhouses by requiring them to utilize natural gas or propane vs. wood waste (Penner 2003) is a good case in point: in this case, the Municipality of Delta had passed a bylaw to provide some local controls of large (e.g., in this case 18 acres) greenhouse operations, in particular their use of less-clean fuel sources for heating. The British Columbia Government intervened when a grower challenged the bylaw, citing provincial Right to Farm legislation over the right of a municipality to legislate on local businesses. The province also argued that the local bylaw contradicted the provincial Waste Management Act that exempts agricultural operations. Urban-Rural issues of this sort are not new to Delta, a Vancouver suburb. In the late 1980s and 1990s, Delta held the longest land use dispute hearing in Canadian history over efforts by developers to build on farmland for urban use. The debates over the so-called Spetifore lands near the Tsawassen ferry terminal to Vancouver Island initially led to the Bill Bennett Social Credit government abolishing regional planning in 1983 when the GVRD initially prevented development plans by a Delta Social Credit supporter (Magnusson et al., 1984, on this latter issue).

The BC Minister of Agriculture/Fisheries has since precluded use of local bylaws to prevent/regulate coastal fish farms in British Columbia as well, to prevent local coastal municipalities from using their bylaw powers to limit possible negative environmental impacts from fish farms; the provincial “return” of fines to fish-farm operators continue to serve as current reminders that constitutional authority does matter when significant policy differences arise between local and provincial players (Anderson, 2004).

Perhaps most stunningly, in the era of a new Community Charter is British Columbia's Bill 75, the Significant Projects Streamlining Act, introduced and passed in just three weeks in November 2003; it allows the provincial government to override any local governmental opposition on any project deemed of significant provincial interest. Over half of the Union of BC Municipalities' (UBCM) member municipalities passed motions condemning Bill 75. Then-Minister of State for Deregulation, Kevin Falcon, noted that the Act was to "cut red tape," "remove unnecessary and costly delays" and "create new economic activities." Run out of the Premier's Office, the Significant Projects initiative produced an official, highly critical UBCM response:

The UBCM Executive is shocked by the degree of intrusion of this legislation into local affairs. It allows any Minister ... to replace any local government bylaw, plan, regulation, policy, etc. to facilitate the approval or development of a "provincially significant project." Cabinet can make that determination without any prior notice to the local government or the community. The Community Charter... promised us recognition as an independent, accountable and responsible order of government.... The Community Charter touted public accountability and openness but Bill 75 replaces local, publicly developed plans (including those developed through public hearing processes) with fiat from the provincial Minister. We recognize there is a need to balance local and provincial interests.... This is just not the way to achieve it. The Executive is calling on the provincial government to remove local government from Bill 75 (UBCM, 2003).

Similar school board experience in several of Ontario's largest cities in the latter period of Harris/Eaves Tory rule in the late 1990s/early 2000s mirror these lessons. If the test is in puddings, it would appear necessary to go back to basic recipe ingredients on local empowerment and accountability and start again in British Columbia.

Other recent reminders include the year 2004 also starting with the province again showing a disregard for local decision-making: in another example of provincial interference in local affairs, local police forces found out on December 30, 2003 that all bars and restaurants in British Columbia would be allowed to stay open until 4 a.m. on

December 31, 2003 – January 1, 2004 and thereafter. The provincial Liquor Control and Licensing Act was amended in late 2002 allowing for this change, but it was not implemented. Local police forces first learned of it less than 48 hours before its impact, resulting in expensive overtime/shift changes – all costs borne by the municipalities. The provincial legislation over-rode municipal by-laws and even when the changed hours were decided by the provincial agency, no one informed municipal/policing officials until they found out the day before; the reason given by the province for this oversight: the legislation “did not require” notification to local governments (CKNW News, December, 2003).

In 2004–2006, one other dispute has highlighted the assertion of provincial powers over locally defined preferences in Greater Vancouver: as part of its Olympic bid, the province committed to “fixing” the “Sea to Sky” highway linking Vancouver and Whistler; it also committed to a “sustainable Olympics” (www.eagleridgebluffs.ca). Within Greater Vancouver’s portion of the highway, the District of West Vancouver has objected to the form of routing, requesting a tunnel vs. an overland route through the ecologically sensitive undeveloped Eagle Ridge Bluffs, Larson Creek Wetlands and part of the North Shore Baden Powell Trail. BC’s Minister of Transportation, citing costs announced the 2.4 km. overland route vs. the 1.4 km. tunnel strongly preferred by the municipality. The municipality undertook court action vs. the federal government’s environmental assessment approval of the province’s plan. That case was heard in February 2005 (www.westvancouver.ca). In May 2005, Canada’s Federal Court ruled in favor of the province and the federal government, rejecting West Vancouver’s claim. It did require the federal environmental assessors to ensure that provincial promises to mitigate impact were fulfilled when that phase of the highway is built over the next three years (Federal Court of Canada, 2005).

Meanwhile, as part of the political skirmishing, the District of West Vancouver has insisted that all work on the Sea to Sky highway within the municipality be subject to municipal bylaw controls (e.g., over blasting, noise control, etc.). The BC Transportation Minister says “municipal regulations do not apply to the province.” In that, he is

correct; however, their own Design Build Agreement compels all contractors to comply with all laws *and bylaws* (www.westvancouver.ca/article?a=3864c=677).

With the provincial general election on May 17, 2005 and BC municipal elections in November, 2005, the political debate over the attempts of the province to override municipal interests continued to pit Community Charter commitments vs. Significant Projects Streamlining powers well into 2006–2010.

Conclusions

The Regional District system that has worked admirably for the last almost 40 years may well continue to provide a highly successful, negotiated and flexible model of decision-making for another half century in most regional districts in British Columbia. Even in the Capital Region/Victoria – if Bish is correct – this may remain true, though the Province of Nova Scotia thought not for the Halifax region, a metropolitan region equivalent in size to Victoria's capital region (Sancton, 1996, 2000; Meech & Vodicka, 1997; Poel, 1999; Evans, 2001). And Mike Harris's Ontario – in Toronto, Ottawa Carleton, Hamilton Wentworth, Sudbury, Kingston and beyond – came to the same conclusion (Golden & Slack and Andrew, this volume).

In metropolitan Vancouver, the crunch has come. The GVRD and related regional authorities such as TransLink increasingly lack the mandate to take regional decisions without an appropriate political accountability base. For 26, and probably 27, of British Columbia's regional districts, as William Shakespeare noted, "past is prologue" (Shakespeare, *The Tempest*, Act 2, Scene 1, line 261). For Greater Vancouver, it is probably simply past. While not all agree (Cameron, 2005), that leaves the question, "what next?" If not now, then very shortly, the Province of British Columbia and the GVRD/GVTA will be forced to recognize that accountability concerns may overwhelm the considerable regional successes of the past century in British Columbia's largest metropolitan district. It will be public reactions to new regional charges/taxes for regional services that will be the tipping point. That may come with GVTA/TransLink improvements such as RAV. Already RAVCO, the line developer has moved from high cost

tunneling to a cut and cover construction prompting local area businesses to state that they were lied to and to try – unsuccessfully – for a judicial injunction. It may also result from higher charges for the more traditional range of services such as water or parks; or it might be precipitated by financial pressures toward regional policing (and other public safety) services. With a continued right-wing provincial government/agenda following the May 17, 2005 BC General Election, it could also be pushed by a substantial downloading of social service or other responsibilities as occurred in Mike Harris' Ontario. Whatever the back-breaking straw, the regional camel in metropolitan Vancouver will increasingly be under structural pressure and citizen scrutiny over its governance.

That should not seem surprising. A central debate is taking place about accountability in public governance. On the one side, the argument is made that accountability is one half of an equation – the other side being efficiency. Governance theorists such as Peter Self (1977) have contended that the relationship between accountability and efficiency is zero-sum: as you add to one, you subtract equally from the other. Self further asserted that the relationship between accountability and efficiency is the central dilemma in public administration; it is also a dilemma which has grown considerably more complex with time. Certainly, all governments in the late 1990s and now the 2000s are under increased pressure on the efficiency side. For the regional district in the largest urban setting in British Columbia – Greater Vancouver – however, there is now need for more accountability.

The most obvious “what next” in terms of improving accountability for Greater Vancouver – the only regional district over 400,000 in population in BC and the only region with multiple municipal units over 100,000 – is democratic electoral reform. That might imply a shift to a megacity or to some new/other form of directly elected Greater Vancouver Authority. This has already been suggested (Smith & Stewart, 1998: 47–49). In spring 1998, a Report for the Ministry of Municipal Affairs on Making Local Accountability Work in British Columbia recommended “the creation of a Greater Vancouver Authority, with a directly elected Greater Vancouver Assembly and a Regional Mayor elected across the whole region.” The Report noted that “with ... eleven municipal units of 50,000 and more than half of

these at or over 100,000 population size, a shift to direct elections would appreciably enhance local-regional accountability” (Smith & Stewart, 2000b). Greater London, after Margaret Thatcher’s *Streamlining the Cities* annihilation of the GLC and six other Metropolitan County Councils (MCCs), had a regional authority re-established – with the GLA; part of the rationale of the Blair government was to provide a broader regional structure to compete more effectively internationally (“Who Represents ‘London?’” vs. “Who Does What?”). For Greater Vancouver, the international dimensions of regional governance reform would be a significant collateral benefit (Smith, 1992; Andrew & Smith, 1999; Smith, 2002; Smith, 2004; Smith & Stewart, 2005). Britain’s New Labour reforms creating a Greater London Authority suggest both regional **and** international benefits (Dunleavy & Margetts, 1998).

Democratic reforms to Greater Vancouver could include other electoral notions as well: if direct elections were introduced, these might include broader electoral system changes including some form of proportional representation; it could include electoral expense/spending limit reforms (Smith & Stewart, 2000a); and it could involve a clearer disentangling of who does what. Bill 31, the Local Government Statutes Amendment Act (1998) recognized local government as an independent, responsible and accountable order of government. Subsequent unilateral action by the province on cuts to municipal grants generally, on required skytrain technology and its Sea to Sky Highway in Greater Vancouver, rather suggested a continued senior governmental paternalism versus legislative efforts to make local governments both more independent **and** accountable in British Columbia. The policy failures of past NDP Municipal Affairs Ministers Jenny Kwan, Jim Doyle and Cathy McGregor suggested more pessimism than optimism on the reform front at the turn of the century. As (then) Deputy Premier Joy MacPhail said – to the agreement of NDP leadership colleagues in 2001 – on municipal accountability reform “we chickened out” (Smith & Stewart, 2000b). The Liberal administration, first elected in 2001, has done no better. On October 2, 2004, TransLink Directors criticized the “province’s unilateral approach to regional transportation planning.” Their concerns reflected the stance of Transportation Minister Kevin Falcon “to consult (the region) but... then push ahead with the Gateway (highway/bridge

twinning) project” (Boei, 2004). In late January, 2006, provincial Transportation Highways Minister Kevin Falcon, formally announced his Gateway project

Certainly, equally important to international benefits of regional governance reform, would be the accountability benefits of renewed Greater Vancouver governance. TransLink and GVRD directors face an uncertain future in ignoring the increasingly obvious public accountability concerns. (Smith & Stewart, 2005) Little short of democratic reform will be required of TransLink and other regional authorities in Greater Vancouver. It is a view increasingly understood within the GVRD as well. Some senior staff have concluded the following:

- there is no entity capable of governing in the interests of the entire metropolitan area;
- people assume the GVRD handles all metro issues, but it does not and is often uncomfortable with the suggestion that it should do more;
- parochial interests outweigh areas where cooperation would be obvious (e.g., regional policing, regional economic planning, regional land use planning);
- financial circumstances vary among local governments;
- GVTA has been a source of public controversy and has exposed an urban-suburban divide on some issues. (GVRD, March, 2005)

Finally, it is arguable that with a clearer link to its regional citizenry, metropolitan Vancouver might be better able to resist senior governmental pressures and blandishments – at least where these threats and inducements ran counter to policies determined by, and for, the region itself (Smith and Stewart, 2004) In its past, one of the great successes of local-regional interests and institutions in the Lower Mainland was the ability to anticipate and recognize the need for change; failure to do so now – or in its short-to-intermediate-term future – may threaten the longer-term prospects for another 50 years of regional planning and governance success in Greater Vancouver. Ironically, this challenge comes just as the British Columbia Regional District model is being held up as a “best case” in governance over government for metropolitan regions elsewhere.

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Appendix 1

30 Major metropolitan/urban centers in Canada

	2001	Rank 2001	Rank 1996	Area¹	Density²
Toronto** (Ontario)	4,682,897	1	1	5,902.74	793.3
Montreal (Quebec)	3,426,350	2	2	4,047.35	846.6
Vancouver (British Columbia)	1,986,965	3	3	2,878.52	690.3
Ottawa–Hull (Ontario–Quebec)	1,063,664	4	4	5,318.36	200.0
Calgary (Alberta)	951,395	5	6	5,083.00	187.2
Edmonton (Alberta)	937,845	6	5	9,418.62	99.6
Quebec (Quebec)	682,757	7	7	3,154.35	216.4
Winnipeg (Manitoba)	671,274	8	8	4,151.48	161.7
Hamilton (Ontario)	662,401	9	9	1,371.76	482.9
London (Ontario)	432,451	10	10	2,333.37	185.3
Kitchener (Ontario)	414,284	11	11	826.98	501.0
St. Catharines–Niagara (Ontario)	377,009	12	12	1,406.2	268.1
Halifax (Nova Scotia)	359,183	13	13	5,495.54	65.4
Victoria (B.C.)	311,902	14	14	695.34	448.6
Windsor (Ontario)	307,877	15	15	1,022.53	301.1
Oshawa (Ontario)	296,298	16	16	903.23	328.0
Saskatoon (Saskatchewan)	225,927	17	17	5,192.22	43.5
Regina (Saskatchewan)	192,800	18	18	3,407.84	56.6
St. John's (Newfoundland Lab.)	172,918	19	19	804.63	214.9
Greater Sudbury (Ontario)	155,601	20	20	3,536.10	44.0
Chicoutimi–Jonquière (Quebec)	154,938	21	21	1,753.67	88.4
Sherbrooke (Quebec)	153,811	22	22	1,108.16	138.8
Barrie (Ontario)	148,480	23	29	897.46	165.4
Kelowna (British Columbia)	147,739	24	25	2,904.00	50.9

	2001	Rank 2001	Rank 1996	Area¹	Density²
Abbotsford (British Columbia)	147,370	25	26	625.94	235.4
Kingson (Ontario)	146,838	26	23	1,906.82	77.0
Trois-Rivières (Quebec)	135,507	27	24	880.47	156.2
Saint John (New Brunswick)	122,678	28	28	3,359.61	36.5
Thunder Bay (Ontario)	121,986	29	27	2,548.16	47.9
Moncton (New Brunswick)	117,727	30	31	2,177.23	54.1
Source: Statistics Canada				¹ in km ²	² per km ²

[http://www.canadainfolink.ca/canadian cities.htm](http://www.canadainfolink.ca/canadian_cities.htm)

