

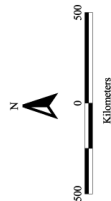
Canada

Capital: Ottawa

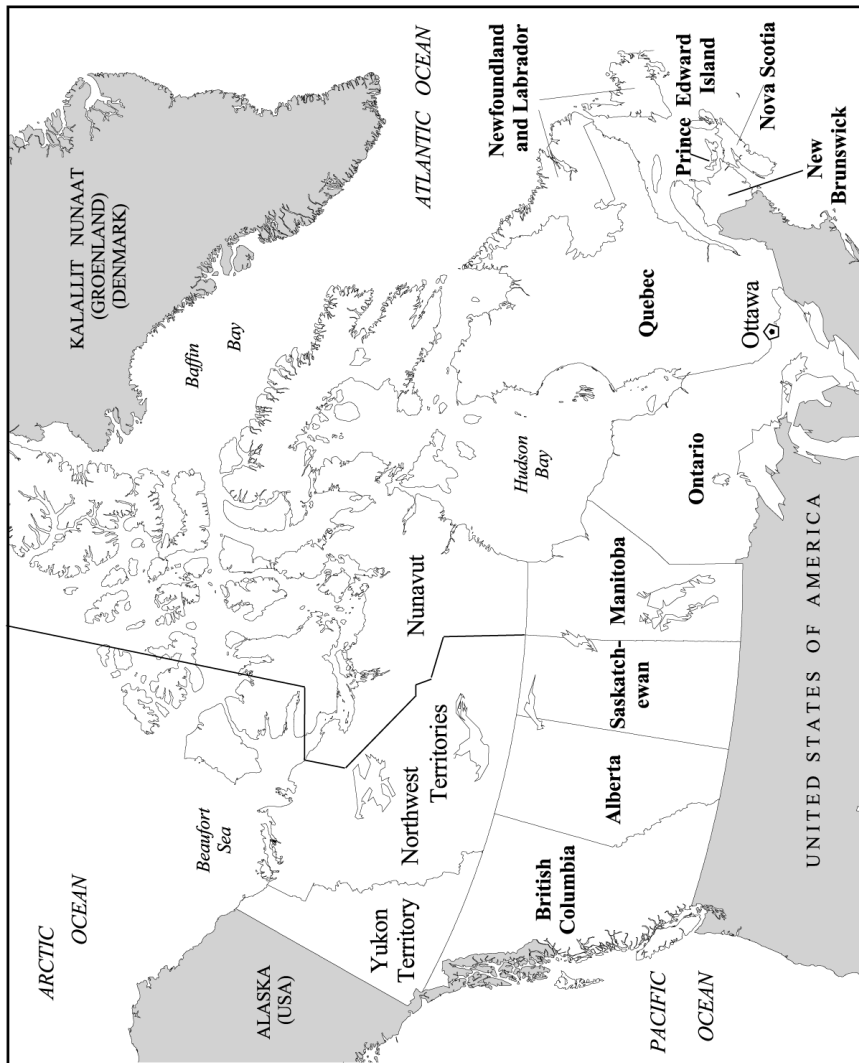
Population: 33.3 Million
(2008 est.)

Boundaries and place names are
representative only and do not
imply official endorsement.

The three northern territories,
while administrative divisions,
are not provinces.



Sources: ESRI Ltd.; National Atlas of Canada;
Times Atlas of the World



Canada

ROBERT YOUNG

The story of municipal government in the Canadian federation is largely one of success. Stable local governments administer a wide range of services and provide public goods within a framework of democratic accountability. Canada has a long tradition of local control of municipal governments, which generally function adequately and efficiently. Nevertheless, there are always strains on the system, and current strains have produced the most lively debate in decades. Despite pressures and some substantial changes, however, the essence of the system remains unaltered: the provincial governments control municipalities and what they do.

It is inaccurate to speak of “the system” of municipal government. The defining institutional characteristic of Canadian municipalities is their constitutional position as a competence of the provincial governments. As the well-worn phrase has it, they are “creatures of the provinces.” Hence there are ten provincial-municipal systems (with three more in the northern territories of Yukon, Nunavut, and the Northwest Territories), and there have been sharp differences across these systems. But there have also been commonalities, and one political constant is the chafing of local governments against constraints imposed by provincial governments and irritation with unilateral action from above. Led by the larger cities, local governments have sought more autonomy and – a universal demand – more resources. Recently, they have also turned to the federal government in Ottawa, seeking funds and a “seat at the table” to discuss policies important to municipalities.

Municipal issues have risen on the Canadian policy agenda in part because of demographic pressures. Immigration from abroad is producing explosive growth in the larger centres, while smaller, peripheral municipalities must cope with population stagnation or decline.¹ Also, there is a sense that cities are vital for national competitiveness in the globalized economy as loci of human capital and innovation.² In urban centres, citizens’ concerns about pollution, crime, poverty, and inadequate infrastructure resonate with

politicians at all levels of government. Finally, as the big agglomerations grow steadily, interdependencies multiply, and the question of how to deal with them becomes more important.

So several issues are prominent in Canada. How can local governments get more money and more autonomy? How should the federal and provincial governments deal with municipalities that vary greatly in size and policy capacity? How should the provincial and federal governments help with the problems of the metropolises (e.g., social exclusion, poverty, the cost of infrastructure, and sprawl) while mitigating the problems of decline in the periphery (e.g., unemployment and costly services)? Is it sensible to use intergovernmental approaches, despite their complexity, or are disentanglement and clear accountability preferable?

OVERVIEW

Canada covers 9,017,700 square kilometres. With a population in 2006 of 31,612,897, the country seems very sparsely settled, with 3.51 inhabitants per square kilometre.³ But this is misleading because, in effect, Canada is a long, thin country, with about two-thirds of the population located within 200 kilometres of the southern border. In fact, fully 80% of Canadians live in urban areas, with almost 23% living in the big metropolitan areas of Montreal, Toronto, and Vancouver.⁴ Even so, substantial numbers live in the towns and rural parts of the Atlantic provinces, in the northern mining and forestry towns and the fertile southern farm regions of Ontario and Quebec, across the agricultural Prairies, and in the resource-producing areas of central and northern British Columbia. In addition, more than 100,000 people live in the three northern territories.⁵

Canada has always been a settler country. The indigenous population comprises many Indian bands – First Nations – throughout the South and the Inuit peoples of the North. Today, they are small minorities in a population derived from the first French settlers (1604–1750) and from waves of American Loyalists (1774–1800), English and Scots (early 1800s), Irish (mid-1800s), and western Europeans and Ukrainians (1890–1920). Recent settlers have come from all over the world, and Canada, with annual immigration rates just below 1% of the total population, is highly multicultural. French remains the mother tongue of 23% of Canadians and English of 58%, and Chinese, German, Italian, and Punjabi each make up well over 1%.⁶

Canada is a rich country. In 2006 its gross domestic product (GDP) was about \$41,200 per capita.⁷ An advanced industrial country, with 63% of business-sector GDP arising from services, it is also resource-rich. Manufacturing accounts for 17.1% of total GDP, but primary-sector activities in agriculture, forestry, fishing, hunting, mining, and energy account for another 14%.⁸ Over the past decades, the relative fiscal presence of government

has diminished, as the federal government's outlay was 19.35% of GDP in 1980 but just 16.05% in 2005, while other governments' shares were stable.⁹ Government debt per capita is about \$20,000, with the federal government responsible for about two-thirds of this total, which has been declining since 1997.¹⁰

Overall, Canada has a relatively simple structure of government.¹¹ It remains a constitutional monarchy. The British queen is the head of state, represented in Canada by the governor general and provincially by lieutenant governors. The system is parliamentary. The parliaments are unicameral in the provinces, but there is an appointed Senate complementing the House of Commons in Ottawa. The legislatures are elected through the single-member plurality mechanism, which usually produces strong majority governments. The position of prime minister is particularly powerful in the Canadian context.¹² The checks on executive power come from opposition parties, the Senate, the media, and the courts, which have expansively interpreted the Canadian Charter of Rights and Freedoms since it became part of the Constitution in 1982. As well, there is an alert and generally well-educated citizenry.

Since the Second World War, Canada has had a relatively stable three-party system, with the mainstream Liberal and Progressive Conservative parties alternating power, while the New Democratic Party, a social-democratic formation, has retained substantial support. In 1993 this system fragmented, but it has now returned to past form, except that the Quebec-based Bloc Québécois, a sovereigntist party, has won a majority of seats in the province since 1993, and the major centre-right party is now the Conservative Party. Overall, the Canadian political system is comparatively stable, with the major force to the contrary being the sovereigntist movement in Quebec.¹³ Politics traditionally revolves around the cleavages of region and ideology more than class, while issues of social cohesion and other urban problems have emerged more recently.

HISTORY, STRUCTURES, AND INSTITUTIONS OF LOCAL GOVERNMENT

Local government in Canada is complex. Most Canadians have a core understanding of it as an authority that operates over a limited territory, providing a range of services to inhabitants. But the concept is contested. Some citizens, analysts, and participants stress how local governments provide services and accommodate the choices made by individuals and firms; others emphasize local democracy and the representation of citizens' preferences about the shape of their community.¹⁴

There is a wide range of local government structures in Canada, reflecting different provincial conditions. However, a core model from which

variations can be understood is the Ontario system, instituted by the Municipal Act of 1849, which was both an administrative solution and the culmination of a struggle for democratic control of governing institutions. The basic units, equipped with elected councils, were the townships, towns, and villages (all “lower-tier” entities), with “upper-tier” county governments carrying out more general functions throughout the territory, such as waste disposal, libraries and land-use planning, and maintaining major roads. The Act also provided for self-governing “separated towns” and cities, which provided all their own services. Originally, this system was largely reproduced in other provinces, with variations about towns being included in counties and about how county councillors were chosen. Where populations were sparse, as in most of western Canada, there was only one tier, and local authorities had more limited powers.¹⁵

These structures suited agrarian societies where municipalities carried out a few basic functions, even in the commercial centres. After the late 1800s, urbanization and industrialization provided the usual challenges about public health, housing, and transit. Later, the transition to an advanced industrial society, overwhelmingly urban, brought new concerns about infrastructure, social diversity, and environmental sustainability. Structural reforms ensued, but it is remarkable that much of the basic system remains intact.

Local government does not blanket Canada. In rural areas, several provincial governments provide some services, and direct government of rural areas by the province has occurred, as when New Brunswick abolished its counties in 1967.¹⁶ Large tracts of “Crown land” across the country are owned and administered by the provinces. Elsewhere, local government prevails. Nowhere does it enjoy the larger powers of provinces, as do the German city-states, although occasional demands for provincial status are heard from big cities.¹⁷ However, some cities are predominant within their provinces: Winnipeg makes up 55.2% of the population of Manitoba, while Halifax (31%), Calgary (30%), Montreal (21.5%), and Toronto (20.2%) comprise large proportions of Nova Scotia, Alberta, Quebec, and Ontario respectively.¹⁸ This weight confers political strength, despite municipalities’ constitutional weaknesses.

It is difficult to know the total number of municipalities in Canada because there is no comprehensive listing of them. As well, there are many quasi municipalities in the sparsely inhabited parts of the country, and in some provinces, regional authorities provide services across broad geographic areas that include other incorporated and nonincorporated entities. Finally, there are Aboriginal peoples who live under a wide range of local organizational forms, especially in the three northern territories. Nevertheless, rough estimates can be reached. Excluding quasi municipalities, unincorporated settlements, and First Nations’ reserves, but including

“upper-tier” bodies that provide a substantial number of services, the Canadian total is about 3,800 municipalities. Across the provinces, there is much variation in numbers. Quebec, for instance, has four times as many municipalities as Ontario on a per capita basis. New Brunswick, with a population of 730,000, has 102 municipalities, whereas Saskatchewan’s 968,000 people are served by 801 municipalities (with 97% having fewer than 2,000 inhabitants). But the larger municipalities dominate. Of the whole Canadian population, 30.1% live in the ten largest municipalities, and 52.7% live in the ten largest census metropolitan areas (CMAs). About 80% of Canadians live in centres with populations greater than 5,000.

Municipalities are not the only components of local government. Most municipalities have spun off agencies, boards, and commissions that fulfil specialized functions. The most ubiquitous are school boards, normally elected. Originally, their boundaries approximated those of municipalities, but the drive to attain economies of scale and deliver specialized services produced massive consolidation. The public, English-language system in Ontario has only fifty-six school boards and authorities, while New Brunswick has fifteen and Nova Scotia has only eight. Other specialized agencies provide many services. Edmonton, Alberta, is an extreme example. An extensive public transit system is run by a department of the municipal government, and there are agencies for public health, housing, economic development, police, libraries, and nonprofit housing, as well as a public enterprise that handles water supply, wastewater, and electrical generation, transmission, and distribution.¹⁹ Agencies in other cities manage parks, recreation, planning, and tourism. Some of these were created to insulate administration from political pressures (e.g., policing) and to allow expertise to dominate (as in public health).

In other cases, flexible, single-purpose agencies allow for intermunicipal cooperation to capture externalities and economies of scale.²⁰ In fact, most municipalities engage in joint institutions and cooperative arrangements. In the Province of Newfoundland and Labrador, for instance, twenty regional economic development boards bring together municipalities and other stakeholders within development zones.²¹ There are many such cooperative institutions across Canada, some provincially mandated, that link municipalities in a horizontal fashion. As well, contractual arrangements for providing particular services across municipal boundaries are common.

Canadian municipalities operate within vertical tiers of government. Multilevel structures are commonplace. County systems or their equivalents are found in the big provinces of Ontario, Quebec, and British Columbia. In large metropolitan regions, the problem of scale has found three answers.²² The first is the flexible regional authority, of which the Greater Vancouver Regional District (GVRD) is the prime example. The city of Vancouver proper has a small population (only 27.5% of its CMA,

which includes twenty-one other municipalities and three Indian reserves). But the GVRD manages regional water supply, sewage, parks, and solid waste, as well as planning for regional transportation, land use, and air quality. Like the other regional districts in British Columbia, the GVRD encourages intermunicipal cooperation and is flexible in that municipalities may opt in for particular functions.

The second solution is amalgamation – that is, internalizing all functions within a single, larger city. Here, the most notable examples are Halifax, Ottawa, Winnipeg, and Calgary, all of which largely encompass their CMAs within the footprint of one city government. The third is to establish metropolitan authorities where an upper-tier government provides certain common services. The prototypical Canadian cases were Metropolitan Toronto, established in 1954, and the Montreal Urban Community, created in 1970. These institutions delivered common services, including arterial roads, policing, transit, and, in Toronto, water supply and sewers. Both have been abolished, ostensibly to improve efficiency and increase visibility. In 1998, through a massive amalgamation, the City of Toronto came to operate over the whole area that was served by Metro Toronto. In 2002 all the municipalities on the Island of Montreal were amalgamated into the City of Montreal, though subsequently a new Quebec government permitted secession referenda, and some municipalities did de-amalgamate.²³ But tiered government remains necessary. The enlarged City of Toronto remains too small to manage regional transport and land-use planning, so the province has taken the lead. In Montreal the core city is part of the Conseil d'Agglomération, which provides important services to all municipalities on the island, and also of the Communauté Métropolitaine de Montréal, which covers the whole Montreal conurbation and has responsibilities for transportation infrastructure, promotion, and planning.²⁴

There are no formal structures through which Aboriginal people participate directly in local councils in southern Canada.²⁵ Where reserves are near municipalities or within them, there is consultation about matters such as water supply and waste management, and when new urban reserves are established within city boundaries, intensive negotiations involve municipal officials.²⁶ Courts have recently affirmed that local governments have a “duty to consult” with First Nations when action might affect Aboriginal peoples’ interests.²⁷ Representatives of Aboriginal governments sometimes sit on committees managing particular programs or projects, as in Saskatchewan, where the Aboriginal population, over 13% of the provincial total, is increasingly urbanized.²⁸ Finally, jurisdiction over off-reserve Aboriginals living in municipalities is unclear. The federal government does not take responsibility, so the costs of services for them are generally borne by provincial and local governments.

CONSTITUTIONAL RECOGNITION OF LOCAL GOVERNMENT

Canadian municipalities have no constitutional recognition as an order of government. Instead, since 1867 “Municipal Institutions in the Province” have fallen into the category of matters about which provincial legislatures “may exclusively make Laws.”²⁹ This fact is fundamental to understanding municipal government in Canada. Local governments are entirely subject to the dictates of provincial governments, which can alter municipal responsibilities, finances, and boundaries as they see fit. Provincial departments enforce the laws and regulations that govern municipal activities. Often provincial power has been used to good effect, establishing regional cooperative bodies, for example, and reining in destructive intermunicipal competition (as in the longstanding Ontario prohibition of municipal concessions to industry). But provincial constraints and sudden changes to structures and functions have irritated many municipal leaders. This lack of autonomy has also instilled in some local politicians and officials a sense of dependence and complacency as well as a tendency to blame provincial authorities for difficulties.³⁰

Canadian provinces do not have separate constitutions; therefore, the framework within which municipalities operate is established by normal legislation, which may be amended at any time. Municipal Acts (or their equivalents) lay out the governance structures of municipalities and enumerate their functions. Traditionally, the responsibilities of local governments were defined narrowly, with some activities prescribed and others proscribed, but over the past decade reforms have been contemplated in all provinces and implemented in some, notably Alberta, British Columbia, Ontario, and Manitoba. The broad thrust has been to increase municipal autonomy through laying out general purposes for local government, defining wide spheres of jurisdiction rather than narrow functions, and conferring “natural person” powers that allow more latitude in business matters.³¹ In British Columbia the Community Charter Act of 2004 reduced provincial oversight, stipulated that amalgamations would require the consent of affected communities, and mandated consultation with the Union of BC Municipalities prior to making major functional or financial changes.³² In Ontario amendments have broadly empowered municipalities to foster “the current and future economic, social and environmental well-being of the municipality.”³³ Some argue, however, that aspects of these reforms were designed to promote a corporate model for local government; moreover, provincial governments can still override municipalities to achieve their objectives.³⁴

Some special legislation has focused on big cities. The 2003 City of Winnipeg Charter, for example, groups the city’s powers into fourteen

broad categories and allows the city to act in these areas without prior provincial approval. It also permits more business activities, strengthens planning power, and increases the city's capacity to promote neighbourhood revitalization, which is very important for Winnipeg.³⁵ The 2006 City of Toronto Act strengthens the office of the mayor, widens the scope for levying new taxes, and generally "recognizes the importance of providing the City with a legislative framework within which the City can build a strong, vibrant and sustainable city that is capable of thriving in the global economy."³⁶ Nevertheless, the provincial government retains its control over the city. For example, although Toronto can now establish a mechanism to hear appeals of planning decisions, the provincial minister of municipal affairs and housing can withdraw any and all appeals from the city's purview and send them to the provincially appointed Ontario Municipal Board.³⁷

So some constraints have been eased, but provincial supremacy remains. A summary judgment about recent reform is that "neither the fundamental purpose of municipal governance nor the fundamental nature of the constitutional status, functions, or finances of municipal governments has been radically transformed."³⁸ Still, municipal autonomy has been expanded incrementally in several provinces. Moreover, the courts have recently affirmed "benevolent construction" as a principle in determining the scope of municipalities' powers and have adopted a demanding standard to strike down municipal bylaws for conflicting with provincial or federal legislation.³⁹ Achieving more power will depend on how the big cities perform as their economic and demographic weight increases and on whether citizens identify more strongly with more active and visible local governments.

GOVERNANCE ROLE OF LOCAL GOVERNMENT

Canadian local governments are important. In 2005 municipalities spent \$42.5 billion, and school boards expended another \$33.1 billion – a combined total of 6.88% of GDP, or about \$2,400 per capita.⁴⁰ Direct employees of municipalities – 390,650 people – represent 12.5% of the public-sector workforce, and when school boards and local public enterprises are included, this figure rises to 32.4%.⁴¹

Municipalities carry out important functions, ones visible to citizens. In all provinces, municipalities are primarily responsible for:⁴²

- roads and traffic control
- solid-waste collection and disposal (except in Prince Edward Island, where the province does it)
- land-use planning and regulation and building regulation
- economic development and tourism promotion
- parks, recreation, cultural facilities, and libraries

- business licensing and the regulation or provision of cemeteries
- fire protection and emergency planning and preparedness
- fencing, drainage, animal control, and pesticide regulation

In addition, urban municipalities fulfil the following functions: policing, public transit, water purification and distribution, and sewage collection and treatment.

It is striking that Canadian municipalities have only very limited responsibilities for social services (except in Ontario). Public utilities such as electricity and natural gas are provided through various mechanisms, while tax collection is generally a local responsibility and tax assessment is mostly done provincially. It should be stressed that municipalities vary substantially in their organization and service delivery across the provinces, so comparison is difficult, as it is within provinces.

Inevitably, some functions are shared with other governments. Rather than joint administration, this normally means dividing responsibility at the margins of matters – such as city roads (municipal) and highways (provincial) – or sharing costs. It is more common for municipalities to serve as agents in implementing the will of the provincial and federal governments. Here, the federal government is a small player. Its policies may shape the problems local governments have to manage, such as homelessness, but it does relatively little in consort with municipalities, nor, except in declared emergencies, can it dictate municipal action. By contrast, local governments are used to implement many provincial government policies. They enforce building codes, for example, and have to provide policing, libraries, roads, and other goods and services according to provincial guidelines and standards. The list of prescribed activities grows steadily, with environmental measures and emergency planning being relatively recent additions. Sometimes the costs of these functions are shared with the provinces, but a development that always alarms municipal authorities is the imposition of new responsibilities without new financing.

Within the range allowed by provincial regulation, local governments have discretion, and this has generally been increasing to allow more flexibility in implementation. There is a clear but contested trend toward contracting out services and forming public-private partnerships (P3s).⁴³ This trend has not proceeded as far in most Canadian provinces as in many countries because of public skepticism, the power of unionized municipal workforces, and rather mixed results, at best.⁴⁴ In personnel matters, local governments have long had autonomy, but the provinces regulate the qualifications of skilled tradespeople and professionals. They also impose strict rules about police training and sometimes provide it.

As for internal governance, municipal councillors in Canada are elected, either citywide or in wards (which sometimes have multiple members). The choice of system is made locally. In upper-tier governments, such as

counties, representatives are normally selected from those elected in lower-tier municipalities. When upper-tier councillors have been directly elected, the result has been more conflict between the two tiers.⁴⁵

The terms of councils vary between two and four years, as set by provincial legislation. The franchise is restricted to Canadian citizens, though there is some pressure in large cities to allow permanent residents or landed immigrants to vote. The right to vote is no longer restricted to property owners, but in a majority of provinces Canadians owning property in any municipality are entitled to vote in each.

Councils have final authority over all policy (subject to provincial dictates and court decisions). Generally, councils legislate bylaws and leave their execution to the municipal staff. In smaller local governments, councillors can closely supervise staff, while in the cities, functional council committees allow for both deliberation (and recommendations to council) and oversight of officials. In some cities, there is an executive committee. Montreal, for example, has a very large council – sixty-four members plus the mayor – but there is an executive committee of twelve that can grant some contracts, manage personnel and real estate, and prepare bylaws and budgets for presentation to the full council.

Mayors in Canada are formally rather weak. However, they are elected directly, and winning a citywide vote can confer much legitimacy and power. The current mayor of Toronto, for example, received over 332,000 votes in the 2006 election – far more than any other politician in the country. In some places, the mayor is designated the chief executive officer, but more power flows from his or her staff resources and presence on the job (because serving as councillor is a part-time position, except in most large cities). Mayors also have close relationships with senior administrators, especially the chief administrative officer (CAO). Managerially, the trend in Canada is toward the CAO system, although most councils maintain direct contact with departmental officials.⁴⁶

FINANCING THE GOVERNANCE ROLE OF LOCAL GOVERNMENT

The framework of local government finance is established by provincial law. Typical is Nova Scotia, where the Municipal Government Act contains 544 substantive sections that establish the structure and functioning of the province's municipalities. Sections 54 to 167 cover financial matters such as borrowing, purchasing, financial statements, payment of taxes, appeals, and so on.⁴⁷ Extensive regulations flesh out the Act, and at least eight other provincial statutes cover aspects of municipal finances. All municipal authority flows from such statutes; Canadian municipalities have no constitutional revenue-raising powers.

Within these limits, municipalities have some autonomy in taxation policy. In particular, they control property-tax rates, if not the assessment of the base. They also have latitude in setting user fees for services, though provincial regulatory agencies often supervise the setting of rates for utilities. What irks ambitious municipal leaders is the refusal of the provincial and federal governments to grant them access to taxes that grow with the economy, notably sales taxes and the income tax.⁴⁸

Consequently, Canadian municipalities are unusually dependent on the property tax. In 2004 municipal governments had total revenues of \$39.7 billion, or \$1,216 per capita. Of this, the real property tax produced 44.2% and property-related taxes another 9.1%.⁴⁹ Other taxes brought in only 1.4%. Other own-source income, mostly from sales of goods and fees for services, accounted for 29.4% of revenue, and transfers made up the remaining 15.9%. Of transfers, the greatest part (73.5%) was from provincial governments in the form of specific-purpose transfers ("conditional grants"), which fund programs where the province determines how the money will be used. General-purpose provincial grants made up 18.6% of transfers. Specific-purpose transfers from the federal government (mostly payments in lieu of property taxes) made up just 7.9% of transfer payments and only 1.3% of municipal revenues.

There is considerable variation in revenues across the provinces. In Ontario total municipal revenues in 2004 were \$1,505 per capita. In Quebec the figure was about \$1,023, similar to the prairie provinces and British Columbia. In the smaller Atlantic provinces, the range was from \$869 in Nova Scotia to \$336 in tiny Prince Edward Island, because provincial governments fulfil more functions directly. The Ontario figures stand out because only there do municipalities still have substantial responsibility for social services – a portion of the costs of public health, social assistance, and social housing.

These figures have changed over time in important ways. First, albeit from a minuscule base, federal transfers to municipalities have recently been increasing substantially. Second, everywhere except in Alberta, specific-purpose transfers from provincial governments dropped sharply over the period 1994–2004, for a national decline of 31.4%. Hence the financial autonomy of municipal governments increased, but they have become no less dependent on the property tax over time.

There are few formal revenue-sharing arrangements between governments in Canada. Except in Manitoba, important taxes such as the federal and provincial sales and income taxes are not shared with municipalities. In 2005, however, the federal government undertook to share its tax on gasoline, with transfers to municipalities that will reach \$1.6 billion per year in 2009–10. Gas-tax sharing is also practised in Ontario, Quebec, British Columbia, and Alberta, mainly to finance public transit.

Municipal spending makes up 4.1% of GDP. Federal spending in 2004 was \$4,649 per capita (19.6% of GDP), and the provinces spent \$5,780 per capita (24.9% of GDP).⁵⁰ Is there a fiscal gap in Canada – a vertical fiscal imbalance? There certainly is one in the view of provincial governments. The federal government has excess revenue relative to its responsibilities, whereas the provinces have insufficient revenues to meet growing demands, especially for their major responsibilities of health and education. Provincial governments have pressed this claim vociferously.⁵¹ The municipalities also argue strenuously that they suffer from a vertical fiscal imbalance; in particular, they cannot raise enough revenue to close the “infrastructure deficit” caused by the combination of rapid growth and old, deteriorating infrastructure.⁵² As well, very costly expansions of public transit in the cities require federal and provincial support. These needs are genuine, but some observers argue that municipalities could issue more debt (as interest charges make up only 4% of local government spending).⁵³ Others claim that the property tax is underutilized and that it may be less “inelastic” than is sensed by municipal politicians seeking reelection.⁵⁴ Nevertheless, some municipal financial distress results from provincial policy (housing and social assistance) and federal policy (immigration), and this lends legitimacy to local governments’ entreaties for higher transfers.

Local government spending in Canada is under close provincial surveillance. Municipalities report in detail about their financial flows, and there are limits on municipal debt. In Ontario, for example, the Ministry of Municipal Affairs and Housing annually sends all municipalities their “financial obligation limit.” The limit essentially caps the proportion of the normal revenue flow that can be devoted to interest payments. If capital projects would cause payments to exceed the limit, then permission for borrowing must be sought from the Ontario Municipal Board.⁵⁵ Other provinces, mindful of municipalities that went bankrupt in the Great Depression of the 1930s (and of some more recent cases), have comparable controls. But these controls do not explain the relatively low level of borrowing by Canadian municipalities.

Overall, local self-government has produced very strong financial accountability. Municipalities report to provincial governments, which supervise them closely. They are also accountable to taxpayers, who tend to resist increases in taxes. Despite this, it is not obvious that municipalities are as efficient as they could be. Their workers are heavily unionized, for example, and in many cases “contracting-out” could reduce costs. However, there are forces tending toward efficiency, namely intergovernmental competition between municipalities and the supervision of provincial governments. Whether policy accountability and democratic control of municipal governments are as strong as financial accountability is another matter.

SUPERVISION OF LOCAL GOVERNMENT
BY OTHER ORDERS OF GOVERNMENT

The federal government of Canada exercises no routine supervisory role over local government. But when the federal government signs agreements with municipalities, there are arrangements for financial and managerial accountability. These can be quite complex, as in the cases of the gasoline-tax-sharing agreements and special tripartite (municipal-provincial-federal) agreements.⁵⁶

In theory, provincial governments have complete authority over local governments. In practice, consultation makes the formal override of municipal bylaws rare. Municipal decisions about planning, land use, and other matters can be appealed to provincial agencies or cabinets and to provincial and federal courts.

The strongest sanction that provincial governments can exercise over municipalities – short of abolishing them through amalgamation – is to take over their administration. This has happened in cases of bankruptcy, notably when local economies collapsed during the 1930s. This still occurs when major employers fail and tax collection becomes problematic. Hence, for example, the Saskatchewan Municipal Board, which rules on applications to issue long-term debt, has as its foremost mission “to maintain financial credibility” for the province’s local governments.⁵⁷ In Ontario, municipalities in financial distress can be taken over by the Ministry of Municipal Affairs and Housing. Provincial governments are under no legal obligation to bail out municipalities, but in practice they do, and healthy municipal credit ratings partly reflect this expectation. Provincial governments can also intervene when councils become dysfunctional because of personal or partisan wrangling. This happened recently in Sherwood, Saskatchewan, when the province dismissed what was left of the council and appointed a public servant to run the municipality until new elections could be organized.⁵⁸ Such events, however, are highly exceptional.

Although municipalities have considerable autonomy and in some provinces the sphere of independent action has grown, municipal action is ultimately constrained by provincial policy, which prescribes many activities and prohibits others. Changes to the provincial policy framework are perennial, and local governments must ceaselessly adapt to provincial policy innovations, which arise not only from the main supervisory ministry but also from many other departments and agencies, such as those concerned with environmental protection, agriculture, and natural resources. Many provincial agencies have responsibilities that impinge on local government activities. Moreover, provincial governments occasionally undertake major changes to their municipal systems. At times, there is pressure for amalgamation. In Quebec, for example, the number of municipalities dropped

from 1,400 in 1990 to 1,147 in 2006. In Ontario, amalgamations between 1996 and 2000 reduced the number of municipalities from 850 to 445. Such consolidations are contested vigorously, and there is little clear evidence that efficiencies either result at all or offset diminished local control if they do.⁵⁹ Further, functions are sometimes reallocated in a wholesale fashion, as in the “local services realignment” exercise conducted by the Ontario government in the late 1990s.⁶⁰ Such events make normal municipal governing difficult.

Metropolitan regions are supervised closely. In 1988, for example, the Government of Ontario created an Office of the Greater Toronto Area, headed by a deputy minister, to support a coordinating committee that comprised officials from all thirty-five municipal governments in the region.⁶¹ Currently, within the Ontario Ministry of Public Infrastructure Renewal, the Ontario Growth Secretariat sets planning policy for the entire Greater Golden Horseshoe, which includes the CMAs of Peterborough, Oshawa, Toronto, Barrie, Hamilton, St Catherine’s-Niagara, Brantford, and Kitchener, with a combined population of 7.4 million.⁶² Similarly, in Quebec, the *Contrat de ville de Montréal* specifies precise policy engagements by ten provincial government departments to help manage the sustainable development of the city.⁶³ In Vancouver the provincial government’s responsibility for the 2010 Winter Olympics and its interest in Pacific Gateway infrastructure to improve oceanic trade have led it to take a strong hand in planning and management.

INTERGOVERNMENTAL RELATIONS WITH THE PROVINCIAL AND FEDERAL GOVERNMENTS

In Canada municipalities’ primary relationships have always been with the provincial governments. These relationships cover almost every aspect of local government activity, and provincial governments clearly dominate. Relations with the federal government – which are often mediated by provincial governments – cover a much narrower range of policy areas. There is no regulation involved here, except that municipalities have to adhere to federal guidelines concerning matters like airport safety and policing for national security. Normally, the relationship involves local governments qualifying for federal spending programs.

The relationships of municipal governments with “senior” governments – and municipal leaders strongly dislike the term “senior” – are top-down. Local government representatives may insist that they constitute a co-equal order of government, but in reality they are policy takers, not full partners. However, some recent initiatives discussed below have involved municipalities in joint planning, and their associations continue to press for fuller participation in policy development.

Local-Provincial Relations

Formally, and practically as well, municipal-provincial relations are hierarchical. The strongest illustrations of this are the amalgamations that have sometimes been forced upon very resistant local governments, as well as sweeping provincial moves to reallocate functions. In the normal course of affairs, provincial officials set and enforce standards that delineate the contours of municipal activity. But the relationship is not all top-down. Although they are “creatures of the provinces” and subject to provincial control, municipalities are also in a deeper sense a responsibility of provincial governments. It is incumbent on the latter to ensure that the municipal system is viable, so provinces must pay attention, ultimately, to municipal representations about emerging problems. Where big cities are concerned, provincial governments must be especially solicitous. Not only is their economic vitality of province-wide concern, but large cities with dynamic mayors can press provincial politicians on particular issues, with public support. As one analyst of the Ontario scene observed, “[c]urrently, the City of Toronto has twenty-two members of parliament, twenty-two members of the provincial legislature, and one mayor. It is not difficult to figure out who will speak with the greatest authority about the needs of the people of Toronto.”⁶⁴ Given the paucity of large cities in individual jurisdictions, one cannot claim that provincial governments have “urban policies,” but they must be attentive to big-city requirements.

There are a great many avenues for municipal-provincial interaction. The normal channel for most business is the responsible department. The breadth of these departments’ mandates varies, and local government matters are often combined with other branches of activity.⁶⁵ Where the mandate scope is narrow, and in any case for a lot of other business, municipalities deal with the many functional departments that affect them – environment, recreation, heritage, natural resources, transportation, and so on. This official-to-official interaction is by far the most common form; indeed, it is routine. But there are other avenues.

Larger municipalities have specialists in intergovernmental relations who report either to the chief administrative officer or to the mayor. Their role is to fix problems by dealing with provincial officials and politicians. At the political level, mayors often communicate with local members of the provincial legislature. Mayors can sometimes conduct business with ministers and ministerial aides. Another political channel is to appear before legislative committees when these bodies are considering measures that affect all municipalities or particular ones. These are formal occasions but also lend themselves to quiet lobbying.

To make known their collective views about policy, local governments depend on provincial associations of municipalities. The associations have

expertise, with professional staff supporting a range of committees concerned with particular issues. Some associations act as umbrella groups for others. The Association of Municipalities of Ontario (AMO), for example, includes regional and rural affiliates, an association for municipal administrators, and a bulk-purchasing company. But the associations vary in strength. In some provinces, such as Alberta, they are split between urban and rural municipalities. There are also linguistic groupings in New Brunswick, Manitoba, and Ontario. Undoubtedly, population size is the major cleavage among Canadian local governments, and it has led to serious divisions. Both Montreal and Toronto have dropped out of their provincial association. Within provinces, there are also specialized associations grouping officials like police chiefs and municipal treasurers, and these liaise regularly with provincial officials. However, it is the major representative associations that attract politicians' attention and have the expertise to convey municipal opinion to provincial bureaucrats.

This occurs formally at annual meetings, where association members pass resolutions, mostly recommending changes to provincial policy. Many of these have already been processed through committees and the executive and have supporting documentation prepared by staff; others arise from individual municipalities. For example, the Union of British Columbia Municipalities at its annual convention routinely deals with dozens of formal resolutions, concerning issues ranging from tire recycling to the length of councillors' terms, and in due course, in a single document, the provincial government formally replies to each one of them.⁶⁶ Many provincial ministers appear at the annual AMO conference, and there is an institutionalized process for local governments to petition to have a delegation meet with them.⁶⁷ These associations are the main force organized by Canadian municipalities to represent their interests to provincial governments, and they are often effective. Of course, the province has the final word.

Overall, though the municipal-provincial relationship is sometimes conflictual, and tense episodes attract much attention, it must be judged as generally cooperative. Each government tries to rally support for its demands and objectives, but neither one can afford sustained conflict. The local governments cannot alienate the centre of so much power over them. In turn, provincial governments need to maintain a healthy municipal system, and for reasons both administrative and political, they must stay attuned to general municipal needs. After all, municipalities are repositories of expertise in important fields like planning, physical infrastructure, waste management, and recreation. As well, they have established relationships with all kinds of local nongovernmental organizations (NGOs), which are increasingly important in governance. Politically, ill-advised provincial decisions can galvanize voters, especially in smaller municipalities, to the

peril of provincial politicians. So the provincial governments must listen. Nevertheless, for prudential reasons and to deliver their own policies, they have traditionally supervised municipal behaviour rather closely. These fetters have irritated, especially where finances are concerned, but most municipalities quietly adhere to a modest role of providing services to residents and their properties. So the provincial-municipal relationship continues to be one of cooperation and incremental change through asymmetric mutual accommodation.

Local-Federal Relations

Local government is well organized to deal with the federal government. Although a federated structure is characteristic of most Canadian associations (including ones interested in specialized areas of municipal government), the Federation of Canadian Municipalities (FCM) has direct membership. It represents over 90% of all municipalities and is the main interlocutor of the federal government on municipal affairs. It has a large board of directors, an extensive set of committees dealing with particular policy areas, and a substantial professional staff. Although there are sub-groupings within it, notably the Big City Mayors' Caucus, the FCM leadership believes that its considerable power and success derive from its broadly representative character.

Direct relations between the federal government and local authorities are much less pervasive than provincial-municipal relations for jurisdictional reasons and because of historic caution on the federal side about initiatives that could lead to a plethora of demands. (An exception to federal nonintervention is the National Capital Commission, or NCC, a public enterprise that plans and promotes the National Capital District; however, given provincial and municipal sensitivities, the NCC has operated pragmatically through consensus and the federal spending power.)⁶⁸ But there has been much recent change in municipal-federal relations. Due to restructuring, fiscal strain, and demographic pressures, Canadian municipalities have demanded assistance and recognition from the federal government. All municipalities want more money, many seek consultation about policies affecting them, and some want greater autonomy and power.⁶⁹ The cities' case has been advanced by influential think-tanks and business organizations.⁷⁰

The federal government responded to early pressures with several initiatives. Programs to build infrastructure (broadly defined), with funding from all three orders of government, were launched in 1993.⁷¹ When the Liberal government headed by Paul Martin was in power (2003–06), the prime minister boldly announced a “New Deal” for cities and communities, with new respect for the municipal “order” of government, funding

for transit, a full rebate of the federal sales tax on municipal expenditures, and transfers of a portion of the federal gasoline tax.⁷² As well, new initiatives addressed homelessness, urban Aboriginal people, the social economy, and poverty, all requiring federal involvement with municipalities and community groups.⁷³ Finally, renewed tripartite agreements that were signed with Vancouver (and British Columbia) and Winnipeg (and Manitoba) to attack particular problems in those cities seemed to presage the spreading of urban-development agreements to other cities.⁷⁴

There is no federal ministry responsible for dealing with municipal governments. A Ministry of State for Urban Affairs was established in the 1970s, but it had little clout in Ottawa and irritated the provincial governments, so it withered away.⁷⁵ In 2003 a Cities Secretariat was established within the federal Privy Council Office, and in 2004 as part of the New Deal, there was established a Ministry of State for Infrastructure and Communities. Ministry officials negotiated the gasoline-tax arrangements with the provinces and aimed to create new urban-development agreements. But the Conservative administration led by Stephen Harper (2006–present) rolled the unit into the Transport, Infrastructure and Communities Portfolio, a downgrading that reflected the government's general view of federalism – namely that the federal government should respect the constitutional division of jurisdiction.⁷⁶

Another federal department linked to municipalities is Human Resources and Social Development Canada, which runs many programs focused on community development, labour, and homelessness. These are delivered within municipalities, though implementation often involves social groups rather than organs of local governments.⁷⁷ Many other federal departments interact with municipal governments, often through low-visibility bureaucratic channels. Indeed, beyond the big intergovernmental initiatives exists a largely unexplored world of municipal-federal contacts. These occur in many areas of joint interest, such as labour-market and business development, federal property, arts and culture, immigrant settlement, and urban Aboriginal problems. New principles of public management have increased officials' discretion at all levels of government, and transgovernmental coalitions can assemble to undertake particular projects. Local politicians also meet freely with their federal counterparts. Still, municipalities sometimes complain that there is no central portal for dealing with the federal government.

Provincial governments mediate the contacts between “their” municipalities and Ottawa. At one extreme is Quebec, which sequesters its local governments. By law, no municipal government can enter agreements with Canada, other provinces, or other countries without the authorization of the Quebec government – and this is enforced.⁷⁸ It helps municipalities' bargaining power while preserving the province's sovereign prerogatives.

(Nevertheless, Quebec's position does not preclude fruitful interaction, as in greater Montreal, where efforts to attract investment and stimulate key sectors are coordinated through Montréal International, an organization that has five provincial and five federal ministries as partners, along with many municipalities and firms.)⁷⁹

Quebec is special, but all provinces mediate municipal-federal relations. Although constitutional power gives provinces the upper hand in these dealings, the federal purse and municipal demands make tri-level bargaining more complex. Depending on the province's situation and the policy at issue, provinces may simply monitor municipal-federal interactions. Or they can advocate for municipalities, broker between the parties, regulate the interaction, or join as a partner. This can be done through tripartite mechanisms or by the province alone through line departments or central agencies, including the premier's office.⁸⁰ Tri-level negotiations are not a simple game.

The governments of large cities have separate relations with the federal government. Mayors and senior officials have access to top-ranking federal bureaucrats, and they can also meet with ministers. As well, a longstanding federal tradition is to name a "political minister" for each province to handle sensitive issues, and big-city politicians use this channel; in fact, recent governments have designated political ministers with special responsibilities for Montreal, the Greater Toronto Area, and Vancouver.

The rising demands of all municipalities and the increasing assertiveness of the big cities and their allies have posed challenges for federal governments. But Canadian local government is certainly not a full partner in the federation, despite the promises of the New Deal. Provinces control municipalities, and there are good, self-interested reasons for the federal government to cleave to this. Naturally, federal governments want their activities to have a high profile in municipalities and especially big cities (for currently, 85 of 308 House of Commons seats are in the CMAs of Montreal, Toronto, and Vancouver), but this need not require much interaction with municipal governments *per se*.

Essentially, then, intergovernmental relations in Canada still mean provincial-municipal interactions on the one hand and federal-provincial ones on the other. Where this distinction has been breached, in the view of some observers, a flexible and "place-based" federal orientation has produced better policies, ones more suited than usual to local conditions.⁸¹ A parallel argument is that new federal transfers are but the harbinger of an imperative national effort to keep Canadian cities competitive.⁸² So intergovernmental relations may continue to become more dense and widespread. But there are costs attached to tri-level policymaking. Negotiations can delay policy and generate high transaction costs, and management structures can be overly complex, especially when NGOs are involved.

Accountability is an issue when responsibility is widely shared. New federal initiatives involving municipalities can create both federal-provincial tensions and dissatisfaction within the provincial-municipal relationship (especially when large and small municipalities are treated differently). In the end, Canadian municipalities may serve themselves best not by approaching the federal government but by focusing demands for money and power on their jurisdictional masters – the provinces.

POLITICAL CULTURE OF LOCAL GOVERNANCE

Municipal politics in Canada has a relatively low profile. This stems in part from the sense that local governments exist merely to provide a limited range of rather banal services, a perception that is weaker of course in the big cities. As well, there are few political parties operating in the local arenas. Municipal parties exist in Quebec, encouraged by provincial legislation, and in British Columbia, where politics are polarized between left and right, and there have been parties and party-like “slates” of candidates in several other cities.⁸³ But the major federal and provincial parties are largely distinct, even when they share the same label, and the party system does not extend to municipal politics. So the tradition of local nonpartisanship prevails, even though many municipal politicians are known to be members of federal or provincial parties and mayors and councillors are often recruited by parties to seek provincial or federal office.⁸⁴ Nonpartisanship probably diminishes electoral participation and certainly weakens collective accountability; as well, intergovernmental relations lack the partisan connections that can sometimes smooth relations and sometimes obstruct them but that always help to organize them.

The public's interest in local elections is relatively low. Turnout rates vary, and no centralized statistics are available, but on average perhaps 35% to 45% of the electorate vote. This is substantially below federal and provincial turnout rates, which have typically been about 60% to 75%.

However, there are other participatory mechanisms. Because Canada is a developed and stable society, municipalities contain dense webs of voluntary associations – NGOs – through which people can participate in governance. There are business associations, churches, service clubs, recreational associations, and groups representing many special interests. The NGOs are vehicles for citizen input into policymaking. (They are also conduits for policy implementation because they harness volunteer energy and sometimes assemble people who are the objects of policy; hence many social policy initiatives bypass municipal governments altogether and work through NGOs.) Individuals also have ample opportunities to express their views. Contact with politicians and officials is simple and personal in smaller municipalities. In larger places, committees of council meet publicly to discuss issues, and residents can often

speak their minds. When budgets are presented and community plans and zoning are at issue, more extensive participatory exercises occur, though turnout at these sessions is often low. Participatory opportunities are exploited most by business interests (especially developers), special-interest groups (like patrons of cultural facilities), "ratepayers' associations" (which aim for low taxes), and residents opposing particular development projects. Broad and sustained engagement in civic issues is not the norm.

In Canadian politics, gender is always an issue. Despite expectations that more women would stand for election and be more successful in the local races than in others, this does not seem to be true.⁸⁵ Obstacles remain, including unequal sharing of domestic work and "old boys' networks" that groom male candidates. The Federation of Canadian Municipalities and local groups are campaigning for increased representation of women.⁸⁶ Visible minorities (i.e., non-Caucasians) are also underrepresented in municipal government; moreover, urban constituencies in Canada, where most recent immigrants live, contain more voters than the overrepresented rural areas, thus attenuating the weight of visible minorities in federal and provincial politics.⁸⁷

Municipal political culture does affect intergovernmental relations. Local politicians tend to be cautious and oriented toward the status quo as long as economic growth proceeds. In small and medium-sized municipalities, which emphasize nonpartisan service provision, provincial governments are regarded with a mixture of deference and irritation. For most municipalities, the federal government is far away. The provincial associations and the FCM are effective and strongly supported, but demands necessarily reflect the broadest possible consensus and are not visible to citizens. The big-city mayors are outspoken but intermittently and non-ideologically. For most municipalities, therefore, intergovernmental relations are subdued and often technical, not political. The most common municipal stance is one of deserving supplication.

EMERGING ISSUES AND TRENDS

Municipal governments in Canada and their relations with the provincial and federal governments are relatively stable. This is because of long tradition and because the system has worked reasonably well; moreover, the economic environment has been highly favourable for sixty years, with only occasional recessions and none since 1992.

The biggest issue facing municipalities, in their view, is a shortfall of resources. They depend heavily on the property tax for revenue, and municipal politicians believe that tax increases cause hardship to some citizens, reduce competitiveness, and are politically damaging. So they have turned to other revenue sources, and they have argued the case for larger provincial

and federal transfers. The federal government has responded with significant new transfers, but these came when the “cities agenda” was a national priority. More federal funding is unlikely, so inevitably the municipalities will turn to their provincial masters. Recently, only the governments of Quebec and Alberta have produced more generous systems, although others have provided some access to new revenue sources. In the medium term, if municipal needs keep growing, provincial governments will probably extend more financial aid. If one provincial government made a substantial move, the pressure on others to do the same would be intense.⁸⁸

Another major problem is coping with disparities among municipalities. For a very long time, the legislative framework for local government was essentially uniform in each province. But now conditions have diverged. In the cities, there is growth pressure from large immigrant flows, which bodes well for their economic futures but creates social, economic, and environmental stresses. In contrast are declining towns and rural municipalities that face major problems of sustainability. Overall, a move is underway to grant cities increasing autonomy and access to revenue sources. As legal frameworks broaden, it is likely that local authorities will occupy new functions and revenue sources when they are ready to do so, perhaps even tackling the challenges of sprawl, immigrant integration, and poverty. The process may be one of “opting in” to new powers, which is quite in line with the Canadian tradition of incremental change.⁸⁹ The distress of communities in decline, however, will not be solved by more powers. Money is required.

In the longer term, if the demographic and economic dominance of big municipalities – city-regions – continues to increase, Canadians may debate the roles and relative powers of cities and provinces. Suggestions have been made that constitutional changes should enshrine a new status and powers for cities, but this is highly improbable, as there is little appetite for any constitutional amendment in Canada. An alternative view is that functions necessarily will be devolved to economically dominant cities from the federal and especially the provincial governments; this could lead to an “hour-glass federalism,” with strong municipalities and a strong centre.⁹⁰ But there is no reason in principle to accept this economic determinism; instead, more assertive and powerful municipalities may evolve as citizens increasingly identify with their cities. In practice, however, there is much evidence that provincial power, cemented in the Constitution, is shaping the future of city-regions. Quebec governments have forced amalgamations and allowed de-amalgamations; the Province of British Columbia runs the two greatest projects afoot there; and Toronto’s new powers pale beside sweeping provincial initiatives to manage development in the Greater Golden Horseshoe region. In the face of city-regions’ economic strength and their growing, loyal populations, the provinces will not fade away. On the contrary, their pivotal role in the Canadian intergovernmental system will continue long into the future.

NOTES

- 1 Larry S. Bourne and Damaris Rose, "The Changing Face of Canada: The Uneven Geographies of Population and Social Change," *Canadian Geographer* 45, no. 1 (Spring 2001): 105–19.
- 2 Thomas J. Courchene, *A State of Minds: Toward a Human Capital Future for Canadians* (Montreal: Institute for Research on Public Policy, 2001).
- 3 Canada, Statistics Canada, "Population and Dwelling Counts, for Canada and Census Subdivisions (Municipalities) with 5,000–Plus Population, 2006 and 2001 Censuses – 100% Data," <http://www12.statcan.ca/english/census06/data/popdwelling/Table.cfm?T=307&S=3&O=D&RPP=699> (viewed 25 June 2007).
- 4 "Urban" is defined as an area with a population of at least 1,000 and a density of at least 400 people per square kilometre, a definition that includes rather small towns.
- 5 Canada, Statistics Canada, "Portrait of the Canadian Population in 2006, 2006 Census, Population and Dwelling Counts," catalogue no. 97–550–XIE, March 2007.
- 6 Canada, Statistics Canada, "2001 Census of Population (Provinces, Census Divisions, Municipalities), 2001 Languages, Mobility and Migration," http://estat.statcan.ca/cgi-win/CNSMCGI.EXE?Lang=E&DBSelect=SD2001_4 (viewed 25 June 2007).
- 7 Canada, Statistics Canada, "Gross Domestic Product, Expenditure-Based (Quarterly)," <http://www40.statcan.ca/lo1/csto1/econ41.htm> (viewed 25 June 2007). Throughout the chapter, all figures are in current US dollars.
- 8 Canada, Statistics Canada, "Canadian Economic Observer: Historical Statistical Supplement 2005/06," catalogue no. 11–210–XIB, July 2006, table 4.
- 9 Canada, Statistics Canada, E-Stat Online Database, tables 380–0016 and 380–0022, <http://cansim2.statcan.ca/cgi-win/CNSMCGI.EXE> (viewed 26 June 2007).
- 10 Canada, Statistics Canada, "Public Sector Statistics: Financial Management System 2005–2006," catalogue no. 68–213–XIE, July 2006, tables 5–1 and 1–7.
- 11 For basic information, see Rainer Knopff and Anthony Sayers, "Canada," in *Constitutional Origins, Structure, and Change in Federal Countries*, ed. John Kincaid and Alan Tarr, 103–42 (Montreal and Kingston: McGill-Queen's University Press, 2005); Richard Simeon and Martin Papillon, "Canada," in *Distribution of Powers and Responsibilities in Federal Countries*, ed. Akhtar Majeed, Ronald L. Watts, and Douglas M. Brown, 91–122 (Montreal and Kingston: McGill-Queen's University Press, 2006); Thomas O. Hueglin, "Canada," in *Legislative, Executive, and Judicial Governance in Federal Countries*, ed. Katy Le Roy and Cheryl Saunders, 101–34 (Montreal and Kingston: McGill-Queen's University Press, 2006); and Robin Boadway, "Canada," in *The Practice of Fiscal Federalism: Comparative Perspectives*, ed. Anwar Shah, 98–124 (Montreal and Kingston: McGill-Queen's University Press, 2007).
- 12 Donald J. Savoie, *Governing from the Centre* (Toronto: University of Toronto Press, 1999).

- 13 Robert A. Young, *The Secession of Quebec and the Future of Canada* (Montreal and Kingston: McGill-Queen's University Press, 1995).
- 14 This tension is explored throughout C. Richard Tindal and Susan Nobes Tindal, *Local Government in Canada*, 6th ed. (Toronto: Nelson, 2004). Also useful is Katherine A. Graham and Susan D. Phillips, with Allan M. Maslove, *Urban Governance in Canada: Representation, Resources, and Restructuring* (Toronto: Harcourt Canada, 1998).
- 15 See Kenneth Grant Crawford, *Canadian Municipal Government* (Toronto: University of Toronto Press, 1954), 19–47.
- 16 Robert A. Young, "Remembering Equal Opportunity: Clearing the Undergrowth in New Brunswick," *Canadian Public Administration* 30, no. 1 (Spring 1987): 88–102.
- 17 Mary W. Rowe, ed. *Toronto: Considering Self-Government* (Owen Sound, ON: Ginger Press, 2000).
- 18 Statistics Canada, source as in note 3. The metropolitan areas of these cities, which sometimes share their interests, are even weightier as a percentage of provincial populations: Winnipeg, 60.5%; Halifax, 40.8%; Calgary, 32.8%; Montreal, 48.2%; and Toronto, 42%.
- 19 See http://www.edmonton.ca/portal/server.pt/gateway/PTARGS_o_o_265_210_o_43/http%3B/CMSServer/COEWeb/city+government/civic+agencies/list+of+civic+agencies (viewed 26 June 2007). Typically, such agencies are controlled by the municipality, but their boards of directors often include ordinary citizens, experts, and representatives of business and nongovernmental organizations.
- 20 For the general argument contrasting special-purpose and multipurpose authorities, see Lisbet Hooghe and Gary Marks, "Unraveling the Central State, but How? Types of Multi-Level Governance," *American Political Science Review* 97, no. 2 (May 2003): 233–43.
- 21 See <http://www.intrd.gov.nl.ca/intrd/economicboards.htm> (viewed 15 May 2008).
- 22 Andrew Sancton, "Metropolitan and Regional Governance," in *Urban Policy Issues: Canadian Perspectives*, 2nd ed., ed. Edmund P. Fowler and David Siegel, 54–68 (Don Mills, ON: Oxford University Press, 2002).
- 23 Andrew Sancton, "Fusions et défusions municipales au Québec et en Ontario," in *Le parti Libéral: Enquête sur les réalisations du gouvernement Charest*, ed. François Pétry, Éric Bélanger, and Louis M. Imbeau, 321–38 (Quebec: Les Presses de l'Université Laval, 2006).
- 24 Pierre Hamel, "Municipal Reform in Quebec: The Trade-Off between Centralization and Decentralization," in *Municipal Reform in Canada: Reconfiguration, Re-empowerment, and Rebalancing*, ed. Joseph Garcea and Edward C. LeSage Jr, 149–73 (Don Mills, ON: Oxford University Press, 2005). It should be noted that Montreal is divided into *arrondissements* (boroughs), each with a mayor and council, so the governance structure there is particularly complex.
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 - 28 Joseph Garcea and Ken Pontikes, “Federal-Municipal-Provincial Relations in Saskatchewan: Provincial Roles, Approaches, and Mechanisms,” in *Canada: The State of the Federation 2004: Municipal-Federal-Provincial Relations in Canada*, ed. Robert Young and Christian Leuprecht, 349–50 (Montreal and Kingston: McGill-Queen’s University Press, 2006).
 - 29 Canada, Constitution Act 1867, Section 92(8).
 - 30 David Siegel, “Recent Changes in Provincial-Municipal Relations in Ontario: A New Era or a Missed Opportunity?” in *Canada: The State of the Federation 2004: Municipal-Federal-Provincial Relations in Canada*, ed. Robert Young and Christian Leuprecht, 181–97 (Montreal and Kingston: McGill-Queen’s University Press, 2006). See also David Siegel and C. Richard Tindal, “Changing the Municipal Culture: From Comfortable Subordination to Assertive Maturity,” part 1, *Municipal World* (March 2006): 37–40; part 2, *Municipal World* (April 2006): 13–17.
 - 31 Joseph Garcea and Edward C. LeSage Jr, “Municipal Reform Agendas and Initiatives: Analytical Framework and Overview,” in *Municipal Reform in Canada: Reconfiguration, Re-empowerment, and Rebalancing*, ed. Joseph Garcea and Edward C. LeSage Jr, 3–22 (Don Mills, ON: Oxford University Press, 2005).
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 - 33 Ontario, Municipal Act, Section 2.c, in *Statutes of Ontario 2001*, ch. 25.
 - 34 Smith and Stewart, “Local Government Reform,” 38–46; Christopher Leo and Mark Piel, “Municipal Reform in Manitoba: Homogenizing, Empowering, and Marketing Municipal Government,” in *Municipal Reform in Canada: Reconfiguration, Re-empowerment, and Rebalancing*, ed. Joseph Garcea and Edward C. LeSage Jr, 106–26 (Don Mills, ON: Oxford University Press, 2005).
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 - 36 Ontario, Stronger City of Toronto for a Stronger Ontario Act, Schedule A, Preamble, in *Statutes of Ontario 2006*, ch. 11. The title of the Act indicates a major change in the orientation of the provincial government toward its major metropolis.
 - 37 Ibid., Section 115.16.
 - 38 Garcea and LeSage, “Municipal Reform Agendas,” 16–17.
 - 39 Canada, Supreme Court of Canada, *Nanaimo (City) v. Rascal Trucking Ltd.*, 2000 SCC 13 [2000] 1 SCR 342. See also 114957 *Canada Ltée (Spraytech, Société d’arrosage) v. Hudson (Town)*, 2001 SCC 40 [2001] 2 SCR 241, upholding the power of a

municipality to regulate for health purposes. The courts, however, have not taken an expansive view of municipal revenue-raising powers; instead, they have protected provincial control over direct taxation and have required that user fees fairly reflect the cost of the service provided.

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- 44 See Pierre J. Hamel, *Public-Private Partnerships (P3s) and Municipalities: Beyond Principles, a Brief Overview of Practices*, study commissioned by the Federation of Canadian Municipalities (Montreal: INRS-UCS, 2007).
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- 61 Tindal and Tindal, *Local Government in Canada*, 109.
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- 64 Siegel, "Recent Changes," 191.

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- 66 See the two documents at <http://www.civicnet.bc.ca/siteengine/ActivePage.asp?PageID=208> (viewed 27 June 2007).
- 67 This is arranged by the Ministry of Municipal Affairs and Housing; see <http://www.mah.gov.on.ca/Page4760.aspx> (viewed 27 June 2007).
- 68 David L.A. Gordon, "Ottawa-Hull and Canberra: Implementation of Capital City Plans," *Canadian Journal of Urban Research* 11, no. 2 (Winter 2002): 179–211.
- 69 Robert Young, "The Politics of Paying for Cities in Canada," in *Paying for Cities: The Search for Sustainable Municipal Revenues*, ed. Paul Boothe, 83–97 (Edmonton: Institute for Public Economics, 2003). Demands for funding and federal assistance also surfaced in the late 1800s, the 1930s, and the 1960s.
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- 81 Christopher Leo, "Deep Federalism: Respecting Community Difference in National Policy," *Canadian Journal of Political Science* 36, no. 2 (September 2006): 481–506.
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