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## Introduction



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# Introduction: New Work, Background Themes, and Future Research about Municipal-Federal-Provincial Relations in Canada

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*Ce chapitre présente d'abord une introduction aux articles qui suivent, puisque ce ne sont pas tous les lecteurs qui connaissent bien les différents aspects des relations intergouvernementales lorsque celles-ci incluent les gouvernements municipaux. Puis, dans ce chapitre, on discute de plusieurs thèmes que l'on retrouve sous-jacent des analyses présentées. Ces thèmes incluent les raisons pour lesquelles on s'intéresse de plus en plus aux questions d'ordre municipal au Canada (tels que les changements démographiques, la mondialisation et l'apparition de nouvelles valeurs et de nouvelles technologies), l'impact des nouvelles méthodes d'administration publique, les façons dont la gouvernance à niveaux multiples en Europe a modifié nos idées préconçues, et le rôle de la défense des intérêts des municipalités par des organismes et des individus spécifiques. En dernier lieu, on explore quelques possibilités de recherches éventuelles sur la gouvernance à niveaux multiples, des recherches qui peuvent être effectuées dans le but de poursuivre le travail présenté dans ce volume.*

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## INTRODUCTION

To those familiar with the work of the Institute of Intergovernmental Relations and with the *State of the Federation* series, the papers in this volume will represent something of a departure from the norm. "Intergovernmental relations" as normally construed implies federal-provincial relations. But here the emphasis is shifted to include cities, and municipalities more generally, as actors in the intergovernmental matrix. Not only do some of the chapters that

follow focus on relations between municipalities and provincial governments in their institutional, fiscal, and political dimensions, but others – the majority of the articles – are concerned with the complexities of municipal-federal-provincial relations. As the ordering in the last phrase implies, matters of special concern here are interactions between local governments and the central government. This is of increasing interest in Canada, though the last survey of the field was done more than ten years ago (Andrew 1994) and the last monograph on the topic dates from the 1970s (Feldman and Graham 1979).

The contributions collected here are ordered into four categories: the background to change in multilevel governance in Canada, municipal restructuring, municipal-federal-provincial policies, and the processes of complex intergovernmental relations. The first section of this introduction provides a brief resumé of each chapter. In the next section are explored more general issues about multilevel governance, ones that form the context for the Canadian case and are illuminated by the works presented here. Finally, there are suggestions for further research and reflection, suggestions that arise both from the wealth of information and ideas contained in this set of papers and from the continued evolution of the Canadian federation.

A caveat is in order first. For several decades, many (but not all) scholars interested in Canadian federalism have sought to affirm a certain constitutional egalitarianism by referring to the “orders” of the federation. This hearkens back to K.C. Wheare’s definition of the federal principle as “a method of dividing powers so that the general and regional governments are each, within a sphere, co-ordinate and independent” (Wheare 1953, 22), and the usage may have originated somewhere not unadjacent to the Institute of Intergovernmental Relations – an honest broker in Canadian federalism if there ever was one. Hence, we refer to the provincial “order” of government, emphasizing not so subtly a co-sovereign status for provincial states that is equal to that of the federal order. But when municipal governments are concerned, this terminology breaks down. Under section 92.8 of the *Constitution Act 1867*, municipalities lie firmly within provincial jurisdiction as “creatures of the provinces”; that is, as “simply one of the powers given to the provinces to exercise as they see fit” (Tindal and Tindal 2004, 179). However much their leaders, advocates, and allies strive to win them more autonomy and status, in part through rhetorical spin, this fundamental fact has not changed; nor is it likely to. Moreover, the term is cumbersome when applied to three “orders.” Finally, analysts and political actors throughout the world are content to refer to “levels” of government. Discussing government in contemporary Europe (let alone “governance” in that entity) would be frustrating were we not able to speak about the six or seven levels of government operating there. This is especially true with respect to the term “multilevel governance,” which is used around the globe. “Multi-order governance” does not work. So here we may

speak of “levels” – with no intent, of course, of elevating Ottawa at the expense of the provinces.

## THE CONTRIBUTIONS

The first three chapters here provide background for the others. To start, Loleen Berdahl provides an account of recent initiatives Ottawa has made towards municipalities. These began tentatively when Jean Chrétien’s government created Infrastructure Canada, set up a caucus task force on urban issues, and then established a cities secretariat within the Privy Council Office. This movement accelerated when Paul Martin took power and inaugurated his New Deal for Cities and Communities. Drawing on the extensive work of the Canada West Foundation, Berdahl outlines some municipal-federal relations in major prairie cities and draws conclusions about how Ottawa might better organize these relationships.

Next, Melville McMillan provides a comprehensive overview of the fiscal position of Canadian municipalities. Local governments in Canada are heavily reliant on the property tax, along with fees and transfers. The great bulk of transfers flow from provincial governments, often with conditions. Municipal revenues have not grown in parallel with those of the federal and provincial governments, and the vulnerability of local governments to exogenous shocks is made clear in the data McMillan provides about Ontario, where the Progressive Conservative government led by Mike Harris conducted a sweeping reform of functional responsibilities and fiscal structures. Overall, provincial transfers to municipalities dropped after 1995 (a consequence, one might argue, of federal cuts in payments to provincial governments) and again after 1999. Transfers to municipalities between 1995 and 2001 fell by about one-third, straining the politically sensitive property tax and setting the context for rising local demands for more resources.

The contribution by Tom Courchene is no doubt the most sweeping piece in the collection. He places cities, especially global city-regions (GCRs), in the context of globalization, a set of changes in the flow of money, goods, services, ideas, technologies, and people. Economic success, he contends, hinges on successful competition in the knowledge-based economy, and since much of this is centred in the big GCRs, they must attract and retain talent. This requires money, and while there is room for more effort by municipal governments to raise revenues, Courchene deploys his expertise in federal-provincial fiscal relations to argue strongly for a rebalancing of resources towards the cities. If competitiveness is imperative, there is no real choice about this.

It is partly in the name of competitiveness that many provincial governments have restructured their municipal systems substantially, and this is the

topic of the second section of this book. During the last decade, there were major realignments of boundaries and functions in almost every Canadian province (Garcea and LeSage 2005). Change on this scale had not been witnessed since the 1960s, when very complex systems of government involving counties and other intermediaries were reformed and there were experiments with metropolitan, two-tier, and special-purpose structures (O'Brien 1993; Young 1987). As in that decade, the contemporary restructuring has occasioned much more interest in local government by citizens and scholars alike.

In a comparative chapter, Andrew Sancton plumbs the causes of amalgamation in Halifax, Montreal, and Toronto. His careful analysis shows that these major developments cannot credibly be attributed to global forces; nor did they come about because of the dynamics specified in society-centred theories of structural change. Instead, he argues, provincial governments – indeed, provincial premiers – were able to push through amalgamations because of their relatively autonomous position in the constitutional order.

But these changes provoke opposition, which is the focus of the next two chapters. Pierre Hamel and Jean Rousseau place the Montreal amalgamation within the long history of centre-regional relations in Quebec. This has been marked by contestation for power by the periphery and also by strong citizen demand for greater democratic control over the technocratic and business-oriented Quebec state. The latest amalgamation was an institutional fix, they argue, imposed by the centre, rather than being a more profound change that might have bolstered the participation of the citizenry while securing popular assent.

Julie-Anne Boudreau expands this analysis of resistance, geographically embracing the Toronto case along with Montreal and theoretically aiming to explore the “rescaling” inherent in amalgamations and their politics. At the same time that functions and authority are re-allocated in space, new technologies and mobilization strategies allow for political activity to occur at various scales (or levels of government). In Montreal, part of the resistance to amalgamation involved the anglophone community which, given its weakened linguistic situation provincially, was determined to preserve its autonomy locally. In Toronto, the downtown “urbane” community fought the threatening provincial-driven amalgamation on a variety of scales; one notable counterattack consisted of massive support for the federal Liberal Party.

The repercussions of change also occupy David Siegel, who explores provincial-municipal developments in Ontario more broadly, providing a lucid survey of recent realignments of borders, responsibilities, and finances. The system in Ontario evolves in “fits and starts,” he observes, noting that the latest “fit” in the province remains incomplete in important respects. Moreover, the amalgamations, especially in Toronto, are bound to have significant long-term consequences in the political arena.

The last two sections of this book focus directly on municipal-federal-provincial relations. The second of these is mainly concerned with process,

while the first explores two policy fields, housing and immigrant settlement. Many other policy fields could have been included. Lacking here is work on hard policy areas, such as infrastructure and property development. Another notable gap concerns Aboriginals and the policies in place (or not) to assist them, especially in the major western cities, where they constitute a rapidly rising share of the population. But fortunately there is a growing body of work on First Nations people in cities generally (Graham and Peters 2002). Many other policy fields are touched on in the four chapters that deal with the processes of multilevel governance.

Christian Poirier's contribution examines the settlement and social integration of immigrants, a hugely important issue in Canada, especially in the metropolises where most immigrants settle. The study compares policy about "the management of ethnic diversity" in Ottawa and Montreal, and Poirier makes two intriguing observations. First, city governments have considerable autonomy in this field, because their administrations are linked into the local immigrant networks and they administer relevant services such as housing, policing, and recreation. Second, and somewhat contradictorily, while the federal government plays an important role in the field, it tends to work in formal partnership not with city governments but with grassroots non-governmental organizations (NGOs).

Housing policy is a field of similar complexity, according to David Hulchanski. He shows that there is a long tradition of municipal-federal relations in housing, dating back to the 1940s. Concluding direct intergovernmental agreements has not been difficult when there is a will to proceed on both sides. But Hulchanski sets changing housing policy within the larger context of the shape and evolution of the welfare state, and he argues trenchantly that dual housing policies exist. There is a policymaking consensus and a continuing pattern to policy such that most effort is directed towards the primary part of the system – owners and higher-end renters – rather than the secondary part – renters, the homeless, and the rural poor. This analysis has sobering implications for those concerned with social inclusion in the neoliberal state, be it federal, provincial, or municipal.

The final section contains papers concerned with the processes of municipal-federal-provincial relations; that is, how policies are formed in complex intergovernmental systems. Smith and Stewart begin with an analysis of Vancouver and focus on two issues. First, they argue that Canadian cities, apparently constrained constitutionally to merely beaver away at service provision, can nevertheless set the policy agenda and lever resources from other levels of government. Second, they are interested in a "whole of government" approach, which means that for hard and complex problems, the resources, expertise, and jurisdictional authority of all levels of government need to be deployed in a coordinated fashion. Studying homelessness and drug policy, they show that determined local leadership can indeed bring about change and intergovernmental cooperation.

Tom Urbaniak's chapter reinforces this point. He examines the goals and strategies of the municipal government of Mississauga, a very large "edge city" of the type that slips under most scholars' radar screens. The mayor of Mississauga, Hazel McCallion, is a uniquely successful and powerful politician who is currently serving her tenth term. Drawing on general theories about the limits to municipal action and the opportunities for leadership, Urbaniak examines the city's manoeuvring with Ottawa on three crucial dossiers: the Pearson airport, the waterfront, and homelessness. He demonstrates that local political pressure and the land-use planning expertise located only within municipal administrations have enabled the mayor to put effective pressure on other levels of government, especially Ottawa, so that they help drive economic development in the city.

Christopher Dunn paints a very different picture of the periphery – Newfoundland and Labrador – and indeed of the deep periphery of the province's rural areas. Local government here is relatively weak, and Dunn shows how the federal government's priorities and programs can shape and reshape the most vital local bodies – economic development organizations – as they struggle to access a wide range of funding opportunities. The provincial government inserts itself into these relationships selectively. It attempts to mediate them when the regional distribution of benefits is visible and salient, as it is in such fields as infrastructure funding and housing.

This demonstration of a widespread federal presence in municipal relations is reinforced by the work of Garcea and Pontikes, who study Saskatchewan. They document a multiplicity of programs that require municipal-federal cooperation, municipal-federal-provincial cooperation, or cooperation between sets of government actors and NGOs or business. In these relationships, the provincial government generally favours "dual bilateralism" so that it can play an important mediating role. However, Saskatchewan governments are resource-constrained and therefore pragmatic. Building on a very rich empirical base, Garcea and Pontikes suggest that there is a range of possible provincial roles, several different approaches to the municipal-federal relationship, and a variety of intergovernmental mechanisms in play. All of the papers collected here point to avenues for future research, but this one offers the most suggestions for scholars interested in pure intergovernmental relations within the complex world of Canadian multilevel governance.

## BACKGROUND THEMES

The intent of this section is not to provide a comprehensive analysis of the context for the following chapters about multilevel governance in Canada, a task that would require more space and time than are available. Instead, the aim is to suggestively sketch some developments and forces that illuminate

the descriptive and analytic content of the papers collected here. In particular, we focus on features that have augmented the salience of urban problems and municipal governments. We look at four elements: the deep determinants of change, new public management, emerging views of multilevel governance, and the power of advocacy.

#### DEEP DETERMINANTS

Canada's urban centres are growing. Some increase is at the expense of rural and small-town Canada, where the demographic challenge is to cope with the effects of population decline on tax bases and service provision (Bourne 2003). Between 1996 and 2001, about 712,000 Canadians moved to one of the census metropolitan areas (CMAs) from non-metropolitan locales, a shift of a remarkable 2.4 percent of the population. At the same time, however, 672,000 people moved out of the CMAs to exurbs and smaller centres (Statistics Canada 2002a, 9). Most of the growth in Canadian cities is the result of immigration from abroad. In Toronto, for example, during this same period out-migration was just exceeded by in-migration and natural increase. The real growth came from about 374,000 foreign immigrants (Statistics Canada 2002a, 14–15; 2002b, table 4). And the urban concentration of immigrants is rising. Of those who came to Canada before 1961, 73 percent live in CMAs; but of those who arrived between 1991 and 2001, 94 percent live in CMAs (Statistics Canada 1992, table 1; 2003, 40). As well, there is a very substantial movement of Aboriginal people into cities, especially in the West (Peters 2002).

These flows place tremendous pressure on governments. Overall, rising population leads to environmental stress and pressure on infrastructure. New infrastructure is expensive, and the aging stock costs more and more to maintain. Municipalities must also strive to integrate immigrants into the local labour market and into society in general (Friskin and Wallace 2003), tasks that involve many tools under municipal authority. But the provincial governments are also necessarily involved, through social assistance and education policy and through credential certification, while Ottawa shares responsibility for the level and mix of the immigrant flow and has a pan-Canadian stake in multicultural policy (Jedwab 2001). The sea changes in the ethnic composition of cities make citizens interrogate the essence of their local community and focus attention on the level of government that serves it most directly.

The movement of people is only one component of globalization, which has profoundly affected governments and societies everywhere (Cable 1995; Scholte 2000). Concerns about competitiveness and government deficits have led to service cuts, reduced transfers, and the offloading of responsibilities, with the municipal level bearing the brunt of neoliberal restructuring. Increasing inequality and economic polarization are remarkable in Canada's urban centres (Séguin and Divay 2002). At the same time, the big cities are

increasingly regarded as the gateways to the world economy and as the engines essential for growth and competitiveness (Scott 2001; Sassen 2000). National states are constrained in their traditional economic functions by international treaties that pass powers upwards, while the functions exercised at the lower level have become more critical for growth. This is a worldwide phenomenon sometimes called “glocalization” (Courchene 1995). On the one hand, this heightens the importance of municipal efforts to compete on the world stage (Banner 2002). On the other, it provides a strong incentive for national governments to concern themselves with urban performance. In Canada, cities may be creatures of the provinces, but as Courchene puts it in his chapter, “where competitiveness is at stake, Ottawa will become involved, regardless of what the written constitutional word may say ... Ottawa will necessarily become strategically as well as politically involved in city matters.”

Along with this, Canadian values are changing. There is good evidence that Canadians, like the citizens of most advanced industrial countries, now evince less deference to established elites and elected politicians (Nevitte 1996). Rather than accepting to be passive consumers of policy, citizens are concerned with democratic participation, and for many individuals this is most feasible at the local level. Indeed, analysts writing from diverse theoretical stances regard municipalities as the prime locale for the creation of democratic structures, the exercise of accountability, and direct engagement in policymaking (Magnusson 2002; Breton 2002; King 2003). Another value change is the rising importance of identity in politics. New dimensions of inclusion and exclusion have become relevant to individuals and communities, and many cultural struggles about identity and rights are fought out at the municipal level (Holston 2001; MacGregor 2002). Finally, there is our changing social capital. At the same time that the traditional sense of national citizenship may be declining and social bonds are weakening, governments have sought to bolster individuals’ engagement in collective and voluntary activities (Benest 1999; Veenstra 2002; Phillips 2003). Necessarily, these efforts to reinforce the associational sinews of society have important loci in the neighbourhood and municipality (Forrest and Kearns 2001; Johnson 2003).

A final driver in the context of multilevel governance is technological change. Of particular interest is the dramatic decline in communications costs. The internet and e-mail have made new connections possible for individuals, facilitating the horizontal organization of like-minded people around issues such as parkland, women’s shelters, and heritage preservation (Stanbury and Vertinsky 1995). New technologies also open up wider strategic opportunities, for vertical linkages can be formed more easily with groups organized at different scales – at the provincial, national, and global levels (Cox 1993; Deibert 2002). Political contestation is now multiscalar, as Julie-Anne Boudreau shows in her contribution here. But these technologies have also become available to governments, notably municipal administrations, which

use them to serve citizens and cement new connections. They have also profoundly affected the conduct of public administration, helping to open new avenues for cooperation in multilevel governance.

#### NEW PUBLIC ADMINISTRATION

The environment within which public servants function today is very different from that of a mere decade ago. New public management (NPM) principles have profoundly altered the process of public administration. At the federal level, change has been widespread (Pal 2006, 202–25). Less is known about the pattern of reform at the municipal level, but some exploratory work strongly suggests that local public service has changed too (Young 2003; Tindal and Tindal 2004, 287–97). Leaving aside the NPM precepts about privatization, cost recovery, and performance measurement, the relevant innovations are that administrative structures have been flattened, public servants have gained much more discretion, horizontal collaboration is encouraged, NGOs are involved, and the mission is to serve the citizenry through delivering public services thoughtfully (Pal 2006, 76; Rhodes 1996).

With respect to multilevel governance, this makes for a problem-oriented, fluid, entrepreneurial, and collaborative approach. First, as was seen most notably in the Vancouver Agreement (discussed by Smith and Stewart in this volume), public servants from all levels of government can adopt a citizen-centred orientation, identifying the various dimensions of complex problems and cooperatively allocating tasks to those with the resources and jurisdictional authority to accomplish them (Rogers 2004). Such collaborative initiatives require trust and, equally important, shared goals. In effect, public servants now often work in what international-relations scholars call “coalitions of the willing” – networks of like-minded individuals concerned with an issue or sector. In line with a core component of the notion of governance, these networks often include NGOs.

For example, one Ontario municipality has a local Children’s Services Funding Group that includes municipal, provincial, and federal officials, along with representatives from the United Way (Young 2003, 4). The networks may be enduring, like this one, or they may coalesce around particular initiatives, such as expositions or industrial developments. As well, new technologies and the liberty offered by NPM make horizontal collaboration across municipalities much easier and more widespread, and these relationships may engender more cooperation with other levels of government. Indeed, a remarkably thorough empirical study of collaborative government in the field of economic development in the United States found that horizontal and vertical collaboration are correlated (Agranoff and McGuire 2003, 99–124). In short, NPM facilitates complex intergovernmental relations. Now, it may be that the collaboration enabled by NPM structures and processes is most

widespread in the day-to-day management of minor programs and issues, while more formal mechanisms come into play for major intergovernmental initiatives. But routine matters are the stuff of government that affects many citizens most of the time. And big deals do not get made without lots of cooperative sherpas.

#### EUROPE AND MULTILEVEL GOVERNANCE

Thinking about complex intergovernmental relations has been greatly stimulated by scholarship about the European experience. In the European Union (EU), powers shift steadily upward to the common institutions; new subnational and supranational regions are created and reinforced, blurring the boundaries of nation-states; and considerable decentralization has occurred in the United Kingdom, Spain, France, and Italy. Hence, the emergence of the term “multilevel governance” (MLG), defined as “a system of continuous negotiation among nested governments at several territorial tiers – supranational, national, regional, and local – as the result of a broad process of institutional creation and decisional reallocation that has pulled some previously centralized functions of the state up to the supranational level and some down to the local/regional level” (Marks 1993, 392).

Leaving aside the intense European debates about identity, citizenship, and constitutionalism, some matters remain relevant to the Canadian experience. One concerns the legitimacy of evolving institutions, a perennial issue in the EU. What forms of democratic participation are necessary to build public trust in new institutions such as our amalgamated cities? In complex MLG systems, can citizens participate effectively or at least hold policymakers responsible? More prosaically, the European experience shows some of the drawbacks of intergovernmental relations. One is the “joint decision trap,” which opens up when formal or informal decision rules require unanimity: with many players, *immobilisme* can be a common result. Short of this, it remains true that when the number of actors involved increases, so do transactions costs – the resources expended in negotiating. When it is imperative to reach some form of agreement, these costs can be very high. Such drawbacks may be familiar to those observing the lack of progress on the Toronto waterfront and the negotiations that produced the Vancouver Agreement, for example.

Flowing from the European experience, and informed by the EU debates about community and variable geometry, is a blunt but useful distinction between two types of MLG. Hooghe and Marks (2003) posit a Type I governance, built around stable communities, where powers are bundled and assigned to a limited number of durable governmental levels. Jurisdictions are nested within one another and memberships do not intersect horizontally. This corresponds

to most of the Canadian intergovernmental system and to much of Europe, where *arrondissements* or neighbourhoods nest within municipalities, which nest within regions, which nest within provinces, national states, transnational regions, and the EU itself. In contrast is Type II governance, where authorities are designed around specific functions; they proliferate (like American special districts or Swiss intercommunal associations), have non-identical voluntary memberships, and are impermanent and flexible. In the Type II model, government bodies are formed to provide some limited set of services, with an emphasis on efficiency, economies of scale, and externalities, while Type I governments represent communities of interest – groups of people who are somewhat distinct and relatively homogeneous and who share common goals and some sense of identity.

This is a useful framework for thinking about many aspects of municipal governments and their relations with other levels of government (Young 2005, 5–9). In the present volume, it is clear that most contributions are embedded in the Type I model, where municipal amalgamation, for instance, simply creates larger communities of interest (in theory). But the models do help us reflect on government action, especially that of the federal government. First, Ottawa's relations with municipal governments break through the nesting arrangement, bypassing the provincial level. Second, as shown here by Christopher Dunn in particular, the federal government can help form special-purpose Type II bodies. Finally, Ottawa can bypass municipalities as well, within the nesting arrangement, by acting directly upon local communities. It is worth stressing this point once more. As Urbaniak puts it, "an urban agenda is not necessarily a municipal agenda." Both the federal government and provincial governments confront urban issues directly, and they will act to solve urban problems. Despite the emphasis here on intergovernmental approaches and collaborative governance, there are other ways to proceed.

#### ADVOCACY

Urban affairs are on the policy agenda, not only at the provincial level but, more unusually, in Ottawa too (Andrew, Graham, and Phillips 2002). Some of the deep determinants of this were outlined above, and they are wrapped up pretty comprehensively in Tom Courchene's chapter here. The pressures, he argues, are such that the federal government will "necessarily" become involved in urban matters. But in politics little happens inevitably. For anything to move forward there must be advocacy and pressure by real actors in the political arena. Long ago, Richard Simeon sketched a model of policy formation that emphasized environmental, institutional, and intellectual factors as background determinants; but political actors were crucial: it "*is through them that the broader political forces operate*" (1976, 576).

The cities agenda has had powerful and skilled advocates. Some have been located in think tanks. In particular, as the references in Loleen Berdahl's paper demonstrate, the Canada West Foundation played an early role in researching and publicizing urban issues (see also Gibbins 2004). So did the Canadian Policy Research Networks (Bradford 2002; Seidle 2002). Many academics from a variety of disciplines have contributed to the debate (Wolfe 2003; Boothe 2003). But these were all relative latecomers, attracted to an issue that was rising fast.

Two of the most articulate and influential advocates for municipalities addressed the conference at which the papers collected here were presented.<sup>1</sup> One was James Knight, chief executive officer of the Federation of Canadian Municipalities (FCM). He has "made a career of urging the Government of Canada to take account of municipal and urban concerns and to adopt appropriate policy and program responses." Knight spoke to the conference about demographic and economic pressures and about the central role of cities in the new economy. But he also compellingly outlined the erosion that has occurred in municipal services and infrastructure because of the fiscal crisis created by inadequate resources. This is a note that the FCM has sounded for years, with considerable success. (For a typical position paper, see Federation of Canadian Municipalities 2001.) The organization, Knight noted, is active on multiple fronts, engaging federal agencies that range from the RCMP to Environment Canada, Transport Canada, Health Canada, Industry Canada, and several Crown corporations and regulatory agencies. But it is on finances and municipal services – especially infrastructure – that the FCM has concentrated, mobilizing the political clout of 1,050 municipalities representing 80 percent of the Canadian population.

Determined individuals can also make a difference. One is Alan Broadbent, the second advocate to address the conference. Broadbent is chairman and CEO of Avana Capital Corporation and chairman of the Maytree Foundation, which does practical work in urban community development. A devotee of the work of Jane Jacobs, Broadbent has spearheaded the drive to achieve greater autonomy for Toronto (Rowe 2000; Broadbent et al. 2005), but his efforts have extended to Canadian cities in general. After a meeting in Ottawa where he learned that "the federal government might pay a lot more attention to these issues if there seemed to be some political imperative behind them," he sparked the first meeting of the C5 (the mayors of Montreal, Toronto, Vancouver, Winnipeg, and Calgary) and then worked to broaden it to include leaders of civic and business organizations. Studies and recommendations about urban issues have flowed from private firms and other groups right across the country as a consequence. If the place of municipalities in Canada's system of multilevel governance is strengthening, it is partly because of Broadbent's pressing arguments that "they need more control of their destinies."

## FUTURE RESEARCH

The papers gathered here provide a host of insights into complex intergovernmental relations in Canada and point the way towards many avenues for future work in MLG. Concentrating on municipal-federal relations, there is an evident requirement for much basic mapping of relationships. From work like that of Smith and Stewart, Urbaniak, and Hulchanski, we see that these relations are widespread and that cooperation and conflict both characterize policymaking in many fields. But the surface has only been scratched. First, much more information is needed about how these relationships operate in small and medium-sized municipalities; there, it seems likely that elected politicians rather than officials will be more central intergovernmental players. Some policy fields deserve more attention as well; urban Aboriginal policy (including urban reserves), the infrastructure programs, emergency planning, and issues around federal property in municipalities seem to offer rich opportunities. Finally, there are special-purpose (Type II MLG) bodies. Municipal-federal relations involving these deserve study both when they are federal, like the Atlantic Canada Opportunities Agency and the various regulatory agencies, and when they are primarily municipal, like development agencies such as Montréal International, the Greater Vancouver Housing Corporation, upper-tier authorities, tourism and sports organizations, and public-health and other regulatory authorities. The goal here is not only to map relationships but also to correlate the quality of public policy with the structure of interaction that produces the policy.<sup>2</sup>

Another characteristic that needs to be better understood is the policy capacity of municipal governments. At a time when the large cities are pressing for more autonomy and resources, it is important to examine the competence of their administrations. One aspect of this is expertise in intergovernmental relations. There is a growing trend for cities to create positions in this area and to strengthen existing cadres, but more needs to be known. The structural relationships of intergovernmental relations units also deserve exploration. Do they report to the mayor, the CAO, or the council? The more general question of expertise involves normal functional departments. What is the municipal capacity for policy analysis in such fields as tourism, immigrant settlement, and urban Aboriginal issues? Are municipal administrations in any position to deal in a sophisticated way with their federal and provincial counterparts?

Another direction for research is to examine how provincial governments insert themselves into municipal-federal relations. We need to know much more about the situation in Quebec, where there is a statutory provision that agreements between municipalities (or other agencies) and other Canadian governments require prior authorization from the provincial government (Quebec 2002, ch. M-30, s. 3.12). Apparently, this is indeed enforced. More

generally, Garcea and Pontikes recognize in their contribution that the provincial role is not part of a zero-sum game; apart from monitoring and regulation, provincial governments can be involved as advocates, mediators, and partners. These authors also classify various provincial approaches to the relationship and mechanisms of interaction, along with some determinants of the overall provincial stance. But other considerations are relevant to the study of these tripartite relationships, including the province's political complexion, its policy capacity, and the nature of the policy in question – its locus of jurisdiction, visibility, stakes, and complexity (Young 2003). This area of research is one that lends itself to comparative work across provinces, fields, and cities, for cases can be carefully selected to control for confounding factors. This last possibility illustrates a general advantage of studying the intergovernmental relations of municipalities: unlike the federal-provincial instance, where the “small-N” problem is acute, there are plenty of cases to work with.

Multilevel governance raises many issues of democracy and power. In complex intergovernmental systems, it is important to undertake some mapping of the participation of organized interests, or “social forces” more generally, in the policy process. In this volume, Boudreau, Sancton, and Hamel and Rousseau describe the failure of powerful citizen groups to counter the forces that were pressing for amalgamation. But Smith and Stewart document much more public involvement in the Vancouver Agreement, and Poirier points to the incorporation of groups in policy implementation. We could use much more information about citizen involvement in various policy fields. The role of business is especially interesting. Local-government scholars worldwide have a long tradition of concern about the power of business in municipal policymaking. Some argue that local politics are essentially pluralistic (Dowding 2001); others hold that business and professional groups can forge alliances with different interests to create durable “urban regimes” (Stone 1989; Logan, Whaley, and Crowder 1997); still others take the view that municipalities, constrained by their small scale and policy impotence, cannot escape from pro-business development policies (Molotch 1993; Peterson 1981). Considerations of multilevel governance inject a new dimension into this line of research. On the one hand, other levels of government, especially Ottawa, can be recruited by social forces to counter local or provincial business influence, as the anti-amalgamationists tried to do in the Toronto case. On the other hand, there is the possibility that decentralization can replicate “market-preserving federalism” at the local level, disciplining policy into an anti-interventionist mold because of horizontal intergovernmental competition and the exit option of business (Harmes 2006).

Accountability also is often raised as a democratic issue when MLG systems become more pervasive. This may seem to deserve some normative reflection, because sorting out what level of government is responsible for

policy is very difficult when there are complex arrangements to transfer funds and when authority over programs or projects is diffused among many agents. But is this really a problem? Accountability is often raised as an issue by public-finance economists working with simple models of democracy. Their concern ignores the fact that many voters are rationally ignorant, and, more important, that retrospective evaluation of policy probably accounts for about one-quarter – at the most – of the variance in party choice in advanced industrial democracies. Another perspective is that MLG raises a different criterion by which voters can hold politicians accountable, and easily so: Can they make an intergovernmental deal, and a good one?

The politics of municipal-federal-provincial relations deserves more thought and research. Purely partisan considerations have largely been written out of the study of federal-provincial relations by political scientists, perhaps unduly so. And outside Quebec, partisan politics, in the sense of local politicians' affiliations or alliances with Liberal, Conservative, and NDP governments, remains largely subterranean. But exploring the effects of partisanship in MLG systems could produce interesting findings. It is *terra incognita* in Canada. Beyond pure party relationships lie issues about cooperation and alliances. After all, politicians are elected, and they can throw support to those contesting at different levels in exchange for future beneficial relations. When does this happen? What is the overlap between those who work for candidates at the local, provincial, and federal levels? In office, there are obvious advantages to having reliable allies at the other levels of government. Both electoral assistance and politically advantageous intergovernmental cooperation can flow from them. On the other hand, there are reasons to safeguard autonomy. It may be necessary to cooperate with the rivals of one's "friends" in due course, and there are often advantages to running campaigns against the "uncooperative" (or unpopular) incumbents elsewhere in the system. Too close an association with allies means that blame will spill over from their unpopular decisions. It can also impede productive horizontal relations with other governments at the same level. Sorting out such calculations about costs and benefits could be worthwhile. But this will not be easy. Game theorists often conclude their analyses of simple two-player games with the assurance that generalization to three or more players is straightforward. Well, it's not.

A more tractable and pressing question is "How do cities get more power and resources?" We have already examined advocacy, but this is not sufficient. Obviously, individuals can only get so far, and representative institutions must aggregate many interests, including those of small towns and rural municipalities (with divergences illustrated by the recent disputes between the City of Toronto and the Association of Municipalities of Ontario and by the uneasy coexistence of the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties). Comparative work would help here. So, too, could some reapplication of the federal-provincial

literature on province building (Young, Faucher, and Blais 1984). We may find that structural factors conducive to city power crystallize into electoral promises made by provincial and federal politicians. Business pressure is clearly a factor as well, though the Toronto experience indicates that politicians' demands for autonomy will not be supported unconditionally by firms entrenched in particular cities (Lewington 2005). As Urbaniak shows here, shrewd political leadership is essential. More important, institutional change may have long-term power-enhancing repercussions. As David Siegel notes in his contribution, "the City of Toronto has twenty-eight members of parliament, twenty-eight members of the provincial legislature, and one mayor. It is not difficult to figure out who will speak with the greatest authority about the needs of the people of Toronto." This raises the question of citizens' identification. We know that the way and degree that citizens identify with European states has a very significant bearing on their support for European integration (Hooghe and Marks 2004). Is it similarly true that citizen identification with their city will ultimately lead to its drawing down more powers? Normally, determinists think that economic forces will drive institutional change, while citizen attachments will follow epiphenomenally. This view may be correct. But it may be that identification can drive the process. We know almost nothing about how Canadian urban residents identify with their cities. It could be worth finding out more, because this might help explain the migration of authority to this country's global city-regions.

But enough of future research opportunities. Let's turn to the interesting research that has already been done by our authors.

## NOTES

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- 1 Since this is a peer-reviewed volume, their speeches are not published here, but they are accessible at [www.iigr.php/conference\\_archives/papers#conf\\_1](http://www.iigr.php/conference_archives/papers#conf_1). Quotations are drawn from this source.
- 2 Some of this work is being undertaken through a SSHRC Major Collaborative Research Initiative on "Multilevel Governance and Public Policy in Canadian Municipalities." For more information, see [www.ppm-ppm.ca](http://www.ppm-ppm.ca).

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