

Chapter 2

Local Government and Regionalism in North American: Background and Historical Development

Canada and the USA, sharing an extensive political and cultural heritage and social and economic integration, have evolved markedly different approaches in accommodating their local governance systems to meet the needs of twenty-first century metropolitan areas. To understand the different approaches to regionalism, it is necessary to have a perspective on the local government systems, how they developed, the influences, and the differences in their approaches to service delivery. Although there are cultural similarities and extensive economic integration between the two nations, there are also differences that are reflected in their culture and respective political institutions. Both countries have a federal form of government with power shared between the national government and the states/provinces. However, the evolution of the federal form in each country has been different. The provinces wield much more power in their federal system than the states do in America's federal system. Even though both countries adopted a federal system of government as opposed to Great Britain's unitary system, both countries modeled their local government system after England's system.¹

Canada continued under Great Britain for almost 100 years longer, and was directly subject for a longer period to its political institutions and culture than the USA. The English system influence had a greater impact during the critical years as the modern local government system developed. While the separation by the USA from British rule was the result of war and amounted to a rejection of the British parliamentary system of government, the Canadian separation was not the result of war or animosity. It was only natural that Canada would adopt the British parliamentary system as the basis for its governing system. The following sections give a historical account of the development of the local government system in each country and the impact of politics and culture on regional governance.

Development of Local Government in America

The basic system of local government established in the late eighteenth and early nineteenth centuries involved counties, municipalities, and, in some states, townships. In addition, special purpose districts, most notably school districts, were generally established as the need arose. Each class of local government was assigned functions largely unique to it with little over-lapping of functions with other units of local government. Whereas municipalities were established as self-governing entities with authority to provide local services, specified state responsibilities were not within the purview of the municipalities. They were reserved for the counties. Counties were established as administrative subdivisions of the state with the responsibility to provide certain state administrative functions such as conducting elections, recording and preserving legal documents, and providing state judicial services. They also provided minimal municipal services in unincorporated rural areas such as building and maintaining roads and police functions. Townships, where they existed, were artificial subdivisions assigned minimal duties by the state. These were responsibilities otherwise provided by the county, such as real estate tax assessment, road maintenance functions, and certain kinds of assistance to the poor. In different parts of the country, counties evolved differently. For example, counties in the southern colonies exercised more authority than in the northern colonies. They were authorized in some southern areas to provide services equivalent to municipalities. In New England, townships largely replaced counties as the administrative arm of the state.

Municipalities were the basic self-governing units; they were established by petition to the state when enough people were living together in close proximity to form a viable community for self-governing purposes. These municipalities provided local services to meet the needs of the community such as fire protection, law enforcement, public works, and sanitation. Each municipality was largely self-sufficient in its economic, social, and governmental activities. The hinterland around the municipality was usually rural, undeveloped land. The nearest municipality was often miles away.

School districts were generally the only special districts. Their boundaries were usually contiguous with the municipality or the township. These special districts were established to bring a single-minded focus and their own revenue source to a critical local public function. It was also deemed important to free them from the politics of other local governments. School districts were kept small because the means of transportation—horse or foot—limited travel. Occasionally, communities established other nonschool special districts. For example, a nonschool special district was operating in Philadelphia in 1790, but there were few of these (Bollens & Schmandt, 1975, 49).

During the formative years of government after the Revolution, Thomas Jefferson had a major impact on the development of the local government system. He was enamored with the French struggle for democracy and their democratic ideals. He championed direct democracy and individual participation and small local governments where all citizens could become directly involved in policy making. The New England town was the perfect manifestation of his concept of democratic government

and the sovereignty of the individual. The New England model called for strong local government autonomy and small area government units. The New England town was small enough that all citizens could participate in making government policy. Allocation of local government functions also followed the Jeffersonian model. He felt that each local government should be independent and autonomous with each municipality responsible for providing the majority of government functions affecting the community. Units of government further removed would become progressively less involved (Hamilton, 1999, 26).

This philosophy and the town government concept were carried by New England settlers as they moved further west. It was also embodied in the Northwest Ordinance of 1787 sponsored by Jefferson as a way of subdividing the new territory acquired north of the Ohio River as a result of the Revolutionary War. The Land Act of 1796 further fostered the concept of township government by creating townships as survey lines. Each township was 36 square miles making up a sort of checkerboard. Each township was subsequently divided further into 36 sections, each 1 mile² or 640 acres (Abress, 2000, 2). As a result of this method of subdividing the territory and the influence of New England settlers, the states that were carved out of the territory acquired by the Revolutionary War established townships. Thereafter, the township form was adopted by few states, and most states utilize the county at the local level to provide municipal functions in unincorporated areas. Townships are thus largely relegated to the New England states, the mid-Atlantic states, and the states north of the Ohio River and east of the Mississippi River.

Another concept that strongly influenced the American government system that gained prominence from the election of Andrew Jackson in 1828 was Jacksonian Democracy with its strong bias for citizen involvement in governing. According to this concept, citizens had an obligation not just to vote but to become involved in the political and governing processes by serving in various offices, standing for election, volunteering on boards and commissions, and actively working for favored political candidates. The local government system provided ample opportunity to become involved through the proliferation of local governments and through the many local elected and appointed offices that were part of this concept.

Another movement from the late nineteenth century that extended the Jacksonian Democracy concept and had a profound effect on local governments was the populism movement. This direct democracy movement was based on direct political action. It encouraged citizens to take public policy into their own hands. Since not everybody could serve in an elected or appointed office, the public should be actively involved in influencing policy. They should not just elect others and then let them make public policy decisions. They should attend meetings, voice their concerns, and join in causes, etc. There should be referendums on important policy issues so the voice of the people could be expressed. At the local government level, this movement was a continuation of the New England town concept and Jacksonian Democracy. According to this movement, local governments should be free and autonomous from state constraints. Some results of this direct democracy movement on local governance were home rule, initiative, referendum, and recall. This movement was more influential in the western USA than elsewhere.

These local self-determination and direct democracy movements were tempered by the progressive reform movement that acted as a counter to their excesses. The progressive reform movement was championed by the business community as a response to the machine politics and political corruption that occurred in the large cities at the end of the nineteenth and early part of the twentieth centuries. Progressive reform was based on a business approach for providing services. The business community sought to reform local government through reducing the influence of local politicians, limiting the number of elected offices, and by encouraging more professionalism in government. The business reformers argued that the main purpose of local government was to provide services as efficiently and cost effectively as possible and what was needed to do this was not politicians or patronage workers but professional administrators and a trained, nonideological workforce. It was their argument that efficiency and economy should be the major values of local government with the focus on provision of services to property. Other policy and governing issues were better left to senior level governments.

The movements described above had a major effect on how the local government system in the USA responded to urbanization and growth pressures. Industrialization and transportation improvements in the nineteenth century allowed urban areas to grow and factories to expand. For a major part of the nineteenth century it was expected that the development on the fringes of the city would someday become part of the growing city. This concept was usually facilitated by the state legislature as it often occurred by legislative fiat. For example, residents of the area had no vote in the reconfiguration of New York City's boundaries in 1898.

Although annexation was often bitterly opposed by the people in the areas being annexed, the opposition was usually ignored. Examples of forced annexations in the nineteenth century are numerous. In 1854 the consolidation of Philadelphia with its county was approved not by suburbanites, who in fact sent delegation after delegation to oppose it, but rather by state lawmakers in Harrisburg. Local referendums were not held on the San Francisco Consolidation Act of 1865 or on any one of the frequent annexations to Chicago and Baltimore prior to the 1880s. Lawmakers added to both St. Louis and Boston three times before 1860, despite the rejection by voters in referendums. A vote to consolidate the three municipalities of New Orleans met popular defeat in 1850, only to be forced by special legislation in 1852. The Louisiana state legislature also gave Carrollton to the Crescent City in 1867 without seeking the approval of the aroused residents (Hamilton, 1999, 64). As the populism movement took hold, the forced annexations came to a halt. For the most part, annexations and consolidations in the USA now require the approval of voters in all communities to be consolidated.

Development of Local Government in Canada

The political structure and cultural traditions in Canada have resulted in a substantially different government system than in the USA. Local level government in both countries, however, exhibits substantial legal similarities, but there are differences

in how the systems function. As opposed to the USA, Canada had no independent local government until after the Revolutionary War. Local administration was carried out by appointed justices of the peace. As a result of the Revolutionary War, a large number of loyalists fled from the USA to Canada. They were accustomed to local self-government and agitated for self-governing powers. The resulting system of local government was a combination of strains of British central control and supervision and USA self-government. The movement to local self-government proceeded slowly and never reached the level of the USA. Indeed, British rulers suspected that extensive self-governing powers given to the colonists in the USA had helped to precipitate the Revolutionary War. In 1791 Upper Canada was organized and in 1792 it authorized town meetings and permitted the election of certain local officials. However, most of the responsibility for local government remained with the central government-appointed justices of the peace. With continued pressure for more self-government, Upper Canada created several towns with increased local control over the police function, street lighting and cleaning, and local improvements. In the 1830s the central government was pressured to grant additional self-governing powers and even to grant charters of incorporation to some localities including the municipality that later became Toronto. Other areas were allowed to elect police boards with increased authority over a number of functions (Barlow, 1991, 186; Lightbody, 2006, 137).

When the provinces of Upper Canada and Lower Canada were united to become the Province of Canada by the British Parliament in 1840, a comprehensive municipal Statute, The Municipal Corporations Act, modeled after the British municipal law was introduced in the legislative assembly by Robert Baldwin, which became law in 1849. When the Province of Canada was partitioned to become the provinces of Ontario and Quebec, and when these provinces joined New Brunswick and Nova Scotia to form the Canadian nation on July 1, 1867, the Baldwin legislation survived. This law was significant since it provided the model for subsequent legislation for all provinces (Silva, 2005).

The Municipal Corporations Act provided for a comprehensive system of local government. There were two main types of local governments: municipalities, which could be cities, towns, villages, or townships, and counties, which could contain several municipalities. The act created a strong legislative distinction between rural and urban by separating cities and some towns from the county. For those governments that remained under the county's jurisdiction, the county was to be an upper tier.

Local government with a governing board was appointed by elected members of the municipalities. The county board was entrusted to make policies and regulations with respect to such services as the administration of justice, the construction and maintenance of county roads, and the distribution of general welfare funds. The cities, although physically located within a county, were not politically part of the county government and provided their own services. This system conveyed substantial self-governing power to the local governments and remained the basic system of government in Ontario and much of Canada until after World War II (Fischler, Meligrana, & Wolfe, 2004, 75–106).

During the remainder of the nineteenth century, population growth, social and economic changes, and technology development necessitated expansion of government activity. Because of provincial government financial problems, increasing responsibilities were delegated to local government and to special purpose bodies that were separated from the local government. By the end of the nineteenth century, local governments reached their most advanced stage of local autonomy (Barlow, 1991, 187). For example, by 1926, local governments were spending 40% of total government expenditures (before considering intergovernmental transfers), which was equal to that of the federal government and double that of the provinces (Hamel & Jalbert, 1991, 177).

During the Depression, local governments found it increasingly difficult to meet their obligations and pressured the national and provincial governments to take over more responsibility. By the mid-1930s, all provinces except Prince Edward Island had established ministries of municipal affairs or their equivalent. The gradual process of increasing provincial control continued in the postwar years with the local governments becoming more dependent on the provinces. For example, in 1950 Canadian local government revenue was 88% raised from its own sources. Only 12% came from intergovernmental transfers. By 1987 the percentages of locally raised revenue and intergovernmental transfers were almost similar: 53% local and 47% transfers. Most of the transfers were from the provincial governments (Hamel & Jalbert, 1991, 180).

In addition to the grants with their conditions, a number of functions were shifted to the provincial level and were provided by province-wide boards and commissions to increase uniformity and efficiency, such as power, hospitals, and water resources. A number of other functions were removed from direct political control of the locally elected government body to be administered by local boards and commissions established and regulated by the provincial government. The rationale for this was to provide the professional administrators greater freedom from local political influence to administer the function in a more professional manner. Police forces, for example, are usually under a commission with an equal number of representatives appointed by the local and provincial governments and an additional member appointed by the local government, who must be a lay person. In addition, provincial departments were given supervisory authority over selected local functions. For example, provincial bureaucrats closely supervise and establish policies for public health and highways (Barlow, 1991, 188). Moreover, school boards are independent of local government, and a recent change in Ontario reduced their autonomy from the province. The province now provides major funding, sets policy and closely monitors school boards. The local government's main function now is community development, which includes land use planning and infrastructure development (Magnusson, 1990). Even in this area they are expected to adhere to policies established by the province. One Ontario city is fighting a provincial growth plan that calls for greater density in growth. The city council claims that it needs more autonomy to determine its own future growth (McDonald, 2006, 3).

The Jacksonian Democracy and Populism movements that swept the USA in the nineteenth century had little impact in Canada except for some inroads in western Canada. However, local government in Canada was strongly influenced by the

progressive reform movement of the late nineteenth and early twentieth centuries. Canada was receptive to a movement that advocated operating local government like a business, removing government from politics, and encouraging a more professional administration. Indeed, Ontario already had experience with this system of government having established police commissions and health boards as early as the 1850s. As boards and commissions were established, the elected local government political leaders' direct control of local services was reduced, and the power of the professional administrator increased. The province also gained increased control through boards and commissions established under the province's direction, which are often dominated by provincial appointees. A number of municipal services, including police, public health, public transportation, and library services, have been assigned to separate boards and commissions to remove them from the political arena. The budgets of these boards and commissions are approved by the municipality, but it has no power to alter them. Moreover, at least some portion of the expenses comes from local property taxes although they operate independently of the municipality. The proliferation of special purpose bodies to provide local services in Canada cause some concern over the amount of fragmentation of local government. Some observers complain that local government is nothing more than a tax-levying body with little or no control over how the money is spent (Tindal & Tindal, 2004, 56–57).

Another element of the progressive reform movement was the creation of a strong nonpolitical executive. This is reflected in the council manager system of government. The manager is a professional hired by a small, part-time political body to manage the affairs of the municipality. This system was generally adopted in Canada and throughout the suburbs in the USA. In some instances in larger American cities the strong mayor form of government was adopted in order to have a strong executive system. While many municipalities in the USA moved away from the weak mayor system to either a strong mayor or a council manager system, Canada continued to maintain a weak mayor system but overlaid it with a professional manager similar to a council manager system. Indeed, the weak mayor system in Canada was originally established following the British model of a largely symbolic figurehead with no more authority than that of other council members. The strong mayor would have injected more politics into the local government whereas what was sought was the reduction of politics.

The progressive reform movement also had a major influence in Canada and smaller US municipalities on nonpartisan elections. While the cities that kept the weak mayor system in the USA also kept partisan elections, and as the head of the political party, the mayor was able to exert strong leadership through the party apparatus, this mechanism was denied to Canadian local leaders. So Canada adopted local government systems that made it virtually impossible to develop strong local government political leadership (Lightbody, 2006, 106–107). The fragmentation of municipal services between independent boards and the strong oversight by provincial bureaucrats is a major reason for the difficulty of local political leaders in Canada to exert strong leadership. Given this system of appointments to these boards shared between the province and the local governments and the fragmentation of services, the professional administrators usually dominate decision making.

The period following World War II brought a further increase in provincial supervision and control of local services largely because of growing service demands on local government arising from rapid urbanization. As the revenues from the real property tax became less and less adequate to finance the growing expenditures of municipal government, the provinces increased their financial assistance. Most of this increased assistance, however, was in the form of conditional grants. By attaching conditions, provinces were attempting to ensure that certain services were provided to at least a minimum standard regardless of the varying financial capacities of the municipalities. As more and more conditions were attached, the municipal services increasingly reflected provincial priorities. In some instances the provincial intervention was even more direct with the provincial government taking over all or partial responsibility for the function on the grounds that the function had outgrown the local government's boundaries or capacity to provide the service. This happened for such functions as roads, property tax assessment, administration of justice, education, public health, and social services. Special purpose bodies were established to provide some of the services, which were often funded by the community through its property tax but administered outside its control (Tindal & Tindal, 2004, 180).

As the provision of traditional local government services were removed from the direct control of the municipality and the provinces started providing more conditional grants, took over functions, and started to supervise local governments more closely, the local governments became less and less independent and autonomous. Because of the heavy involvement of the province in local service delivery, businesses and residents started to interface more with the province or independent boards on many major services, which strengthened the ties to the province and reduced the residents' interaction and identification with the local government. The lack of local government autonomy and the visible provision of services by the province or provincially controlled boards and authorities may help to explain why people are less protective of their local government when restructuring of boundaries is proposed. Indeed, the local level may have a negative connotation as it must enforce provincial policies, such as building codes that often irritate people.

Efficiency and Economy Versus Access and Participation

Because of the strong tradition of local self-determination in the USA, America in the twentieth century went in a different direction than Canada and many western industrialized countries. While these countries utilized efficiency and economy as the rationale for top-down decision making for local government reform, the orientation in the USA was on local self-determination on restructuring issues. Access and participation at the local level in the USA trumped efficiency and top-down decision making. America was the isolated exception of major western industrialized countries focused on the efficiency movement. Efficiency was cited as the major value that dominated the reform of London government in the 1960s and local government reforms in the rest of the country in the 1970s. The result of the

reform decreased the number of local governments in the UK by 71%. Countries such as Sweden, Denmark, and West Germany substantially restructured their local government system to reduce the number of municipalities. In each case, the restructuring was imposed by the central government and involved the consolidation of municipalities. Dramatic changes occurred in Sweden where the number of municipalities was reduced from around 2,500 in 1950 to less than 300. The reforms in Germany reduced the number of local governments from 24,444 in 1965 to 3,417 in 1982. In one German state the number of local governments was reduced from 2,690 in 1967 to 426 by 1980 through a series of statutory and voluntary actions. Before the municipal reforms, more than 70% of German municipalities had fewer than 1,000 residents. After the restructuring, most municipal units had populations over 10,000 (Hamilton, 1999, 19–20).

As the major developed countries of the world centralized, the USA continued to decentralize its local government system. The result of USA exceptionalism was that between 1972 and 1987 the number of local governments increased in the U.S. by 33%. Indeed, some previous consolidated areas were agitating to become independent. In the early 1990s, there was a movement in Staten Island to secede from the forced consolidation of the boroughs in 1898 into New York City. Its effort was blocked in the State Assembly. There have also been proposals to break up Los Angeles with the most recent effort to establish a new city in the San Fernando Valley. The residents of the city voted on secession in November 2002. The referendum narrowly passed in the San Fernando Valley by 51% but was overwhelmingly rejected in the rest of Los Angeles by 67%. The proposal had to be approved by the entire city not just by the voters in the proposed new city. The issue in Los Angeles is not dead as the proponents are considering launching an effort in the California legislature to require only the approval of voters in the seceding area (Sancton, 2003).

Provision of Local Government Services

There are a number of different ways that local public services can be provided. There is any number of permutations in the delivery of each service. On one extreme, the national or state/provincial government can provide all the services. On the other extreme, the local level government can provide all the services. In between the extremes, the services can be distributed between the various levels or, in some instances there can be joint responsibility for the provision of the function. In addition, each service can be divided into various functions, such as the financial responsibility, the policy responsibility, the actual delivery of the service, with each element or part of the element shared or assigned to a different government level. Local governments are legally subordinate to higher levels of government, and these senior level governments can decide the distribution of functions between levels as well as the production and financing of each function. The provision and possible distribution of the three elements involved in each service is depicted in Fig. 2.1.

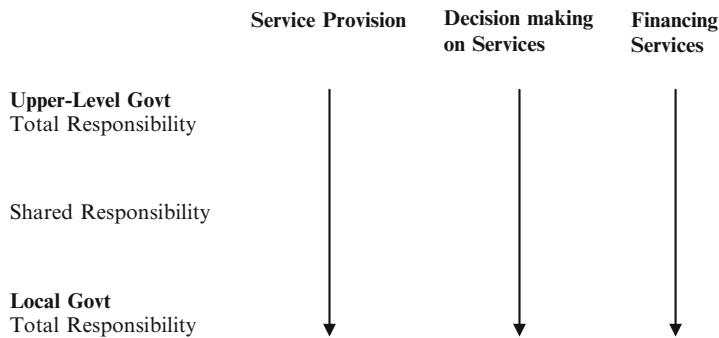


Fig. 2.1 Different ways to provide services between levels of government

The actual service might be produced by non-governmental or quasi-governmental entities or contracted out to nonprofit or private organizations, which further erodes the authority of the municipality. As indicated above with the example of Canada, special districts, boards and commissions are occasionally used to separate the function from the elected governing body. Special districts, boards and commissions exercise varying amounts of independence from the local government and the local political leaders. This approach to local governance, in addition to reducing control by local political leaders, can bring a more professional orientation to the function and can provide for increased involvement of citizens through appointment to lay boards. Lay appointments to governing bodies can bring expertise to the governance of the function that would probably not occur through elections, because many of those whose expertise is desirable on the boards would not make the effort to win an election. Appointment to these boards and commissions is usually shared by the local and state governments. Their powers range from simply advisory to being responsible for the function.

Special districts, boards and commissions provide a dedicated focus to the function. On the other hand, this fragments decision making and the authority at the local level and can be confusing to residents who look to their local government for provision of local services. It also produces silos whereby the independent board is wholly dedicated to the provision of its service making it difficult to coordinate services or share overhead costs with other local government functions. However, one advantage of special purpose districts and commissions is that the boundaries do not need to conform to the municipal boundaries. They can encompass many communities to take advantage of scale economies.

The use of boards and commissions is much more pervasive in Canada than in the USA; however, special districts are widely used in both countries. Provision of public health services is an example of the fragmented nature of the provision of services in Canada. In the USA public health is a county or municipal responsibility. In Ontario it is organized by the province into separate boards with authority over multiple local jurisdictions. All the municipalities in the designated geographical area are under the public health board. Although appointments to the public health-governing

board are shared by the province and the local governments within its jurisdiction, the local governments always have one more member on the board. The provincial appointments are interested lay people from the geographical areas covered by the board. The local government appointments are generally elected councilors from the communities served by the board. The board hires its own employees, prepares its budget, and operates the function independent of the local municipalities. However, it does not have independent-taxing power. The municipalities within the geographical area covered by the board must incorporate their local share of the budget with their budgets. They cannot reject or change the budget. The province establishes the rules and regulations under which the public health boards operate, and the province closely monitors their operation. In essence, public health is a provincially controlled, locally operated, and locally funded operation.

Another example of the fragmented nature of local government services in Canada is the police function. In Ontario this function is provided by an independent police services board composed of seven representatives, three appointed by the province and four appointed by the municipality. One of the municipality's appointments must be a lay person. The other three can be elected representatives of the municipality. The police board can be established at the regional level of government, at the county level of government, at the amalgamated city level, or at the separated city level. Where no police board is established, the provincial police provide the service and bill the community. The original intent of the police board was to remove this function from local political pressures and to ensure a provincial oversight because the province provided some funding. The province has since eliminated its share of the funding. The police board administers the police function under general provincial guidelines, establishes policy, and develops and submits its budget to the municipality, which must include it in its budget. It has no power to alter the board's budget or require more information from the board before approving the budget. Although the police board is nominally accountable to the municipality, the accountability is tenuous at best as the three provincial appointees and the lay person can dictate policy. The municipal council cannot set policy for the police board. Conversely, control of the police function is an article of faith for American municipalities.

A final example to show the difference between the USA and some Canadian provinces is local land use decisions. In the USA, municipalities vigorously protect their local land use powers even though some state and federal laws have started to restrict them. In Ontario, local land decisions are subject to provincial review by the Ontario Municipal Board (OMB). This is an independent provincial board with board members appointed by the province to hear appeals on land use decisions by municipalities. Members of the board receive compensation and have 3-year appointments. Almost all municipal land use decisions can be appealed to the OMB, but the cost of representation ensures that only interests with financial resources ask the OMB to intervene. Moreover, the decision of the board can be appealed to the courts. Critics charge that the cost of the process favors developers over environmental groups and individuals. They charge that the board is too pro-development and does not balance development interests with

environment or community interests. It has been estimated that upwards of 40% of the land use decisions made by the city of Toronto are appealed to the OMB. Critics charge that such a system subverts local democracy and puts too much power in the hands of an unelected and unaccountable body. The OMB in effect has the final say on land use proposals.

Local Government in the Intergovernmental System

Even though Canada and the USA have a federal system of government, local governments have no standing in the federal system and are completely under the jurisdiction of the states/provinces. The relationship between the states and local governments was well articulated by Judge Dillon in an 1868 court case (*City of Clinton v. The Cedar Rapids and Missouri River Railroad*). He called local governments “mere tenants at will of their respective state legislatures” which could be “eliminated by the legislature with a stroke of the pen.” Dillon’s Rule, as it has come to be known, is the doctrine that governs state/provincial-local relations. Under Dillon’s Rule, local governments can perform only those functions that are expressly delegated to them by the senior level government. They are not allowed to do anything that is not stated in the statutes.

Dillon’s Rule is more alive in Canada than in most of the American states because of the concept of home rule. A number of states provide the option of home rule for local governments. Home rule grants substantial autonomy to local governments over their affairs. It turns the express powers doctrine on its head by granting local governments power to reasonably do most anything that is not expressly denied by state law. In most states that grant home rule authority, it must be voted in by the residents of the municipality. However, some states automatically grant it to local governments when they obtain a certain population or have a certain form of government. For example, Illinois mandates that all local governments with a population over 25,000 become home rule municipalities. However, the residents can vote to rescind the home rule powers. Even in states that do not have home rule, local governments generally enjoy substantial autonomy and local self-determination.²

Even though local governments in the USA are legally under state control and state governments in the federal system have separate spheres of authority, the federal government has utilized subnational governments to implement certain federal programs. Donald F. Kettl notes “the growing importance of state and local governments as administrative agents of national programs,” a practice that he calls “administrative federalism” (2004, 113). In administrative federalism, the federal government leverages the activity of state and local governments as agents to do much of its work. Although the states and local governments may have some discretion about whether to enlist as administrative agents of the national government, the construction of the programs typically leaves them little choice (Kettl, 2004, 102–117). This practice is following a concept that has gained traction recently called subsidiarity, which is more prevalent in unitary governmental

systems and nations that exercise more centralized control of local governments. Subsidiarity calls for the assignment of each government function to the lowest practical government level where it can be efficiently and effectively provided. This concept leaves open the question of whether elements of the function should be assigned to different levels or whether the entire function should be assigned to a particular level (Graham, Phillips, & Maslove, 1998).

Local Government Political Power

Despite the above discussion, local governments are not completely at the mercy of senior level governments. Local governments are geographically closer to the people, and they have more direct and visible interactions with the public. People usually have a closer affinity and identity with this level than the other levels of government, which makes them more protective of their government. They tend to resist any changes that would detract from the relationship with their government. In addition, depending upon the political party structure and the type of local government structure, local government political leaders have a major role in the success of the political party at other government levels. Even though many local governments require nonpartisan elections, their elected officials generally are politically active, affiliated with some political party, and have substantial influence within the party. It is not often that politicians at the state/provincial or federal levels of government would risk the ire of their party members at the grassroots.

The structure and organization of the political party have a major impact on the ability of local government politicians to influence other levels. In the USA political parties are organized from the bottom-up as a unified party from the local level to the national level. Local level issues are acknowledged and often become state and national issues through the party structure. Weighing the political ramifications of decisions is particularly important in not alienating the party's constituency or the support for current legislators of the party in power. Canadian political parties are organized from the top-down with separate orientations and organizations for the national and provincial levels even though the party names may be the same. Local issues are not strongly considered in Canadian politics because the parties are organized around provincial or national issues. In a top-down structure, provincial and national political leaders are not beholden or dependent upon local politicians for their success. Conversely, local politicians are dependent upon provincial and national politicians to have their concerns considered. However, if state/provincial or national politicians make decisions that are unpopular at the local level, they could lose popular support and be voted out of office regardless of the party structure. In addition, geographical areas that are not well represented by the political party in power do not fare as well as areas with strong support for the ruling party.

In summary, because of the political party structure and the cultural development of each country, the Canadian provinces exercise much more control over the affairs of their municipalities than is the case with states in America. Local governments in

the USA wield substantial power in the state government through the political party apparatus, various local government associations and by individual lobbying. On the other hand, political power does not inhere at the grassroots level in Canada. Lacking strong local political power, the local level has less autonomy and power. Cultural development is also a factor in the autonomy of the local governments in the US. The concept of local self-determination is much more embedded in the American psyche than it is in Canada. Furthermore, the local self-determination concept has been driven by more pronounced racial and diversity issues in the USA.

The provinces, thus, exercise more control and have unilaterally made numerous changes in the political boundaries of their existing local governments while most proposed changes in the USA are subject to voter approval. Provinces often exercise minute control over their municipalities. For example, the province of Alberta, which, until recent changes in the law, was required to approve any changes in a municipality's crest or coat of arms and Ottawa, which had to receive provincial government permission to pass a nonsmoking ordinance (Graham et al., 1998).

The Decentralization Movement

Starting in the 1980s in the USA and the 1990s in Canada, there was a movement to decentralization. It was called devolution in the USA and downloading in Canada. In the USA devolution was mainly from the federal level to the state and local level. The intent of devolution in the USA was to reduce the size and scope of the federal government by turning programs over to the states. A major thrust of the devolution was to reduce or cap the federal cost of the programs. The programs were devolved through block grants to the states and through the states to the local governments. Although there continued to be federal goals and guidelines in the block grant programs, the states were given greater authority and flexibility in designing and administering the programs to reach the federal goals. The devolution often was accompanied with significant state and local cost increases as the federal dollars were insufficient to totally fund the programs. However, turning programs over to the states and providing administrative flexibility within national guidelines allowed states to interpret policies and establish procedures to fit the needs of their constituencies. The recognition that "one-size-does-not-fit-all" in a diverse and varied population like the USA was a major factor behind the devolution.

The downloading in Canada was the decentralization of functions from the province to the local level. The impact in Canada on the local level was much greater than in the States, because of the provinces' greater involvement with their local governments. It had the effect of increasing local government autonomy. Ontario was the leading province in the adoption of this method, so the discussion on downloading will focus on this province. In the 1990s coinciding with the local government amalgamation movement, Ontario reordered a number of functions. It was an attempt to give local governments more freedom from provincial constraints.³ In the resorting of functions, the province devolved a number of social functions to local

governments including social housing, childcare, ambulance services, and public welfare.

As in the USA with the federal government devolution, one of the major purposes of downloading was to extract the province from financial and administrative involvement in a number of services and simplify provincial-local relations. In exchange for the increased financial responsibility over the downloaded services, the province assumed 50% funding of the costs of education. This changed the source of funding from total reliance on the property taxes controlled by the school board, which, in effect, made the school boards less autonomous. For most other independent boards and commissions, their autonomy and their relationship with the local governments did not change other than some changes in funding formulas. For example, the local share of the health board's budget prior to the provincial downloading was 25% of the budget. With downloading it was changed to 100%, but after substantial opposition, it was changed to 50% and reverted back to 25% in 2007.

Toronto is a special exception to the "funding from own sources concept" utilized in the other local governments in Ontario. Other governments in the metropolitan area contribute to fund Toronto's social service expenses based on the rationale that central cities traditionally house the majority of social service recipients in the metropolitan areas. In areas with upper- and lower-tier local governments, downloaded services are generally provided by the upper tier. In county systems with separated cities, the service can be provided by county employees or by city employees, but the service has to be provided county-wide. For example, In Wellington County, Ontario, the county provides all the downloaded services except ambulance service which is provided by Guelph, the separated city. The province establishes rules and regulations for the programs, and a committee composed of representatives of the governments involved oversees the programs. Administration of the programs is either by employees of the governments involved or is contracted out. Costs are allocated to each government and are funded through property taxes and provincial grants.

The intent of the downloaded functions in Ontario was that the exchange would be revenue neutral. This may have been the result province-wide but not for individual municipalities with extensive social services or public transit systems. The result was often an increased tax burden on the local government to provide the service. For most of the downloaded functions, the regional level or municipal government, where no regional level existed, was given increased administrative and decision-making freedom in administering the function within the provincial guidelines. This allowed the local government to tailor the program to meet local needs to provide better services at reduced costs. However, the province continues to establish and regulate a number of local government policies. For example, the province dictated to local governments the appearance of property tax bills. Another is a province-wide building code. Although it is provincially established, it is enforced by the local level. This is a case where the province sets the requirements and the local level implements and funds the implementation of the requirement. The local land use plan must still be approved by the province, and the province has established growth control requirements

Table 2.1 Provision of selected local services in Ontario

Service	Under tiered structure	After downloading
Social services welfare assistance	Upper tier administered. Funding combination of provincial/municipal—general welfare benefits 80/20, administration 50/50—family benefits 100% provincial	Upper tier administered. Funding same for general welfare—family benefits changed to same funding as general welfare
Childcare services	Upper tier administered. Funding 80% provincial/20% local	Region given increased responsibility in licensing and administration. Administration funded 50% local, province funds 100% of welfare costs
Public housing	Upper tier administered. Funding 100% provincial	Increased administration responsibilities. Funding municipal; province provides some capital grants and housing vouchers
Public transit	Separate transportation board. Funded 100% by province	Administration the same. Funding 100% local
Airports	Separate airport board. Funding 100% province	Administration the same. Funding 100% local
Police	Separate board. Funding 100% local	Unchanged
Fire	Lower tier administered and funded. It was not moved to upper tier because of heavy volunteer involvement and concern that the volunteers could not be administered by the regional tier	Unchanged
Parks and recreation	Combination of lower and upper tier administered and funded	Unchanged
Libraries	Mainly lower tier funded and administered with specialty libraries administered by upper tier. Some provincial grants	Unchanged
Public health	Administered by a separate regional board following provincial requirements. Approved expenditures provincial pays 75% except in Metro 40% paid	Cost sharing approximately 50–50 provincial–local
Ambulances	Administered and funded by province	Administered by region. Funded 50% province, 50% local
Transportation	Some aspects administered by lower tier some by upper tier. Funding from local taxes	Unchanged
Land use planning	Joint local region administered. Funded from local taxes	Unchanged
Solid waste management	Collection local, disposal regional. Funded from local taxes	Unchanged
Schools	Separate county or regional school board supervised by province with property taxing power. 100% locally funded	Province provides 50% funding and increased supervision

for local governments to follow in their land use plans. On the other hand, the province stopped the practice of developers appealing negative decisions by the municipality on annexations to a provincial review body that had the power to reverse decisions of local governments. Table 2.1 indicates how selected local functions were affected by the downloading.

The stated objective of the downloading was to disentangle the provincial governments from responsibility for local services that they had accumulated over the years. In addition, the national government had reduced transfers to the provinces creating financial pressures on the provinces. Moreover, the downloading was designed to reduce duplication and overlap between provincial and municipal service delivery. It was also felt that the entanglement of service responsibilities obscured lines of responsibility, reduced political accountability, and reduced the incentive for more efficient service delivery. However, critics viewed downloading as a way for the province to shed costs. While the provinces reduced their financial responsibility, they continued to mandate rules and regulations governing municipalities in the provision of most functions. The provincial rules and regulations continue to place burdens and mandates on local governments and curtail local policy making and initiative. In addition, critics argue that the downloading of financial responsibility for social programs was poor policy. They argue that redistribution programs should be funded and provided by the province or national government, not by a local government dependent for its revenue on the property tax (Tindal & Tindal, 2004, 182).

Concluding Thoughts

With a quite similar economic, cultural, and development heritage and similar local government structural systems, Canada and the USA developed markedly different approaches to local government. While Canada relied on centralized control, America's approach to local government was to decentralize authority and provide local governments with maximum autonomy. These approaches had serious implications in considering regional issues. Canadian provinces simply altered local government as needed to provide regional services. In the USA, most efforts to change local government boundaries through consolidations initially were mandated by the states, but starting in the late nineteenth century required voter approval. Consolidations were bitterly contested and usually voted down. Future chapters document the different approaches and the results of these approaches on regional governance. Given the history of local government development in the two countries, it places the different approaches in a more understandable perspective.

Notes

1. There was a strong French influence in Canada that was not experienced in the USA. However, the French influence was basically isolated to Quebec and did not extend throughout Canada. In addition, the French rule in Canada was ended early in Canada's history, which minimized French influence on the political and governmental institutions.
2. At the time of this writing, the Ontario provincial government was considering a proposal to grant permissive legislation similar to home rule in the USA to Toronto. The proposal would give Toronto power to act without obtaining approval from the province in matters that have not been legislated by the province. The proposal would instruct the courts that local authority is to be construed broadly.
3. See Chap. 4 for a discussion of the local government restructuring in Ontario.

References

- Abress, M. D. (2000). *Quietly at work: Township government in America*. North Branch, MN: Specialty Press.
- Barlow, I. M. (1991). *Metropolitan government*. London: Routledge.
- Bollens, J. C., & Schmandt, H. J. (1975). *The Metropolis: Its people, politics and economic life* (3rd ed.). New York: Harper and Row.
- City of Clinton v. The Cedar Rapids and Missouri River Railroad Company. 24 Iowa 455. (1868) LexisNexis.
- Fischler, R., Meligrana, J., & Wolfe, J. M. (2004). Canadian experiences of local government boundary reform: A comparison of Quebec and Ontario. In J. Meligrana (Ed.), *Redrawing local government boundaries: An international study of politics, procedures, and decisions* (pp. 75–106). Vancouver, BC: UBC Press.
- Graham, K. A., Phillips, S. D., & Maslove, A. M. (1998). *Urban governance in Canada: Representation, resources, and restructuring*. Toronto: Harcourt Canada.
- Hamel, P., & Jalbert, L. (1991). Local power in Canada: Stakes and challenges in the restructuring of the state. In C. Pickvance & E. Preteceille (Eds.), *State restructuring and local power: A comparative perspective* (pp. 170–196). London and New York: Pinter.
- Hamilton, D. K. (1999). *Governing metropolitan areas: Response to growth and change*. New York: Garland Publishing.
- Kettl, D. F. (2004). Federalism: Battles on the front lines of public policy. In S. Kernell & S. S. Smith (Eds.), *Principles and practice of American politics: Classic and contemporary readings* (2nd ed., pp. 102–117). Washington, DC: CQ Press.
- Lightbody, J. (2006). *City politics: Canada*. Peterborough, ON: Broadview Press.
- Magnusson, W. (1990). Progressive politics and Canadian cities. In D. King & J. Pierre (Eds.), *Challenges to local government* (Modern politics, Vol. 28, pp. 173–195). London: Sage.
- McDonald, V. (2006, Jan. 27). City tells province how it wants to grow. *Guelph Tribune*, p. 3.
- Sancton, A. (2003, May). Why municipal amalgamations? Halifax, Toronto, Montreal. Paper presented at Municipal-Provincial-Federal Relations in Canada conference. Queen's University.
- Silva, L. (2005). *Escaping from the straightjacket that baffled Houdini: An analysis of the myths and realities of empowering Toronto through a city charter*. MPA Research Report presented at the University of Western Ontario, July 30, Ontario, Canada.
- Tindal, R. C., & Tindal, S. N. (2004). *Local government in Canada* (6th ed.). Toronto: Nelson.

<http://www.springer.com/978-1-4614-1625-8>

Measuring the Effectiveness of Regional Governing
Systems

A Comparative Study of City Regions in North America

Hamilton, D.K.

2013, XII, 192 p., Hardcover

ISBN: 978-1-4614-1625-8