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Metropolitan Governance in Canada or the Persistence of Institutional Reforms

Jean-Pierre Collin* and Mariona Tomàs**

In this article, we explore the main features of metropolitan governance in Canada. The first part of the paper is devoted to a brief overview of the characteristics of metropolitan areas in Canada and the system of local government. Secondly, we focus our analysis on the leading metropolitan areas, paying special attention to the reforms that they have overcome in the recent decade. As we will see, the Canadian model of metropolitan governance is still dominated by institutional reforms, mainly the amalgamation of municipalities in the metropolitan area. The next section of the article examines the reasons explaining the persistence of the institutional approach. After that, we present the current trends in metropolitan governance, i.e. the claims coming from Canadian cities for more legal and fiscal autonomy. We conclude the paper with some hints about the future of metropolitan governance in Canada.

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en aras de una mayor autonomía fiscal y legal. El artículo concluye con algunas propuestas sobre el futuro del gobierno metropolitano en Canadá.

Key words: Canada, metropolitan areas, governance, municipal reforms.
JEL Classification: R59

1. Metropolitan Canada: a brief overview

1.1. The census metropolitan areas

Canada, with its more than 30 million inhabitants, covers a territory of nearly ten million square kilometres and is divided into ten provinces and three territories. In spite of the vastness of the country’s territory, Canada’s population has come to be increasingly concentrated in big cities, shaping an urban nation (Sancton, 1992; Bradford, 2002). The 2001 census highlighted two essential features. On the one hand, 79.4% of Canadians lived in an urban area of 10,000 inhabitants and more. On the other hand, 51% of Canadians lived in four main urban areas (in comparison with 49% in 1996): the Golden Horseshoe in southern Ontario, Greater Montréal in Quebec, British Columbia’s Lower Mainland, and the Edmonton-Calgary corridor in Alberta (Statistics Canada, 2002b).

The Canadian census uses the designation of census metropolitan areas (CMAs) to refer to urban agglomerations. According to their own definition, the CMAs are “formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data” (Statistics Canada, 2002a). In 2001, according to these parameters, Canada had 27 CMAs containing over 19 million people (see map 1), or nearly two thirds of the country’s total population. Among the 27 CMAs, the 10 largest contain 50% of Canada’s population, while there are 17 areas over 200,000 inhabitants that count for 60% of the population of Canada.
Canada’s urban system and its transition from an urban to a metropolitan society are deeply anchored in the North American metropolitan dynamic, but it is distinctive in several aspects (Collin, Robertson and Charron, 2004 (forthcoming)). First, the suburbanisation of Canadian cities has taken on a very different profile from the American model, being less intense and more controlled by federal and provincial governments (Linteau, 1987). Secondly, Canadian city-regions are, all in all, less polarized than their US counterparts, specially when it comes to racial inequalities. Unlike the US, central-cities involve a remarkable quality of life and vital downtowns, good public services, lower crime rates and ethnic
diversity combined with ethnic harmony (Bradford, 2002; Corbin Sies, 2003). Thirdly, the characteristics of local government are extremely different. “Home Rule”, with its built-in protections of local government boundaries, does not exist in Canada (Tindal and Tindal, 2000).

1.2. The system of local government
Canada’s municipal organization was established at the same time as the Canadian Confederation, in the middle of the nineteenth century. Unlike the US, Canadian municipalities have no legal standing in the constitution. They are created by provincial legislation, and it is this general legislation that defines what they can do, how they are managed, and their sources of revenue. This means that direct relations between the federal government and municipalities are almost nonexistent, and those that do exist necessarily involve the provincial governments, within the framework of tripartite cooperation agreements (i.e., for urban infrastructures). Although local municipalities are, properly speaking, decentralized authorities, their primary and clearly dominant function is their role as providers of local public services, in fields of jurisdiction explicitly delegated to them by provincial governments. Municipal administrations have no authority to intervene in any area of provincial jurisdiction, and have to be content with the powers and responsibilities explicitly granted to them by the provinces. In general, however, there are two types of municipal responsibilities: mandatory responsibilities and optional responsibilities (Tindal and Tindal, 2000).

But this being said, the status, roles and number of municipalities vary considerably from province to province. In March 2003, Canada had 3,731 local municipalities, some of which are urban and others rural (Collin and Léveillé, 2003). Only three provinces still have an upper-tier, or supramunicipal, level of government (Ontario, Quebec, British Columbia). Over the past decade, there has been a great deal of debate on the issue of excessive municipal fragmentation, especially in urban areas. Therefore, the governments of several provinces have adopted strong measures to reduce the number of municipalities, as we will illustrate in the next section.

Despite the lack of legal recognition, Canadian municipalities have a considerable degree of financial and fiscal autonomy. Almost 85% of municipal revenues are in fact derived from local sources. This autonomy is however closely monitored and controlled by provincial governments, which establish the range and variety of municipal taxation powers and
the ways and means municipalities can use to levy taxes. In practice, municipalities have a limited number of fiscal sources available to them: various taxes, fees and charges that are generally property-related. Property and property-related taxes are by far the main source of revenue for Canadian municipalities, accounting for 54.3% of their revenues (Interprovincial Conference on Urban and Regional Research, 2002).

All Canadian provinces have in fact given the local public sector (municipalities and school boards) virtually exclusive jurisdiction over the field of property taxation. In contrast, grants from higher levels of government account for a relatively insignificant portion of municipal revenues. Since 1970, in all Canadian provinces, there has been an overall decline in the relative importance of these grants in municipal budgets. Whereas government transfers represented 47.1% of municipal revenues in 1970, they currently account for only 12.3% of such revenues. The other major source of revenue is user fees on municipal services, which account for over 20% of municipal revenues (Collin and Léveillé, 2003: 19).

2. The leading metropolitan areas
Nine metropolitan areas currently play a pivotal role in Canadian economic and political life. They are Vancouver, Edmonton, Calgary, Winnipeg, Toronto, Ottawa, Montréal, Québec City and Halifax1. Several of these metropolitan areas have been the focus of aggressive territorial reorganization policies spearheaded by provincial governments and supported by political and administrative leaders in Canada’s central cities. This has resulted, in most cases, in major municipal mergers, achieved through the amalgamation of local municipalities and existing regional authorities, thus largely putting an end to the two-tiered institutional arrangement that had become increasingly widespread since the late 1960s2. In many cases, the creation of the new big cities has also led to

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1 Even though it is substantially smaller (it is actually Canada’s twelfth largest urban area), Halifax deserves to be included in this category due to its position as the largest city in the Maritimes. In 1996, Halifax was also the first such urban area to undergo a major territorial reorganization, being its model a guide for other urban areas reforms.

2 Specially, the Metro Toronto (1954), the Greater Vancouver Regional District (1967) and the three Urban Communities in the Province of Québec (1970) (Montréal, Québec and Outaouais).
the setting up of decentralized structures at the level of local neighbourhoods or boroughs (see table 1).

In fact, since the creation of Unicity of Winnipeg in 1972 by the amalgamation of 13 nearby municipalities, no major metropolitan areas in Western provinces was the object of massive amalgamations comparable to those knew big metropolitan centres in Quebec, Ontario, Nova Scotia, Prince Edward Island and New Brunswick. However, the nature and the reach of these reforms were not the same in all the provinces. The most extensive changes occurred in Ontario and Quebec, where reforms were implemented at the provincial scale.

**Ontario**

In Ontario, the number of local municipalities in both rural and urban areas was slashed from 815 in July 1996 to 447 in January 2001 (Frisken, 2001). Several new cities were created after the amalgamation of munici-

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**Table 1. Canada’s Main Metropolitan Areas From the Atlantic**

<table>
<thead>
<tr>
<th></th>
<th>Halifax</th>
<th>Québec City</th>
<th>Montréal</th>
<th>Ottawa-Gatineau</th>
</tr>
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<tbody>
<tr>
<td><strong>Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metropolitan area in 2001</td>
<td>359 183</td>
<td>682 757</td>
<td>3 426 350</td>
<td>1 063 664</td>
</tr>
<tr>
<td>Central city</td>
<td>359 111</td>
<td>507 985</td>
<td>1 812 723</td>
<td>840 295</td>
</tr>
<tr>
<td>Central city / Metropolitan area (%)</td>
<td>99.9%</td>
<td>74.4%</td>
<td>52.9%</td>
<td>79%*</td>
</tr>
<tr>
<td><strong>Local governments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of municipal governments</td>
<td>1</td>
<td>23</td>
<td>68</td>
<td>13</td>
</tr>
<tr>
<td>Local govs. / 100 000 population within the CMA</td>
<td>0.2</td>
<td>3.3</td>
<td>1.9</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Regional authority</strong></td>
<td>None</td>
<td>Québec Metropolitan</td>
<td>Montréal Metropolitan</td>
<td>None</td>
</tr>
<tr>
<td><strong>Number of borough councils or community councils</strong></td>
<td>6</td>
<td>8</td>
<td>27</td>
<td></td>
</tr>
</tbody>
</table>

* This metropolitan area belongs to two different provinces (Ontario and Quebec) and is

Source: Statistics Canada
cipalities: London (1993), Toronto (1998), Ottawa (2000), Hamilton (2000), Kingston (2000), Sudbury (2001). This municipal reform or the “Common Sense Revolution”, leaded by Premier Mike Harris (Kushner and Siegel, 2003), was accompanied by a fiscal reform, as we will see later.

**Toronto**
The new mega-city of Greater Toronto, put in place on January 1, 1998, is the result of the grouping of six local municipalities of Metro Toronto and the regional municipality of Metro Toronto, marking the end of the two-tiered organizational structure that had been set up in 1954 (Slack, 2000). After this reform, the city became the most important in Canada with 2,481,494 people, in the 2001 census. The new organizational structure included advisory community councils, which were mandated to make recommendations on zoning matters. Initially corresponding to the boundaries of the six merged cities, the territorial orga-

<table>
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<tr>
<th></th>
<th>Toronto</th>
<th>Winnipeg</th>
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<tr>
<td></td>
<td>4 682 897</td>
<td>671 274</td>
<td>937 845</td>
<td>951 395</td>
<td>1 986 965</td>
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<td></td>
<td>2 481 494</td>
<td>619 544</td>
<td>689 104</td>
<td>904 987</td>
<td>545 671</td>
</tr>
<tr>
<td></td>
<td>52.9%</td>
<td>92.2%</td>
<td>71%</td>
<td>92.3%</td>
<td>27.4%</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>10</td>
<td>31</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>0.5</td>
<td>1.4</td>
<td>3.3</td>
<td>0.8</td>
<td>1</td>
</tr>
</tbody>
</table>

None    None    Alberta Capital Regional Alliance    None    Greater Vancouver Regional District

|    | 6       | 5       |

composed of the twin central-cities of Ottawa and Gatineau and their respective suburbs
nization of the community councils was revised in 2000. The councils have a strictly advisory role, with responsibilities primarily in the area of planning and development. The City is solely responsible for the delivery of services to local communities (Quesnel, 2002).

The reform imposed by the provincial government was, nonetheless, limited to this territory, and the municipal structures of the rest of the region of the Greater Toronto Area have remained unchanged. Along with the creation of the new mega-city, as it was called, the Greater Toronto Services Board (GTSB) was established to handle public transit and regional planning in the GTA, as well as other public services the municipalities might decide to share. Besides the newly amalgamated City of Toronto, the Greater Toronto Area also included the regional municipalities of Halton, Peel, Durham and York—a territory of nearly 6,000 square kilometres (Slack, 2000). The GTSB was unsuccessful in carrying out its mandate and was abolished in 2002, leaving several regional planning issues unresolved and creating an institutional void that has yet to be filled.

Ottawa-Hull

On January 1, 2001, the Regional Municipality of Ottawa-Carleton (RMOC) was merged with its 11 member municipalities into a single municipality, extending over a vast territory of 2,767 square kilometres (including both rural and urban areas). At the other side of the provincial boundary, in the Quebecois region of Gatineau, the municipalities surrounding Hull (the former central-city) were also amalgamated, conforming a metropolitan area with two main centres. Any of the two new cities (Ottawa and Gatineau) have sub-municipal structures, despite the debate on this subject in the two years prior to the merger (Quesnel, 2002).

Quebec

In early 2000, following Ontario, the Province of Quebec engaged in a large-scale reform of municipal institutions in metropolitan areas, through the amalgamation of municipalities (from 1,433 in 1995 to 1,147 in 2003) and the creation of two Metropolitan Communities. Although the level of fragmentation was not significantly reduced, this reform did result in the emergence of a network of nine cities with a population of more than 100,000 people, a network that included 53% of the province’s population, 60% of the jobs and 63% of municipal expenditures (Collin, 2002).
Montréal

The reform in Montréal is based on three axes. At the regional level, 63 municipalities of the metropolitan area belong, since 2001, to an agency of regional planning, the Montréal Metropolitan Community (MMC). The MMC’s responsibilities include planning issues primarily (land use planning, economic development, artistic and cultural development, solid waste management, public transit and arterial roads), as well as funding for social housing, water treatment and air quality (Organization for Economic Co-operation and Development, 2004).

At the metropolitan level, the most important merger involved the amalgamation into a single municipality of the Montréal Urban Community (which was responsible for public transit, police services, water treatment, air quality, regional parks and economic promotion) and its 28 member municipalities. The new City of Montréal corresponds, for the most part, to the wholly urbanized territory of the Island of Montréal (504 square kilometres). On the Southern Shore, eight municipalities were also gathered with the regional municipality of county Champlain to form the new City of Longueuil (2002), while on Northern Shore there was already a large city (Laval) resulting from a municipal reform in 1965 (forced amalgamation of the 14 municipalities of the Jesus Island). The metropolitan area is thus structured on three large poles: Montréal, Longueuil and Laval (Fischler and Wolfe, 2000; Quesnel, 2000).

Finally, the third pillar of the reform is the decentralization towards the 27 boroughs of the new Town of Montréal. Among the new big cities created in 2002, the City of Montréal is the most decentralized, since the borough councils have considerable advisory and decision-

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3 The number of municipalities in Quebec will change again due to the de-merging process that is taking place. The approval of Bill 9 in December 2003 permitted to hold referenda in the municipalities which were forced to merge in 2000, making real the electoral promise of the Liberal Party. On the 20th of June 2004, citizens were asked whether they wanted to stay in the new amalgamated city or go back to their previous status (although the municipalities will not have exactly the same powers they used to have). The results of the referenda meant that 31 cities will de-merge and will become local municipalities on the 1st January 2006, according to Bill 9.

4 The situation will change after the referenda held in Montréal: 14 boroughs decided to recover their condition of municipality and will leave the City of Montréal. Nevertheless, they will be obliged to belong to a new Agglomeration Council for the island of Montréal and also to the MMC.
making powers, reinforced through Bill 33 in 2003. The borough councils are responsible for managing local services such as local roads, garbage collection, recreation, parks, culture, and community development, as well as for handling some planning aspects and overseeing public consultation. Borough councils can make recommendations to the city council, especially on budget matters. They have no taxation powers and cannot borrow money, but they can request the levying of a partial tax to help fund additional levels of services (Collin and Robertson, 2004).

Québec City
Since January 2002, the Québec City urban area now includes only two municipalities: Québec City, with 507,985 inhabitants, and Lévis, with 125,241 inhabitants. In both of the new municipalities, municipal mergers were combined with the setting up of a two-tiered political and administrative structure. The management of local services and the application of urban planning regulations were placed under the authority of the borough councils, made up of municipal councillors from various geographic areas of the city. The boroughs have no direct taxation powers and receive funding from the central city administration. Québec City has eight such boroughs and Lévis has three. In Québec City, the borough councils are also responsible for setting up public consultation mechanisms, and have an advisory role on zoning matters, land use planning and the city’s budget policy. Several planning issues involving Lévis, Québec City, and 24 other, much smaller municipalities in the surrounding area are handled by the Québec Metropolitan Community, which is responsible for matters such as public transit, economic development and land use planning (Collin and Léveillé, 2003).

The other metropolitan areas
In the other metropolitan areas there have been few structural changes in the last five years, specially in western Canada. The main characteristics of these areas are summarised below.

The City of Québec will also change its nature after the referendums held on the 20th June 2004: two boroughs will de-merge.

This section is based on Collin and Léveillé, 2003.
Vancouver (British Columbia)
The regional organizational structure in Greater Vancouver is often described as the exception of the Canadian model of metropolitan governance, since it is based on a regional partnership that does not include amalgamations (Smith, 1995). Over the past few years, the regional nature of some issues linked to urban development in the Vancouver area has encouraged collaboration between local actors. Back in 1967, the setting up of the Greater Vancouver Regional District (GVRD) had helped to foster greater involvement at the regional level in the provision of urban services. However, although regional services are provided by the GVRD, without the need for an intermediate level of government, local municipalities still pay for a significant share of these services through their contributions. Public transit, which has recently come under regional control, represents an exception to this general rule, in that it is also funded by a variety of taxes and fees.

The territory of the GVRD corresponds to the boundaries of the Vancouver census metropolitan area. It includes 21 municipalities and one territory that is not organized as a municipality. In 2001, the GVRD, with an area of 3,249 square kilometres, had a population of nearly 2 million people (half the population of British Columbia). The City of Vancouver is the largest city in the district, with a population of 545,671 in 2001, or 27.4% of the population of the regional district. In practice, the GVRD serves as an umbrella organization for the activities of five separate legal entities with specific regional mandates: drinking water supply, wastewater, hospitals, housing and public transit (Sancton, 2001).

Calgary and Edmonton (Alberta)
Calgary and Edmonton are the result of an aggressive policy of territorial annexations that took place in the 1960s and the 1970s. According to the 2001 census, the City of Calgary included 92.3% of the population of the metropolitan area. In the 1990s, over 90% of the population growth had occurred within the boundaries of the central city. Even local public services that, in other metropolitan areas, are generally a supra-municipal or intermunicipal responsibility (such as public transit) are handled entirely by the central city. In 2001, Edmonton still contained 71% of the population of the metropolitan area and includes vast, undeveloped spaces that could continue to attract suburban type development. The Alberta capital region has recently been the focus of a major review aimed at improving intermunicipal coordination and cooperation among
the 22 municipalities that make up this region. Slightly smaller than the census metropolitan area, the region already has a mechanism for voluntary intermunicipal cooperation, which is basically a discussion forum for the region’s member municipalities: the Alberta Capital Regional Alliance (ACRA).

**Winnipeg (Manitoba)**

Winnipeg, the first big Canadian city to undergo a major municipal merger (with the creation of Winnipeg Unicity in 1972), continues to dominate the surrounding region. Unicity came about when the Corporation of Greater Winnipeg was merged with the twelve member municipalities. Over the past thirty years or so, there has been relatively little development outside the central city, which had 619,544 inhabitants in 2001, or 92.2% of the population of the metropolitan area (which, in addition to Winnipeg, includes nine other local municipalities). Nevertheless, there have been concerns about improving intermunicipal cooperation. In 1998, the Manitoba government created the Capital Region Review panel. This group tabled its final report in December 1999, which recommended the creation of a regional body, as well as a number of improvements in the area of municipal budget planning and user fees. But, to date, none of these recommendations have resulted in concrete action.

**Halifax (Nova Scotia)**

The Halifax Regional Municipality was created in 1996 subsequent to the merger of four local municipalities and the existing metropolitan authority. In 2001, it comprised 359,111 inhabitants, containing 39.5% of Nova Scotia’s population. The creation of the new unified city was accompanied by the setting up of decentralized advisory structures called community councils, and whose responsibilities are chiefly in the area of land use planning.

3. **The specificity of the Canadian experience: amalgamations as the way to face metropolitan challenges**

The 1990s represents a renewal of interest for metropolitan issues in Canada, following the general trend in Western countries (Le Galès, 1995; Savitch and Vogel, 1996). Nevertheless, the previous portrait summarizing the main characteristics of the leading Canadian metropolitan regions has shown us the persistence of institutional reforms or old solutions (Sancton, 1992; Hamel, 2001; Sancton, 2001), contrarily to the trends in the US and Europe. In the US, the use of amalgamations has traditionally been
exceptional, since the voluntary inter municipal cooperation is the most frequent solution to tackle metropolitan problems (Hamilton, 1999; Stephens and Wikstrom, 2000). In Europe, the amalgamation of municipalities was usual during the 1960s and 1970s, but the only recent experience of amalgamation has been in Greece. However, it has been limited to rural areas, excluding the two main cities (Hlepas, 2002). During the 1990s, there has been the creation of some metropolitan governments (London) and regional agencies (Stuttgart) (Jouve and Lefèvre, 2002) and the implementation of mechanisms for the cooperation of municipalities (in France) (Baraize and Négrier, 2001). Why has Canada kept on implementing metropolitan reforms based on the amalgamation of municipalities?

3.1 The arguments supporting the reforms
To understand the provincial public policy on metropolitan areas, we will make a critical evaluation of the four main arguments that have been mobilized to support the reforms. These arguments are used by all the provincial governments and in a similar rhetorical way. We will also take into account the specific arguments developed in Ontario and Quebec, since they are the provinces with more aggressive policies. The differences in the arguments help us to recognize the distinctive elements that characterized the reforms in these two provinces.

In relation to the general arguments, the question of the large number of local municipalities was set at the centre of debates and legislative interventions as the provincial government decided to focus on amalgamation. Following the ideas of the reform theory, which were dominant in the conception of metropolitan governance between 1950 and 1970 in Western countries (Hamilton, 1999), the fragmentation of local government structure had three effects: lack of a metropolitan wide political perspective, conflicts between local governments, and severe service problems. However, the analysis of data shows us that there is a relative lack of fragmentation in Canada’s nine big metropolitan areas and capital regions in the various provinces. Montréal and Québec were the cities with a larger number of municipalities, but far away from the fragmentation in the US or in France, for instance (Collin, Robertson and Charron, 2004 (forthcoming)).

The idea that urban regions must have the institutional capacity to realize their full economic potential and improve their competitive position in the national or global economies is the second argument for institutional reforms (Frisken, 2001; Sancton, 2003; Wolfe, 2003). In other
words, more unified governance structures should enhance the economic growth and incomes of regions. However, the US has the most fragmented system of metropolitan governance among all developed nations, yet its economic growth rate has been among the highest in the world (Stephens and Wikstrom, 2000). As Swanstrom points out, “it appears that low fragmentation is neither a necessary nor a sufficient condition for a prosperous regional economy” (Swanstrom, 2001: 484). Moreover, the use of this argument can have the opposite effect. Authors like Keil or Boudreau have argued that pressures coming from the globalisation would cause movements in favour of amalgamations (Toronto, Montréal), but also towards secession (San Fernando Valley, in Los Angeles) (Boudreau and Keil, 2000; Boudreau, 2003).

Economic goals seem to be prominent in provincial decision-making (Fischler and Wolfe, 2000; Collin, 2002). The third argument, which is also inspired by the reform school, is focused on the idea that the governmental fragmentation increases the costs of delivery and production of services in metropolitan regions, since local units are too small to achieve economies of scale (Dente, 1990). The creation of a single unit would enhance efficiency and efficacy, achieving cost savings by reducing waste and overlapping of structures and institutions. Moreover, the sharing of costs between all the municipalities of the metropolitan area would alleviate the fiscal burden for central cities, which was a central issue in most of the Canadian city-regions object of reforms (Vojnovic and Poel, 2000).

The debate about the economic advantages of amalgamations and the optimal size for municipalities is an old one. A review of several studies and empirical evidence on fragmented versus consolidated local governments presents contradictory results according to different authors and schools. For the tenants of the public choice school, amalgamated structures are associated with higher spending, while the “consolidationists” indicate all the opposite (Mourtizan, 1989; Keating, 1995; Martins, 1995). Another issue to take into account are transitional costs caused by municipal amalgamations, which are often higher than anticipated (Vojnovic, 1998). Governments are those entitled to decide if the expected outcomes of reforms make up for the additional costs.

Finally, there was the emphasis on sustainable development and land use planning objectives, especially with the aim of combating urban sprawl and the preservation of open space (Collin and Léveillée, 2003). Metropolitan areas expand and consume more land, transcending municipal boundaries. Thanks to the merger of municipalities, it is argued, the new
mega-city would have a coordinated approach and implement policies to protect the environment at the metropolitan level. However, some examples on the South Shore of the St. Lawrence River in the metropolitan area of Montréal demonstrate that urban development continues to grow in spite of the amalgamation of local municipalities (Collin and Poitras, 2002).

The comparison between the cases of Ontario and Quebec is interesting since the governments put into practice the same solution (the amalgamation of municipalities) based on opposite goals (the downloading of responsibilities towards the municipal level vs social and fiscal equity) (Fischler and Wolfe, 2000; Bherer and Lemieux, 2002).

In Ontario, municipal reorganization promoted by the neo-conservative government of Premier Mike Harris had five basic goals: fewer politicians, lower taxes, less bureaucracy, more efficient local services with the same level of accessibility, and more accountability by reducing service overlaps and duplications (Slack, 2000). The specificity of the reform in Toronto was the determination to restructure the provincial-municipal financial relationship by shifting responsibilities to the municipal sector governments, accompanied by rigorous cost cutting and downsizing agenda (Frisken, 2001). Local services realignment (more commonly referred to as downloading) resulted in the transfer of responsibility both for many “hard” services (such as transit, roads and water) and “soft” services (social housing, public health and social services). Moreover, a new property tax system was implemented province-wide, making it difficult for citizens to distinguish between the effects coming from amalgamations, local services realignment and property tax reform (Slack, 2000). The municipalities have stressed the problems these new responsibilities have created and the lack of adequate financial resources (Haf, 2002).

In Quebec, the reform was less drastic in terms of provincial-municipal relations, since it did not involve a revision of the sharing of responsibilities between the province and municipalities (Collin, 2002). The reform was based on five main arguments: ensuring a fairer distribution of the tax burden; developing a shared vision of the future of local communities; fostering the optimal conditions for economic development; making the municipal sector more efficient while simultaneously alleviating the tax burden (Ministère des Affaires municipales et de la Métropole, 2000). What is particular within the Quebec experience, as well as the reform in Halifax (Poel, 2000), is the claim for greater
Social and fiscal equity, an argument characteristic of the reform theory (Hamilton, 1999). Due to the disparity of wealth among municipalities, it is argued, local public services are marked by inequality and lack of equity. The municipal amalgamation and the creation of a new city that ensures the equal redistribution of wealth is considered as the adequate solution to the problem (Keating, 1995).

In conclusion, we observe that some of the arguments used during metropolitan restructuring in Canada are linked to old regionalisms (mainly, the reform theory) (Sancton, 2001), like those regarding social and fiscal equity or the excessive fragmentation of metropolitan areas. On the other hand, other dimensions of the debate were common to current trends in the United States and Europe, above all the claim for regional structures to ensure economic competitiveness and economic growth (Hamel, 2001; Swanstrom, 2001).

3.2. The key factors to understand the Canadian model of metropolitan governance

It is a widespread belief among Canadian scholars that changing the boundaries of cities does not represent the solution to metropolitan problems (Sancton, 2000; Hamel, 2001). Contrarily, the new regionalism supports that the regional level is more suitable to face metropolitan problems, i.e. fiscal and social inequalities and urban sprawl, as well as to improve competitiveness (Savitch and Vogel, 2000; Swanstrom, 2001). It is also known that inhabitants often contest amalgamations, since there is an association between local units of government and grass-roots democracy (Teaford, 1997). Researches on citizen’s attitudes toward municipal amalgamation in Ontario and Halifax confirm the disapproval of this kind of public policy (Poel, 2000; Kushner and Siegel, 2003), as well as the mobilization of arguments in favour of local government (Boudreau, 2000; Collin and Tomàs, 2004). The current process of de-merger in Quebec demonstrates that a majority of citizens disapproved forced amalgamations. Taking into account these elements, how can we explain the persistence of municipal amalgamations in Canada?

7 The process to de-merge has had two phases. In May 2004, a minimum of 10% of citizen’s signatures belonging to an ancient municipality was needed to pass the second phase, the referendum. To pass the referendum in June, it was necessary that at least 35% of citizens who had the right to vote did vote in favour of the de-merger proposition. This barrier prevented a larger number of municipalities from de-merging.
Authors such as Sancton and Collin stress the importance of the Canadian institutional context as the key factor which would explain the use of municipal amalgamation (Collin, 2002; Sancton, 2003). In fact, it is important to once again stress that, as stipulated in section 92(8) of the Canadian Constitution, municipal affairs come under the exclusive jurisdiction of the provinces. The absence of constitutional recognition, the type of municipal resources (dependent on property tax), the political system (non-partisan elections at the local level) and the political culture (in particular, from elected officials and civil servants) are crucial issues to understand Canadian tradition to face metropolitan challenges through old solutions (Sancton, 1992; Collin, Léveillé and Poitras, 2002). The fact that Canadian municipalities are provincial creatures would explain why reforms have always been top-down and why the impact of other non-institutional solutions (like new regionalism) has been so attenuated (the model introduced in Vancouver being the exception that confirms the rule).

In fact, some authors stress the importance of specialists, civil servants and elected officials during the reform in Quebec (Hamel, 2001), while others highlight the general absence of economic groups (contrarily to what happens in the US). Sancton affirms that “socio-economic elites in Canada have traditionally expected their provincial and municipal governments to look after the well-being of their cities “ (Sancton, 2001: 553).

Another fact related to the institutional framework is the lack of interest to enhance regional governments, in spite of several reports recommending regional bodies to be more adequate to face metropolitan challenges (Slack, 2000; Frisken, 2001; Hamel, 2001). For example, there were several attempts in Montréal during the 1990s to promote the creation of regional bodies, as it happened in Toronto. The Pichette report in 1993 fostered a Greater Montréal with directly elected members (Task Force on Greater Montreal, 1993), while the Commission of Development for the Metropolis would combine elected politicians with representatives from socio-economic groups and institutions (Gouvernement du Québec, 1997). None of the initiatives had support and was never implemented. The creation of the Montréal Metropolitan Community in 2001 (as well as the Québec Metropolitan Community), even if it is an attempt to have a regional vision, has weak executive powers, indirectly elected members and absence of socio-economic groups (Organization for Economic Co-operation and Development, 2004). As Sancton points out:
Directly elected Canadian regional governments have never been able to establish themselves in voter’s political consciousness because they have not been able to carve out a credible niche for a fourth level of government. Urbanists can claim that city-regions make more sense geographically than the boundaries of states and provinces, but such a claim makes little sense to the middle-class suburban resident of Toronto (...) What the Canadian experience shows is that having two levels of directly elected non-partisan municipal politicians within a two-level federal system is likely one level too many (Sancton, 2001: 547).

We could conclude that institutional framework proves to be the crucial factor to understand the dominance of old regionalisms (Sancton, 2001). Nevertheless, the significance of this factor diminishes when we try to explain the particular model of each metropolitan area (Smith, 1995). Local factors appear then more appropriate to explain, for example, the difference in the goals of the reforms in Ontario and Quebec (Fischler and Wolfe, 2000) or the diversity of models of decentralization in boroughs between Montréal, Québec City, Halifax and Toronto (Quesnel, 2002).

When analysing the case of Montréal (Quebec), several authors underline the role of local actors, like trade unions, mayors and associations of municipalities, feminist groups and anti-merger citizens groups (Quesnel, 2000; Frohn, 2002; Boudreau, 2003b; Faure, 2003). According to Fischler and Wolfe, "in contrast to Harris’s heavy-handed, top-down policy on municipal affairs in Ontario, Harel’s\(^8\) plan represents a gradualist approach to municipal reform and leaves many wrinkles to be ironed out by local actors themselves” (Fischler and Wolfe, 2000: 106). The several episodes that have occurred since the reform (Bill 33 to reinforce borough’s decentralisation, Bill 9 that set off the process of de-merging) seem to confirm this hypothesis. This perspective refutes the idea that provincial government would have dominated the process from top to bottom, as Sancton suggests (Sancton, 2003).

To sum up, the structure and nature of local government has an outstanding relevance to explain the persistence for institutional reforms in Canada. Nevertheless, there are several differences between the particular models of metropolitan governance in each urban region, spe-

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8 Harel is the name of the Minister for Municipal Affairs and the Metropolis during the reform in Quebec.
cially between Vancouver and the rest. This is why we can affirm that metropolitan reforms in Canada are the result of national and local circumstances. The Canadian approach to metropolitan governance is facing new challenges and will evolve as a consequence of the on-going process of metropolisation.

4. A new era for Canadian cities? The claim for more autonomy
Canada is experiencing an evolution of its urban hierarchy with a noticeable domination of a limited number of metropolitan agglomerations emerging as engines of economic, social and cultural development. Its seems that Canadian cities are “back on the agenda”, since Paul Martin (the Prime Minister) is calling for a New Deal (Sancton and Young, 2004). The creation of the Prime Minister’s Caucus Task Force on Urban Issues in May 2001 (Wolfe, 2003) and of a Cities Secretariat in 2003, as well as the organisation of the first national forum of the 22 larger Canadian cities in June 2004 testify also of this trend. Canadian cities are now at another crossroads in their evolution, as they emerge as key players of national political arena (Bradford, 2002).

However, cities claim for further reforms and for increased recognition under the constitution to meet successfully this challenge. Three main groups are lobbying for major changes: the Federation of Canadian Municipalities (FCM), its Big City Mayor’s Caucus, and Canada 5 (a coalition of Toronto, Montréal, Vancouver, Calgary and Winnipeg). Their demands are focused on three points: more fiscal autonomy, a constitutional change and a major federal involvement in municipal affairs.

4.1. Claim for more fiscal autonomy
Canada’s seven largest metropolitan areas generate almost 45% of the country’s GDP (Bradford, 2002). However, cities feel that they do not have the financial and political resources they need to successfully meet today’s urban development challenges. In their declaration in the National Forum on Economic Growth of the Big Cities in Canada, held in Montréal in June 2004, Big City Mayor’s Caucus claim for more fiscal autonomy. On the one hand, they deplore the insignificant funding to provide citizens with high-quality municipal infrastructure, transportation and public transit systems. The demand for money comes in fact from all municipalities, no matter the size (Sancton and Young, 2004).

On the other hand, Big City Mayors argue that their share of the economic benefits generated on their territories is too small, and that they
are forced to operate in a political environment that undermines their competitive capacities. Big City Mayors assert that cities in the United States and Europe are more competitive than Canadian cities because they receive support from their respective central governments. The poor performance of Canadian cities is said to be largely due to the institutional straightjacket in which they are placed. They do not have sufficient local revenue sources or financial support to enable them to make the needed investments. They do not have enough flexibility to develop imaginative solutions. They are too tightly controlled (Big City Mayor’s Caucus, 2004).

Cities are therefore calling for structural changes and are demanding a sufficient level of financial resources to sustain their long-term development and to maintain their competitiveness on the world stage. They ask for a diversification and increase of sources of revenue (Haf, 2002). They propose to strengthen municipalities’ powers by reallocating their responsibilities, more clearly acknowledging the roles they play, and expanding their sources of revenue. Municipal finances and taxation is the first issue that must be faced if municipalities are to be able to meet the needs of their residents. In short, municipal associations are claiming that it is time to establish a new partnership that recognizes the changing roles and responsibilities of cities and their function as economic and demographic engines of the provinces and Canada (Federation of Canadian Municipalities, 2001).

4.2. Claim for a constitutional change
But over and above such financial considerations, cities want to be free to take the initiatives that they feel are needed for their development and for the well-being of their inhabitants. They want greater flexibility to act, to more effectively participate in development projects and to foster partnerships. Since each municipality has its own particular needs and priorities, local governments are asking for more autonomy and flexibility so that they can appropriately meet their needs based on the local situation, and not based on rules established at another level.

What they are really asking for is a change of a legal and political nature. They want the status of municipalities to be enshrined in the constitution. On the basis of the subsidiarity principle, the FCM and its Caucus of Big City Mayors Canadian are fighting for the granting of municipal charters inspired by the tradition of “Home Rule” found in a number of American states (Collin and Divay, 2002). Rather than a detailed list
of responsibilities, big cities would thus be granted overall jurisdiction over a series of fields that are recognized as local in scope. Some cites have now been established as charter cities, meaning a special legislation. There are just four such cities in Canada: Vancouver, Winnipeg, Montréal and Saint John. This view gained the strongest support in Toronto, with the emergence of a proposal for home rule for the Greater Toronto Area (Slack, 2000). Nevertheless, the Ontarian reaction was to approve a new municipal act (January 1, 2003) without mentioning the possibility of city charters (Plunkett, 2004).

In short, big cities are calling for a renewal of the Canadian confederation agreement. They want to be systematically consulted, not only on the legislative changes that concern them, but also, more broadly, on all government decisions that may affect municipalities (including certain international agreements). Municipalities, through their associations and the Federation of Canadian Municipalities in particular, are claiming that they should therefore sit as members of various organizations for intergovernmental cooperation and dialogue (Bradford, 2002).

4.3. Claim for more federal involvement in urban affairs

In many sectors, the policies and interventions of the federal government have a significant impact on municipalities, particularly in urban areas. This is especially true in sectors such as housing, transportation (by road, rail, water and air), immigration and economic development. So, even though local affairs are not a federal responsibility under Canada’s constitution, the federal government has intervened in municipal affairs on many occasions, especially in the context of programs that affect municipalities, thus bypassing the authority of provincial governments (Smith, 1995).

Prior to the crisis in public finances in the mid-1970s, the federal government had developed and introduced a number of programs that had impact on Canadian cities, specially through the creation of the Ministry of State for Urban Affairs (1971-79). Interventions of this kind were sometimes viewed as federal meddling in provincial affairs and were contested by some provinces, especially Quebec (Haf, 2002). As the need to reduce and indeed eliminate budget deficits became a priority, federal authorities were induced to significantly cut back on programs affecting municipalities. But now that the objective of reaching a zero budget deficit has been achieved, the federal government seems to move
once again toward an increased involvement in municipal programs (Wolfe, 2003).

The FCM is one of the groups that are lobbying for greater federal intervention in urban affairs and therefore in municipal matters. In a way, they are challenging the state of intergovernmental relations and the Canadian constitutional order. But they are also calling for a fundamental change in the nature and role of municipalities, and are thus questioning the whole municipal system and the municipal order that were established in the middle of the nineteenth century (Federation of Canadian Municipalities, 2001).

5. Conclusion
To sum up, we will summarise the main issues that have been highlighted in this paper. First of all, Canada is now a highly urbanized country: metropolitan areas concentrate two thirds of the country’s total population. Nevertheless, municipalities have no standing in the constitution nor a “Home Rule”. Secondly, we have noticed that the model of metropolitan governance is still marked by institutional reforms based on metropolitan areas, with particularities in each area. In fact, the current situation of the three main metropolitan areas is quite different.

The Greater Montréal is the result of an innovative reform based on three levels: regional with the Montréal Metropolitan Community, metropolitan with the amalgamation of municipalities in the island, and infra local through the decentralization towards boroughs. It will be interesting to see the restructuration (if any) of the model of metropolitan governance after the next episode of reform (the de-merging process). The coordination of service delivery across the region remains the main concern for Toronto’s metropolitan governance. Neither the creation of the new City of Toronto nor the GTSB has adequately addressed these fundamental regional problems. In contrast, the counterexample of Vancouver seems to attest for a considerable degree of local consensus without the presence of formal regional authority and with a system of indirect representation.

It is interesting to notice that the Metropolitan Communities in Quebec (those of Montréal and Québec) have received little public attention compared to the highly visible controversies about municipal amalgamations. As in Toronto, the regional level is not the main concern, since the logics of provincial-municipal politics appear to dominate the public arena.
Finally, Canada's cities ask for a new deal that enhances their autonomy, contemplating a variety of instruments ranging from constitutional recognition to more enabling provincial Municipal Acts and increased taxation powers. The partnership between all levels of government seems to be an issue of crucial importance for the future of Canada's metropolitan areas. Have Canadian cities entered a new era?
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