ELASTIC CITIES; INELASTIC GOVERNMENTS

URBAN GROWTH AND URBAN GOVERNANCE IN CANADA

ABSTRACT

What are the implications of today's urban trends – metropolitan concentration at the national and provincial levels, decline of peripheral communities, and decentralization within mega-urban regions – for how we govern an urban society at the local and regional scales? The author focuses on the discord between urbanization and the structures of local municipal government, challenges those who favour retaining small local governments, particularly in large metropolitan areas, and poses questions for those who push for more resources and autonomy for cities.

LARRY S. BOURNE

Larry S. Bourne is a Professor of Geography and Planning, Centre for Urban and Community Studies, Department of Geography and Program in Planning, University of Toronto

The conundrum in urban governance is simply that the social and territorial entities we purport to govern change much more rapidly than do the institutions of governance. Political norms, systems and boundaries, once established, tend to become inelastic. They are changed, if at all, only with great difficulty, and then often in an illogical and overzealous fashion. The recent and frequently heated debates in Canada in reaction to municipal amalgamations and mergers is a case in point. In Canada we are still trying to adapt structures, functions, boundaries and legal frameworks for local governments inherited from the 19th century to contemporary urban conditions, geographies and life styles.

Here I want to focus on the mismatch between the outcomes of the urbanization process – the patterns and dynamics of urban development – and the structures of local municipal government. I do not focus on the nuts and bolts of running municipalities, such as fiscal accounting, or the politics of city halls. Instead, I intend to illustrate the increasing discordance between the emerging geography of urban growth and decline in Canada and an outmoded local political system. I also want to engage in a debate with those who favour retaining small local governments, particularly in large metropolitan areas, and to pose questions for those who push for more resources and autonomy for cities. To set the stage I begin with a brief overview of recent trends in urban Canada.

Uneven Development: The Contrast of Growth and Decline

There is now general agreement, even among politicians in senior levels of government, that Canada is overwhelmingly an urban nation. To be historically accurate, Canada became a predominantly urban nation, in the sense that more than 50 percent of the population lived in urban areas, in 1921; and it became a predominantly metropolitan nation in 1971, when more than 50 percent lived in metropolitan areas with over 100,000 population (or CMAs as defined by Statistics Canada). By the Census of 2001 over 80 percent of Canadians were reported as living in urban areas – those with over 10,000 population and 68 percent in metropolitan areas. Only three percent are now actively engaged in agriculture pursuits. This trajectory mirrors a massive transformation of Canadian society, the economy and the nation's territory. It would not be a stretch of logic to argue that urbanization, and its attended ingredients of modernization, industrialization and social change, represents the major transformation of the past century.

The recent Census, however, suggests that we are entering another era of urban growth and decline that poses even stronger challenges to conventional thinking on how we govern our communities. First, the rate of national *population growth is declining* and is becoming *more uneven* across the country. Moreover, the sources or components of growth have also changed. The primary source of growth – over 50 percent – is now attributable to immigration. Ironically, this was also true in the late 19th century, but today immigration is combined with very low fertility levels and thus low

rates of natural increase – which was not the case in the 19th century. This means that the contrasts between places (cities and regions) that are growing and those that are declining will become wider and more visible. The policy challenges will be equally varied.

Second, within the country's urban system there has been an accelerated growth of metropolitan areas, and thus an increase in the level of *metropolitan concentration.* At the 2001 Census date, over 35 percent of Canadians lived in the four largest metropolitan areas with over one million population – Toronto, Montreal, Vancouver and Ottawa-Gatineau – and 68 percent resided in the 27 census metropolitan areas defined by Statistics Canada. Moreover, those same 27 urban places have captured over 80 percent of recent growth; and essentially all growth is located in the 139 places that constitute Canada's urban system. The entire part of the country located outside the zone of influence of a metropolitan area, or smaller city, actually declined in population over the recent census period by 0.4 percent. Even some of the smaller metropolitan areas – e.g. Regina, Thunder Bay, Sudbury, Chicoutimi, Saint John, St Johns – also declined in population. Overall, communities in the country's non-metropolitan resource periphery are shrinking.

The level of metropolitan concentration is even greater than these figures suggest. While growth has continued to concentrate when viewed at the national scale, urban development at the local and regional scale has continued to decentralize, that is, to *deconcentrate.* In most regions urban development has spread beyond local municipal boundaries, and in some regions well beyond the boundaries of regional authorities and the functional regions (the census metropolitan areas) defined by Statistics Canada. As in other countries, we are in effect creating *new and very extensive urban regions* that have overwhelmed municipal governmental structures and resources, not to mention provincial policies. These regions will continue to attract the overwhelming majority of all new growth.

The Toronto region is certainly the most extreme, but not the only, example. The Toronto census metropolitan area (4.8 million), combined with the adjacent and closely integrated metropolitan areas of Hamilton (700,000) and Oshawa (300,000) now constitute the urbanized core of a region that extends from Peterborough in the east to Barrie-Collingwood in the north, Kitchener-Waterloo in the west, and St. Catharines-Niagara in the south. The total population of this integrated region, sometimes called the Golden Horseshoe, is now over 7.5 million. The provincial government in Ontario has belatedly recognized the existence of this mega-urban entity, which it blandly calls the "Central Ontario region", as the territorial basis for developing a "smart growth" strategy. There is, however, no regional government, or even an effective coordinating agency, that is looking after this emerging region.

At the national scale we can now visualize the country's future as an urban nation, whether we like it or not, as centred on and organized by five extensive urban regions that are much larger and more dispersed than those defined in the Census. These regions act as the control centres of the economy, and the milieus for innovation and cultural change. They also serve as the principal nodes linking smaller urban centres and rural areas to the world outside. The five mega-regions include the greater Toronto region (7.5 million), the Montreal region (3.5 million), Vancouver-Victoria (2.5 million), the Edmonton-Calgary corridor (2.0 million), and Ottawa-Gatineau (1.1 million). These five regions alone garnered 80 percent of national growth in the last census period. They are, moreover, the principal destinations for new immigrants (over 80 percent go to Toronto, Montreal and Vancouver), and the locations for most investment and innovation in the new economy. As a consequence, they will likely capture even higher percentages of growth in the future. Smaller metropolitan centres such as Saskatoon, Winnipeg, Halifax, and Quebec will continue to dominate their respective regions, but are not likely to attract substantial future growth. For the rest of the country, with a few small exceptions, the combination of an older and aging population, and the absence of domestic in-migrants and immigrants, ensures that decline will become more widespread in the future.

Implications for Governance

What are the implications of these trends – metropolitan concentration at the national and provincial levels, decline of peripheral communities, and decentralization within mega-urban regions – for how we govern an urban society at the local and regional scales? How have

BUILDING/ART

EDITED BY ANDREW KING, JOCELYNE BELISLE, LAWRENCE EISLER

A new book that discusses changing ideas about the nature and function of the city as an essential cultural network.



A theoretical and visual display of Canadian urbanism.

UNIVERSITY OF CALGARY PRESS

COMING IN JUNE 2003 · UCPRESS@UCALGARY.CA

municipalities and their political masters, the provincial governments, responded to these new urban imperatives? First, there is no single best model of governance that fits all urban areas, and certainly not for places where most Canadians live – the large and growing metropolitan regions or those communities undergoing decline.



City Skyline, Calgary, Alberta – photo courtesy City of Calgary

In a recent review for the World Bank (Designing an Urban Region: The Lessons and Lost Opportunities of the Toronto Experience", in M. Freire and R. Stren, eds. *The Challenge of Urban Government*) I described ten different variations in the observed responses to rapid urban growth and the diffusion of urban development beyond municipal and service boundaries. One of these options, perhaps the most common, was the inelastic "do nothing option". Other options included the creation of unitary urban governments at a regional scale (e.g. Halifax-Dartmouth), two-tier elected regional governments (e.g. the former Metro Toronto; now remaining only in the outer suburbs of Toronto), outright amalgamation (Toronto city, Winnipeg, Ottawa-Carleton and Montreal Island), the regular annexation of new suburban areas (e.g. Calgary), the establishment of a two-tier system but with voluntary participation in a regional authority (Greater Vancouver Regional District), the creation of regional service districts (e.g. many US urban areas), the uploading of responsibilities from local to higher levels of government, such as counties (e.g. Florida), provinces (e.g. Quebec) or states (e.g. Australia), and various forms of public-private partnerships for service delivery (also a common approach in the US and UK).

Clearly there is no one optimal strategy for adapting political structures, boundaries and service functions to urban expansion. In the past, some provinces in Canada have been pro-active in creating regional governments, special service districts, and regional planning and conservation authorities, especially during the 1970s. And there has been some success in achieving municipal consolidation and service realignment. As a consequence, urban areas in Canada on average are less politically fragmented than are comparable American metropolitan areas.

Nevertheless, the challenges we now face in adapting local government to the geography of urban growth are more daunting than in the 1970s. How do we manage urbanized regions as large as the greater Toronto region, where the population grows by 100,000 annually (the equivalent of adding a new Kingston each year), and the metropolitan "shadow" effect extends outward for 150 km? At the same time, how do we manage the extensive areas of decline, including small towns and cities, that now dot much of the nation's periphery? In growing regions, local and even regional governments are overwhelmed by the requirements of accommodating new development and more diverse populations, and most face an immense infrastructure gap – in both physical and social infrastructure. In contrast, in declining urban centres and regions, municipalities struggle to provide the required level of services while drawing on a declining revenue base. Ironically, the demands imposed on the public sector for specialized services (e.g. medical) are greatest in areas that are not growing, due primarily to a rapidly aging population.

It would seem obvious that local governments, especially small ones, are increasingly – and in some instances, hopelessly – inadequate units in which to address the contrasting futures of rapid metropolitan growth and incipient urban decline. Yet, there is a prevailing mythology that municipal governments can remain autonomous, and that small units are preferred over large ones. They are said to provide easier access for citizens to their elected representatives and government officials. This, in theory, makes the political system both more accessible and more accountable; that is, more democratic. This may be true, to a degree, but there is a downside. Small units of government are more susceptible to manipulation by special interest groups. Having many small municipalities within a metropolitan area may offer residents more choice in services (the public choice paradigm, which supports the notion that fragmented political jurisdictions – ie. many small governments – within metropolitan areas is preferred because it offers individual households to choose a municipality whose basket of goods and services, and taxes, most closely approximates their own preferences), but they also increase inequalities between communities. Further, small municipalities are often unable to provide the high-quality, specialized services, especially in the public sector, that people increasingly seem to want.

They are also incapable of dealing with processes and problems that are inherently of a regional scale – notably transportation, pollution control, water and sewage, waste management, environmental conservation, and regional social equity; all of which have extensive externality or spillover effects. These issues, typically, are not localized; that is, they are not contained within municipal boundaries. Responsibility for addressing such issues could be shifted upward to higher levels of government, but this in turn would weaken local governments.

It is also possible to argue that these regional issues can and should be dealt with through specialized regional agencies or authorities and therefore do not require a formal governmental structure. There is merit to this approach, but there are problems. One is that such agencies are generally not directly accountable to the public;

and second, there is little likelihood of coordination among individual regional service authorities. Each would tend to act in its own interest; within its own mandated "silo". Further, if participation by local governments in such authorities is voluntary, there is little possibility that those governments would willingly agree to share fiscal resources as part of regional equity sharing, especially for social costs.

Without a form of equitable revenue sharing (called pooling) among the local municipalities making up a metropolitan region we will almost certainly end up with a more socially fragmented landscape, contrasting low-income poorly-serviced districts next to wealthy well-serviced districts. This could be called the "American model". If, on the other hand, participation in these regional districts is not voluntary, then in my view there needs to be an elected regional government that can be held responsible. The Toronto region, for example, currently has regional revenue sharing for some social services, but there is no representation for those suburban municipalities contributing to the revenue pool.

There are frequent calls from municipalities, civic bodies, including the Federation of Canadian Municipalities (FCM), that cities need more autonomy and more resources, in other words, new powers and new sources of revenue. This view is also reflected in the recently released reports from the TDBank and the Prime Minister's Caucus Task Force (November 2002), among others. There is, undoubtedly, a strong case for giving additional powers and revenue sources to local governments, particularly given the imbalance between the increasingly complex (and costly) services that municipalities are being called on to provide and the revenue base they have available to deliver those services.

But exactly who are the local governments, the "cities", to whom these powers are to be given? Presumably, at least from the perspective of FCM, this means politically incorporated municipalities – the cities – but not the larger urban regions identified above. And, what cities or municipalities are to be given new powers – all cities, or only the larger ones? And, what for specific powers? If the recommendation is meant to include all cities then the powers would have to be very limited. Most small cities have limited staff resources; others do not have a solid track record of administrative competence. If the proposal is limited only to the large cities, what is the dividing line? Is it based on population size, or revenues, or the number of seats in provincial or federal parliaments? Who is in, who is not? This set of issues again raises the question of boundaries and territory – i.e. the geography. How we define and delimit the urban landscape is crucial; and unfortunately for the proponents of the status quo, that landscape is changing relatively rapidly and in an very uneven fashion across the country.

Finally, it should be noted that local government does not mean the same thing it did a generation or two ago. The range of services it provides, or is mandated to supply, at least in Ontario, is substantially



Blockades and Resistance
Studies in Actions of Peace and the Temagami Blockades of 1988-89
Bruce W. Hodgins, Ute Lischke, and David T. McNab, editors
Cloth $45.00 • 0-88920-381-4 • **Aboriginal Studies** series
This study of Aboriginal resistance focuses on Temagami and provides an analysis of the contemporary aspects of resistance and the roots of the Aboriginal peoples' movements in Canada.

Canadian Social Policy
3rd edition
Anne Westhues, editor
Paper $32.95 • 0-88920-405-5
WHAT ARE the major issues confronting social policy-makers today? What theoretical perspectives shape our thinking about the causes of social problems and how we should respond? What can we do to influence decision makers about which policy choice to make?
In this completely revised and updated edition of ***Canadian Social Policy***, a new generation of social policy analysts discusses these important questions.

Visit our website at **www.wlupress.wlu.ca**

WLU **Wilfrid Laurier University Press**
Phone: 519-884-0710 ext. 6124 • Fax: 519-725-1399
Email: press@wlu.ca

greater. At the same time, the daily living spaces of people – where they live, work, shop, visit and so forth – are vastly larger than they were thirty or forty years ago. Consider the Toronto example again. The City of Toronto, before provincially-imposed amalgamation with the other municipalities in the former Metro Toronto in 1998, was (excluding small additions) essentially the same size in territorial extent and population (700,000) as it was in 1914. It is hard to accept that a city that was a sufficient size in 1914 can be viewed as a suitable and sufficient size for a unit of local government today. As a social space, or activity space, that is, the area over which people play out their daily and weekly existence – e.g. the area of commuting to work, shopping, visiting etc. – the amalgamated city of Toronto in 2002 (population 2.5 million) is actually much smaller in relative terms than the city that existed in 1914. But, aside from tinkering with specific municipal functions, little changed until Metro Toronto was formed in 1953, and then little changed until provincially-imposed amalgamation in 1998.

At the national scale we can now visualize the country's future as an urban nation, whether we like it or not, as centred on and organized by five extensive urban regions that are much larger and more dispersed than those defined in the Census.

Conclusions

The argument here is that the changing nature and patterns of urban growth and development in Canada, and indeed in most other countries, have made our inelastic and outmoded systems of governing urban areas even more inadequate, and in some cases, dis-functional. A major part of the problem is the territoriality of public administration – that is, the geography of governance – and specifically for urban areas, the boundary question. All politics is territorially bounded; all territories are political units.

The proponents of the benefits of retaining small local governments have little to say about how such governments might deal with these new urban realities, with region-wide issues, and with the increasing demands for high-order services. It is certainly not possible to effectively administer a large metropolitan region, especially one that is growing rapidly, with a patch-work of local jurisdictions. Such patch-works, although offering wider (but constrained) choices to urban residents as consumers of local public goods and services, are inadequate in terms of addressing metropolitan-wide development pressures. The latter include almost all of our major urban concerns – such as social services, the environment, housing and labour markets – that in combination define the quality of life. At the other end of the settlement scale, the capacity of local governments to respond is similarly inadequate in the face of widespread urban and regional decline, but for rather different reasons.

I am not suggesting here that smaller local governments have no role in managing urban development or in delivering important services to their residents. Retaining small local governments in a status quo situation may even contribute to enhancing a sense of place by encouraging civic participation, and thus local democracy. But these assumed benefits are often exaggerated. Perhaps they are based on nostalgic images of times past. People today move frequently and with relative ease; and few define their "place" according to local political institutions or boundaries. The persistence of small local governments in their present form and with fixed boundaries may be appropriate, or at least acceptable, in areas of population and employment stability, but there are fewer and fewer of such areas. Others may persist as little more than small "boutique" administrations for the benefit of elite communities. The reality is that most of the country now falls into two categories, rapid growth or persistent decline, in both of which inelastic municipalities are clearly inappropriate and increasingly inadequate.

Nor am I arguing for big urban governments, writ large, in Canada. Rather, I am suggesting that the structure, functions and boundaries of local governments should reflect the milieu – the context – in which they find themselves; that is, the size, changing needs, behaviour and territorial organization of the population and economy they are intended to serve. Small municipalities can deliver some services, efficiently and effectively, but only relatively few. The smaller the place the fewer the functions it can perform. This is not simply a matter of achieving scale economies but rather of meeting the threshold necessary for the provision of specialized services, for managing growth or decline, and for the equitable distribution of urban revenues and resources. Big cities, in contrast, require correspondingly big governments. They cannot be wished away. The challenge in such situations is to find ways and means of ensuring local representation and input to regional or metropolitan-scale decision-making.

My own preference is for two-tier elected governments in large metropolitan regions. The distribution of functions between tiers – and between urban and provincial levels – should reflect population size, the fiscal and human resources of the units involved, and the requirement to balance local and region-wide needs and responsibilities. For slow-growth or declining regions, and specifically for small and isolated communities on the nation's periphery, there seems no alternative but to have services delivered by larger regional authorities, perhaps coordinated (and funded) by the provincial government involved. Unfortunately, local governments in both growing and declining regions are far less elastic than the communities they are intended to serve.