Local Governments and Decentralization Executive summary

This report on local governments and decentralization is one part of a 34-month, hemispheric-wide analysis of how well national governments in the Americas are complying with the commitments to strengthen democracy made at the 2001 Summit of the Americas in Quebec City.

Based on the surveys completed by municipal governments and civil society organizations, as well as on secondary research, this report analyzes the main issues regarding municipal governments and decentralization in Canada by looking at:

- a) Existing legal framework and measures undertaken to strengthen local governments and decentralization;
- b) Participation of civil society in the policy-making process at the local level.

Although the sample of municipalities surveyed for this report is representative of the Canadian regions, in its elaboration we found several obstacles in the collection of information. Despite the efforts and the time devoted, we found that the level of response was relatively low.

The findings of this national study demonstrate the following:

- Municipal governments are the exclusive jurisdiction of provincial and territorial legislatures. There are several types of municipal governments and their powers, responsibilities and structure differ across the provinces. Regardless of the differences between them, provincial legislation makes no distinction between rural/urban, or between small/big municipalities.
- Decentralization has often not been accompanied by greater access to economic resources for the local governments or by legislative changes granting them new sources of revenues.
- Municipal authorities (mayor, councillors, and directors of school boards) are elected regularly (every 3 to 4 years depending on the municipal government).
- Demographic concentration in urban areas and growing economic competition derived from globalization have led the largest cities in Canada to organize and to promote the establishment of a legislative framework that defines cities differently than rural local governments. Cities have also lobbied the federal government for more federal financial aid and to increase their leverage in their dealings with provincial and territorial governments.
- > There are regional, national and international associations of municipalities to deal with the provincial/territorial and federal governments, and/or to exchange experiences and knowledge.
- ➤ There are various ways by which civil society can participate in local government decision-making, particularly in the budget. In order to influence decision-making people have to be more participative and civil society groups need to increase their technical and legal skills to present their initiatives.

COMMITMENTS UNDER THE QUEBEC CITY PLAN OF ACTION: STRENGTHENING LOCAL GOVERNMENTS AND DECENTRALIZATION.

Introduction

Since the 1980s, most countries in the Hemisphere have engaged in a process of decentralization by which central governments have delegated responsibilities to regional and local authorities. The underlying logic of decentralization was both economic and political: the closer governments were to people, the more efficient they would be in the provision of public services. The proximity between local authorities and their constituents and communities would also put them in a better position to understand the nature of people's needs, to hear and incorporate their demands and to open up spaces for civil society participation in the decision-making process of local governments. Twenty years later, while this argument is still considered to be true, it has become evident that in order to cope with these new responsibilities, local governments need to be strengthened.

In recognition that adequate citizen participation and political representation constitute the foundations of democracy, and that local governments have a more significant presence in the daily lives of citizens, the 34 governments that participated in the Summit of Quebec City committed themselves to:

- Promote mechanisms to facilitate citizen participation in politics, especially in local or municipal government;
- Promote the development, autonomy and institutional strengthening of local government in order to promote favourable conditions for the sustainable economic and social development of their communities:
- Strengthen the institutional capacity of local governments to allow full and equal
 citizen participation in public policies without any discrimination, facilitate access
 to those services fundamental to improving citizens' quality of life, and strengthen
 decentralization and the integral development of these services in part through
 commensurate and timely funding and initiatives that permit local governments
 to generate and administer their own resources;
- Promote sharing of information, best practices and administrative expertise among local government personnel, associations of local governments, community associations and the public, in part by facilitating access to information and communications technologies by municipalities and by encouraging cooperation and coordination among national, subregional and regional organizations of mayors and local government;
- Stimulate cooperative international programs to help train local government leaders and mid-level officials.

This report will touch on some of the main issues, although not exhaustively, related to the strengthening of local governments in Canada and their relationship with civil society, such as the current legal framework in place that define federal, provincial, and municipal relations, their recognition as another level of government, access to new

sources of funding, and the existence of spaces for civil society participation. This report will be divided in two sections. Section I will examine: a) the place of municipalities within the Canadian system and their powers; b) the role of cities in the context of globalization and the initiatives to strengthen them; c) how municipal governments function; and d) the existing associations and alliances of municipal governments. Section II will look at the participation of civil society in the policy-making process of local governments.

SECTION I: A LOOK AT LOCAL GOVERNMENTS

1.1 Local Governments: Defining Jurisdictions

As a federal country, Canada has a complex distribution of powers between the federal and the provincial/territorial governments, which is established in the Constitution. Municipal governments are mentioned in the Constitution, yet only as one of the exclusive domains of provincial and territorial legislatures (Section 92) —i.e. they are not considered as a level of government. The definition and the scope of the functions of municipalities are, hence, determined by provincial/territorial governments, and can vary across the country.

Originally the authority of local governments was funded in the 1849 *Baldwin Act*. This act was established so that these governments could cope with the daily problems of rural communities. In essence, municipalities functioned more as administrative units governed by justices of peace. Over the years, provincial governments have delegated more functions to municipalities.

The *Municipal Act* of Ontario, written in 1849, was the first municipal legislation in Canada. To date most of the provinces have municipal or local government legislations, whereby the powers and responsibilities of these governments are established. There are a variety of municipal governments including cities, towns, villages, counties, and districts. The difference between them seems to be based on the population. *According to the Local Government Act of British Columbia* a municipality can be incorporated into a village if it has a population no greater than 2,500 inhabitants, as a town if the population is within the range of 2,500-5,000 inhabitants, and as a city if the population is greater than 5,000. The municipality will be "a district if the area to be incorporated is greater than 800 hectares and has an average population density of less than 5 persons per hectare" (Ch. 323, Part 2, s. 17).²

Generally, provincial municipal legislation clearly delimits and restrains the powers of municipal governments.³ Among the areas under municipal government jurisdiction are local schools, police and fire protection, water and sewage services, recreation, roads, sidewalks, street lighting, and local public transportation. Although most provincial governments have established a special ministry to deal with municipal affairs, but these ministries tend to have limited influence in provincial policy-making.⁴

One of the main criticisms that have been made about municipal legislation is that it fails to distinguish between the different types of municipalities and to recognize the particular needs that each of them have. According to the mayors of the largest cities, this lack of distinction, not only prevents cities from putting in place programs to enhance

social cohesion and sustainability or programs to attract investment, but also distorts the perception of provincial officials in the establishment of provincial priorities, the design of provincial programs and the allotment of funds to municipalities.

In recognition of these challenges, some provinces have implemented legislative changes to provide local authorities with greater autonomy. While none of them have granted full autonomy to municipalities, these reforms are a first step in the definition of clear powers for local governments. In some cases, as in the *Municipal Government Act* of 1994 in Alberta and in the 1998 amendment to the *Municipal Act* in Ontario,⁵ local governments have been granted "natural person powers," which facilitate the establishment of contracts, private-public partnerships, or the implementation of special incentives to attract business investment in areas of interest for the municipality. In other provinces (e.g. Nova Scotia and Labrador and British Columbia) the legislative reforms of the late-1990s provide these provinces with a legal framework that is more flexible and that broadens their powers to raise revenues.⁶

These reforms have also entailed changes in local government institutions, aimed at making them more flexible and functional to allow a more efficient provision of services. However, while these changes could be useful from an economic point of view, it is still unclear how, or to whom, the new institutions will be accountable from a political point of view.⁷

1.2 Cities and the Struggle to Change the Domestic Balance of Power

Perhaps one of the main discussions about local governments in Canada is centred on the cities. And this should not come as a surprise. Canada has become primarily urban, with almost 80% of its population living in cities and metropolitan areas. Moreover, over the years, the Canadian population has become more diverse with the arrival of immigrants from different parts of the world. The concentration of people in cities has led to an increase in the demands for services —which are in nature different from the needs of rural municipalities.

According to a report by the Federation of Canadian Municipalities released in April 2004, even if there have been some improvements in the life quality of some cities compared to the levels that existed in the 1990s, there are areas that need more attention, including income distribution, environment protection and social and economic inclusion of marginal people.9 Thus, the agenda for cities will still include issues such as the need for affordable housing, programs for social cohesion, civic engagement, community and social infrastructure, education, employment, initiatives for the local economy, environment protection, personal and community health, personal and financial security and safety. 10 Moreover, while more and more the federal and provincial governments delegate functions and responsibilities to the cities, the amount of money transferred from these levels of government to the cities has decreased over the years. Hence, cities have increasingly become dependent on the only source of income they have (e.g. property tax, fines, fees) to cope with their increasing responsibilities. In order to deal with challenges and to attract investment and create economies of scale in the provision of services, various cities decided to amalgamate the metropolitan areas surrounding them. Although this has been generally argued in terms of economic efficiency, there is still opposition among civil society groups to these administrative reconfigurations, specifically to new budget allocations within new mega cities.

This domestic reality is also intertwined with the process of globalization. Particularly since the signature of the North American Free Trade Agreement (NAFTA), cities face increasing competition to attract investment, tourism, and human capital from within and outside Canada. To be successful in this task, cities have to be able to offer investors and people a combination of any of the following: tax incentives, an educated population, security, infrastructure, attractive business environment, and high quality of life. Some cities have developed plans that include the participation of the municipality, private investment and academic institutions. Framed under the *Smart Cities initiative*, launched by Industry Canada in the late 1990s, these programs attempt to develop high technology clusters. There has also been cooperation of the three levels of government to address special problems with positive results like in Winnipeg, Vancouver and Toronto.¹¹

Parallel to federal government programs, cities themselves have taken the initiative to lobby through the City Charter Movement in order to achieve greater autonomy and to strengthen their political leverage vis-à-vis provincial/territorial governments; in other words to be recognized as another order of power. This recognition would not just give them the means to cope with the challenges they face, but also would enable them to have more influence in the design and implementation of provincial legislation, programs and projects that have an impact in the cities. Currently Winnipeg, Montreal, Vancouver, 12 and Saint John have their own City Charter (i.e. legislation that defines them as a different type of municipality). The need for additional sources of funding, particularly for infrastructure, has led the mayors of large cities to form a caucus (including the mayors of Toronto, Montreal, Vancouver, Edmonton, Calgary, Regina, Winnipeg, Ottawa, Quebec City and Halifax) to dialogue in bloc with the federal government. Yet the reason to lobby the federal government is not solely grounded on the need to have access to more resources but also to give city leverage in their own relation with provincial governments.

When Paul Martin took office as Prime Minister in February 2004 he pledged to develop a "new deal for cities" that would endow them with more resources. He ahs also hinted at the possibility of consulting mayors in the budget process. In the 2004-2005 budget there was a plan for a 10-year rebate on the GST that would give the cities CDN\$7 billion. Funding for municipal infrastructure was also included, as well as money for specific programs such language training for immigrants, support for urban Aboriginals, clean up of federal contaminated areas, development of environmental technologies, and support for voluntary sector organizations. Pacul Martin also appointed an adviser on cities to deal with the municipalities' demand of CND\$60 billion for infrastructure (e.g. roads and sewer systems), and to develop and negotiate with the provinces and territories a 10-year plan to make urban areas sustainable. The development of a federal long-term plan for the cities and the implementation of initiatives for instance to share gas taxes will most likely be linked to other issued in the bilateral agenda between the provincial/territorial and the federal government (e.g. health) and thus become a complicated task. Is

1.3 The Functioning of Local Governments

Most of the revenues of municipal governments in Canada come from property taxes and other fines and fees they collect for services provided, which are outlined in Table 2. Four provinces —Quebec, Manitoba, Alberta and British Columbia—share gasoline taxes with some cities, but these cases are more the exemptions than the rule. Local governments also receive funds through provincial/territorial and federal transfers. However these represent just a portion of the revenues raised through property taxes (see table 2). Although a valuable source of resources, the possibility of expanding the taxable base of property taxes is relatively limited since they do not increase with economic growth, nor do they differentiate between people with different incomes. At present, one of the biggest challenges for municipal governments in Canada is to find additional sources of revenues.

Table 1. Municipal Fiscal Authority of Canadian Municipalities

	Canada			
Property Tax	$\sqrt{}$			
Sales Tax				
Hotel/Motel Tax	*			
Business Tax				
Fuel Tax	*			
License Fees	$\sqrt{}$			
Income Tax: Individual and Corporate				
Development Charges	$\sqrt{}$			
Tax-Exempt Municipal Bonds				
Tax Incentives				
Grants to Corporations				
Borrow Money	$\sqrt{}$			
* Indicates rare instances of this type of revenue.				

Source: Extracted from Table 4 – Municipal Fiscal Authority: USA and Canada. In the Federation of Canadian Municipalities. *Early Warnings: Will Canadian Cities Compete? A Comparative Overview of Municipal Government in Canada, the United States and Europe,* pg. 12.

Table 2. Local General Government Revenue and Expenditure of all local governments combined, Canada (CND\$ Thousands)

	1998	1999	2000	2001	2002	2003
Total Revenue	44,329,474	46,681,044	45,707,480	47,078,007	49,137,707	50,338,824
Own source revenue	35,447,971	37,514,492	38,470,120	39,816,904	41,350,445	42,290,029
Property and related taxes*	23,202,176	24,166,067	24,347,710	25,275,000	26,090,646	25,783,646
Consumption taxes	57,688	77,824	83,450	92,247	95,338	96,298
Other taxes Sales of goods and services	457,849 9,131,215	511,083 10,006,389	513,055 10,503,975	551,117 11,031,480	615,373 11,524,946	626,535 11,784,417
Investment income	2,108,481	2,206,737	2,363,079	2,189,783	2,300,076	2,269,481
Other revenue from own sources	490,562	546,392	658,851	677,277	724,016	729,652
Transfers	8,881,503	9,166,552	7,237,360	7,261,103	7, 787,262	8,048,795
General purpose transfers	1,424,893	1,183,535	1,165,153	1,322,802	1,406,385	1,523,631
Specific purpose transfers	7,456,610	7,983,017	6,072,207	5,938,301	6,380,877	6,525,164
Federal government	292,967	225,439	207,188	369,170	648,413	686,035
Provincial and territorial governments	7,163,643	7,757,578	5,865,019	5,569,131	5,732,464	5839,129

Source: Statistics Canada, CANSIM, Table 385-0004. Last modified July 15, 2004. http://www.statcan.gc.ca/english/Pgdb/govt06a.htm.

Local authorities are elected regularly (generally every 3 or 4 years depending on the municipal government) and are in charge of managing the issues concerning the municipality. Mayors, councillors and school board officials are elected to their positions directly, and usually do not formally represent political parties. ¹⁹ The role of the mayors is generally limited and cities do not have a political executive similar to those of the provinces/territories or the federal government. ²⁰ Local governments are normally made up of a city or municipal council. The major normally has a seat and a vote on the council, although in most cases his vote is equal to the votes of the city councillors.

In Canada recruitment for municipal personnel is done through an open and competitive process. When the positions are within the scope of the union contract, they are posted internally first. If no qualified candidate is found, they are opened to the rest of the public. Some of the criteria used to determine the qualifications of the candidates are skills, knowledge, and work ethic. There are policies to guarantee equal treatment

and to avoid discrimination of visible minorities. Local governments have also resorted to human resources firms to search for candidates. The firm would be in charge of making a short list of candidates that meet the requirements established by local governments; local authorities would then interview the candidates and select the best one. This method is often used in the selection of senior managerial positions.

In order to improve their performance, come Canadian local governments have devised a number of training programs and incentives for municipal officials. These programs include prizes and awards for innovation and productivity, monetary bonus for good performance; municipal staff are also encouraged to undertake specialized training or to pursue post-secondary education.

1.4 National and International Alliances: Associations of Municipalities

Approximately 700 municipal governments form part of the **Federation of Canadian Municipalities** (FCM), a non-for-profit organization, whose purpose is to represent municipalities in dealings with the federal government, to link Canadian municipal governments with municipal associations, and to foster dialogue between Canadian municipalities and their counterparts in other countries. Another such organization is the **City Charter Movement** —a member of the FCM— which gathers the 17 largest cities in Canada. Its aim is to promote the development of city charters that clearly establishes city powers and the mechanisms through which they can raise revenues. This movement has also established connections with other cities in the United States and Mexico to address cross-border issues and/or other common interests regarding the role of cities in a context of a globalized world.²¹

SECTION II: CIVIL SOCIETY PARTICIPATION IN LOCAL GOVERNMENTS

In Canada, local governments widely disseminate information through websites and printed materials and traditionally consult with civil society through open hearings. They have established spaces for the participation of civil society organizations in various issues, including the definition of the budget priorities and the development of local projects. Regarding the budget, city councils normally engage in the dissemination of information and in consultation processes with citizens in order to determine the allotment of the budget for the fiscal year.

There are several instances where civil society can participate in the decision-making at the local level: the city councils, committees, working groups, and direct consultations. In some issues (e.g. the budget), according to municipal laws, the inclusion of civil society organizations is mandatory. Often, civil society organizations try to present their concerns by participating or lobbying the city council and/or the mayor. Although participation of civil society in the budget is considerable, some civil society organizations still consider that their participation is limited to consultation processes and that there is still need for more spaces for participation in other stages of the policy-making process and in the implementation, management and oversight of the programs and policies.

Generally municipalities have official departments that are responsible for citizen participation and provide spaces where civil society can meet and discuss. In some cases (e.g. Ottawa), local governments have also implemented programs to develop and improve the skills and leadership of civil society groups.

Additional programs to encourage participation of civil society in the decisions and development of local development plans have been created. For instance, the Brandon Area Planning District (in Manitoba), which includes Brandon and the rural municipalities of Cornwallis and Elton, is currently developing Urban Design Standards, and for this they have engaged six stakeholder groups (with different viewpoints) to give advice. Other examples are the *Roundtable for Citizen Engagement* in Ottawa and the *Engage! Policy* of the City of Calgary, aimed at promoting and facilitating the participation of civil society groups in the development of policies, and at implementing the necessary changes within the government administration to enable increased interactions with civil society groups.

The use of referenda, although rare, is another venue to influence policies and programs of local governments since their results are binding. Various cities in the province of Quebec (including Gatineau and Montreal) will hold a referendum on June 20, 2004 to decide on whether or not to revert the amalgamation process that had integrated the metropolitan and suburban areas of those cities.²²

The influence that civil society has on local governments decisions ranges between medium to high, however it seems to depend on the nature of the issues under discussion, as well as to what extent groups engage themselves in the process and with decision-makers.

The issue of civil society participation faces other challenges. As was noted by one civil organization, sometimes the spaces for participation exist but they are not fully used by civil society and citizens in general. Another challenge that civil society organizations face in their attempt to influence the policy-making process of local governments is the need to meet the legal and technical requirements when carrying out their initiatives.

CONCLUSIONS

Local governments in Canada do not have constitutional recognition, and are the exclusive jurisdiction of provincial and territorial legislatures. Although the definition of municipalities varies across the provinces, in most cases it makes no distinction between rural and urban municipalities. This has become problematic in light of the demographic changes hat have taken place over the last decades in Canada. With a population that is mostly urban, Canada has just started to realize the need to address the problems of urban municipalities in a different way.

The Charter City Movement has been successful in many ways. Winnipeg, Saint John, Montreal and Vancouver have their own City Charter, which clearly differentiates them for other municipalities within their respective provinces and that provides a more flexible legal framework to enable city governments to respond better to new challenges. The collaboration of large Canadian cities to lobby has been successful in attracting the attention of the federal government. This has been evident with Paul Martin's New Deal for the Cities. However, more is to be done to foster a productive dialogue between the

federal, the provincial/territorial, and local governments, and in the definition of the role of the federal government in facilitating this dialogue.

There are other issues pending on the agenda. Full recognition of local governments has not yet been accomplished and many of the initiatives proposed by the federal government to increase funding for city governments will have to be negotiated with the provincial and territorial governments. While these programs are negotiated, cities will have to face increasing number of challenges and responsibilities with a limited budget. Although this is a trend at all levels of governments, perhaps municipalities are the most affected because by law they do not have many alternatives sources of revenues.

In order to attract investment and people in a growingly globalized world, cities have to increase the quality of life and promote an attractive business environment. This has led many cities to believe that the amalgamation of cities with their metropolitan areas was optimal in terms of the generation of economies of scale and to provide services more efficiently. However, this type of territorial reconfiguration should be more inclusive and receptive of people's needs if they are to succeed. The referenda that will take place in June of 2004 in the province of Quebec to de-amalgamate cities is an example of a potential dislocation between the economic needs of the city and the needs of the people.

Finally, in Canada the influence of civil society organizations in the decision-making process of local governments is medium to high depending on the issue and on the level of involvement of the organization in the process. But there is always room for improvement.

We suggest thus the following recommendations:

- Foster legislation that promotes the recognition of municipalities as a level of government and that strengthens of the institutions of local authorities.
- Foster bilateral and trilateral dialogue between local governments with the federal and provincial/territorial governments as needed to cope with the different challenges that local governments face, granting municipalities the resources required to meet these challenges.
- Further study the possibilities of balancing measures aimed at increasing economic efficiency with measures that enhance accountability and democratic participation.
- Although some governments have already taken the initiative, programs and mechanisms to promote and enhance civil society participation should be developed to strengthen accountability.

References

Anderson, George, Cities and the Federal Agenda, *Policy Research Initiative*. Vol. 5, No. 1, 2002.

British Columbia, Local Government Act [RSBC 1996]. Victoria, British Columbia. http://www.qp.gov.bc.ca/statreg/stat/L/96323_02.htm#section8 (consulted on May 12, 2004).

- Brunnet-Jailly, Emmanuel, The Municipal Reshuffle: The Canadian Search for an Efficient Model of Local Government: Comparing the Reforms of Alberta, Ontario, and British Columbia, submitted to the *Journal on Canadian Studies*, February 2003.
- Canada. Citizenship and Immigration Canada. How is Canada governed? http://www.cic.gc.ca/english/newcomer/fact_06e.html (consulted on May 12, 2004).
- Directeur Général des Eléctions du Québec. 2004 Municipal Referendum Consultation. http://www.electionsquebec.qc.ca/registre_en/question_referendaire.asp (consulted on May 11, 2004).
- Federation of Canadian Municipalities, Early Warnings: Will Canadian Cities Compete? A Comparative Overview of Municipal Government in Canada, the United States and Europe. May 2001. Updated 2002. Prepared for the Round Table on the Environment and the Economy. Ottawa: FCM;
- _____, Highlights Report 2004. Quality of Life in Canadian Municipalities. Ottowa: FCM.
- Forum of Federations, Report on the International Conference on Cities and Federalism: International Perspectives, May 6 and 7 2002, Rio de Janeiro, Brazil.
- Martin, Paul, P.M. Address by Prime Minister Paul Martin at the Celebration of the 50th Anniversary of the Toronto Transit Commission (TTC) Subway System. March 30, 2004, Ottawa, Ontario. http://pm.gc.ca/eng/news.asp?id=158 (consulted on April 19, 2004)
- Plunkett, T.J., A Nation of Cities awaits Paul Martin's "New Deal" —Federal Funds for "Creatures of the Provinces", *Policy Options*, February 2004.
- Scoffield, Heather, Cash for Cities on the Way, Harcourt Says, *The Globe and Mail*, April 19, 2004.
- Séguin, Rhéal, Studies Cite Advantages of De-Amalgamation, *The Globe and Mail*, April 22, 2004, p. 11
- Thompson, Justin, Chase the bouncing Ioonie: Cities vie for a new deal, *CBC News Online*, February 3. 2004.

³ T.J. Plunkett, A Nation of Cities awaits Paul Martin's "New Deal" —Federal Funds for "Creatures of the Provinces", *Policy Options*, February 2004, pg. 20.

¹ The Federation of Canadian Municipalities, *Early Warnings: Will Canadian Cities Compete? A Comparative Overview of Municipal Government in Canada, the United States and Europe.* May 2001. Updated 2002. Prepared for the Round Table on the Environment and the Economy. Ottawa: FCM; Emmanuel Brunnet-Jailly, The Municipal Reshuffle: The Canadian Search for an Efficient Model of Local Government: Comparing the Reforms of Alberta, Ontario, and British Columbia, submitted to the *Journal on Canadian Studies*, February 2003.

² British Columbia, Local Government Act [RSBC 1996]. Victoria, British Columbia. http://www.qp.gov.bc.ca/statreg/stat/L/96323_02.htm#section8 (consulted on May 12, 2004).

⁴ Cfr. Plunkett, Opus cit., pg. 21.

⁵ According to the Federation of Canadian Municipalities, the proposed legislation in Ontario of 1998 seemed more regressive than progressive, because while it offered "natural person powers" it also included provisions whereby the provincial government could limit the capacity of local governments to engage in commercial activities if it deemed it necessary. The Federation of Canadian Municipalities, *Early Warnings: Will Canadian Cities Compete? Opus cit.*, pgs. 3-4.

⁶ *Ibid*, pgs. 2-4.

⁷ Emmanuel Brunnet-Jailly, *Opus cit*.

⁸ Justin Thompson, Chase the bouncing loonie: Cities vie for a new deal, *CBC News Online*, February 3. 2004, pg.1.

⁹ This report measures quality of life using variables such as the existence of a vibrant local economy, the protection of natural and created environment, opportunities for personal attainment and satisfaction of basic needs, and the inclusion of all residents. It was based on the information of 20 municipalities, including the cities of Calgary, Edmonton, Halifax, Halton, Hamilton, Kingston, London, Niagara, Ottawa, Peel, Quebec, Regina, Saskatoon, Sudbury, Toronto, Vancouver, Waterloo, Windsor, Winnipeg and York. The Federation of Canadian Municipalities, *Highlights Report 2004. Quality of Life in Canadian Municipalities*. Ottawa: FCM.

¹⁰ Idem.

¹¹ George Anderson, Cities and the Federal Agenda, *Policy Research Initiative*. Vol. 5, No. 1, 2002. Canada's Cities.

¹² Vancouver's City Charter is over one hundred years. Further amendments are expected in the current legislation in British Columbia towards the endowment of greater autonomy to all municipalities. The Federation of Canadian Municipalities, *Early Warnings: Will Canadian Cities Compete? Opus cit.*, pg. 3. ¹³ Justin Thompson, *Opus cit.*, pg.4.

¹⁴ P.M. Paul Martin, Address by Prime Minister Paul Martin at the Celebration of the 50th Anniversary of the Toronto Transit Commission (TTC) Subway System. March 30, 2004, Ottawa, Ontario. http://pm.gc.ca/eng/news.asp?id=158 (consulted on April 19, 2004); Justin Thompson, *Opus cit*.

Heather Scoffield, Cash for Cities on the Way, Harcourt Says, *The Globe and Mail*, April 19, 2004.

¹⁶ T.J. Plunkett, *Opus cit.*, pg. 22.

¹⁷ Within the Canadian federal system there are two types of money transfers: the equalization payments and the program payments. The former refers to the money transferred to poorer provinces with the purpose of equalizing the level of services received across the country. The later refer to federal funds transferred to the provinces/territories destined to specific programs such as health, education and welfare programs.

¹⁸ T.J. Plunkett, *Opus cit.*, pg. 21.

¹⁹ Citizenship and Immigration Canada. How is Canada governed? http://www.cic.gc.ca/english/newcomer/fact_06e.html (consulted on May 12, 2004).

²⁰ T.J. Plunkett, *Opus cit.*, pg. 25.

²¹ Forum of Federations, *Report on the International Conference on Cities and Federalism: International Perspectives*, May 6 and 7 2002, Rio de Janeiro, Brazil, pg. 2.

²² For more information see Le Directeur Général des Eléctions du Québec. 2004 Municipal Referendum Consultation. *http://www.electionsquebec.qc.ca/registre_en/question_referendaire.asp* (consulted on May 11, 2004); Rhéal Séguin, Studies Cite Advantages of De-Amalgamation, *The Globe and Mail*, April 22, 2004, p. 11.