

Chapter 11

Municipalities in the 21st Century

How well municipalities fare in this new century will depend, as always, on how successfully they maintain a balance between their two primary roles: representative/political and administrative/service delivery. The tension between these two roles is reflected in two contrasting images of municipal government – as a democratic institution that responds to community concerns and as but one of many players in a competitive market place in which individual interests prevail.

Introduction

Chapter 1 concluded that municipal governments are at a crossroads, facing “the best of times” and the “worst of times.” The intervening chapters have described many of the opportunities and challenges that contribute to this mixed assessment of municipal prospects. This final chapter builds upon this background to offer a basic five point program for municipal success in the 21st century.

- i) Revive the political role of municipal government;
- ii) Be strategic and selective;
- iii) Develop more community responsibility;
- iv) Operate in a business-like manner, but remain focused on being a democratic government; and
- v) Stop being a constitutional orphan and seek adoption by the local community.

Reviving the Political Role

The term “reviving” is used because municipalities were originally established with a political role that was at least as important as the service delivery role. If the settlers in Central Canada in the 1840s had only been interested in receiving services, there would have been no reason for them to push for elected municipal governments. They were already receiving local services from the Courts of Quarter Sessions.

What they wanted, clearly, was something more – a say in those servicing decisions, a vehicle through which they could express collective concerns about their communities. No matter how many or what services are provided by municipalities, their primary importance is as an expression of local choice. As Clarke and Stewart explain it, there would be no point, other than administrative convenience, in local governments providing services in which there was no significant local choice.¹

A series of developments, described in earlier chapters, undermined the political role of municipal government, to the point where it receives far too little attention today. The first significant influence to be noted is the turn of the century reform movement of 100 years ago, from which came the notion – still widely held – that politics has no place in municipal government and only serves to interfere with the technical decisions that must be made by staff experts facing complex servicing issues. The irony, of course, is that the reform movement did not really succeed in eradicating politics from municipal decision making, nor was that really the objective of many reformers. What the reforms of that era did was ensure that the political power of business interests and the middle class continued to prevail.

By the mid-20th century, municipalities had become closely intertwined with the operations of the provincial and federal governments and were increasingly seen as vehicles for servicing land in support of the economic growth objectives of these governments. Bradford, as noted in Chapter 3, refers to this period as “cities in the shadow of Keynesian space,”² in deference to the economic policies then being followed by the federal government. With the growing complexity of service demands arising from the rapid urbanization following World War Two, the importance of technical expertise as the basis for municipal decisions continued to hold sway. There appeared to be widespread support for municipal efforts to promote and accommodate rapid economic growth and municipal activities seemed more administrative than political in nature. Here again, as at the end of the 19th century, the reality was rather different. “Power was in the hands of politicians, bureaucrats, and developers, all of whom were involved in

¹ Michael Clarke and John Stewart, *The Choices for Local Government*, Harlow, Longman, 1991, p. 2.

² Neil Bradford, *Why Cities Matter: Policy Research Perspectives for Canada*, CPRN Discussion Paper No. F\23, Canadian Policy Research Networks, June 2002, p. 16. This document was accessed February 20, 2003 at www.cprn.org.

the transformation and expansion of cities – hence the focus was on efficiency and only limited debate occurred over policy orientations.”³

Debate did intensify by the 1960s, as citizens and local groups increasingly mobilized to protest against the consequences of the pattern of economic growth and development underway. Urban renewal and expressway battles provided evidence of an increasingly politicized urban life. But many of the groups that sprang up during this period were very narrowly focused and cries of NIMBY (Not In My Back Yard) were frequently heard. By the 1980s, the citizens’ movement had lost much of its momentum.

By this time as well, the political role of municipal government was increasingly constrained by changing economic and ideological forces. Deficit and debt reduction became the preoccupation of the provincial and federal governments, in part to ensure Canadian competitiveness in the global economy. Municipalities found themselves facing an increasing revenue squeeze. They also faced an even greater threat in the form of provincially imposed or encouraged amalgamation initiatives in several provinces in the 1990s. A number of very big municipalities have resulted from these initiatives, and they face their own challenges in representing the interests of large and often diverse populations. Whatever their size, municipalities today are being urged to operate more like a business as the best way of meeting the challenges that they face. In some respects we have come full circle and are back in another turn of the century reform era in which the political role of municipal government is ignored in favour of its service delivery role.

If municipalities are to play an important role in the 21st century, they must reassert themselves as municipal *governments*, centred on elected bodies that make *political* decisions. The municipal council must be recognized as a political mechanism for expressing and responding to the collective concerns of members of the community. Among the important implications of this conception of municipal government are the following points:⁴

³ Paul Villeneuve and Anne-Marie Séguin, “Power and Decision-Making in the City: Political Perspectives,” in Trudi Bunting and Pierre Filion, *Canadian Cities in Transition*, 2nd Edition, Toronto, Oxford University Press, 2000, p. 554.

⁴ These points are largely based on John Stewart, “A Future for Local Authorities as Community Government,” in John Stewart and Gerry Stoker (eds.), *The Future of Local Government*, London, Macmillan, 1989, Chapter 12.

- If the municipality is an extension of the community, its identity and its purpose derive from that community, not from the particular services it provides.
- The municipality has a legitimate right to take actions that are needed by that community. The right derives from the nature of the municipality as an extension of the community, and does not depend on what specific powers have been assigned to it.
- The municipality's primary role is concern for the problems and issues faced by its community. The interests and values of the community are expressed and resolved through the municipality. It is "a political institution for the authoritative determination of community values."⁵

This conception of municipal government rejects the current wisdom that measurement and the market place should determine the kind of society we have. George Soros, a billionaire financier, argues that every society needs shared values to hold it together and that market values can never serve this purpose. This is because they reflect only what one market participant is willing to pay another in free exchange. In his words: "Markets reduce everything, including human beings (labour) and nature (land) to commodities. We can have a market economy but we cannot have a market society."⁶ In addition to markets, Soros claims, society needs institutions to serve such social goals as political freedom and social justice.

Are municipalities that kind of institution? How often are concerns about social justice voiced during municipal budget debates? Such concerns should frame the budget debate, rather than the perennial preoccupation with zero tax increases. Granted, it is difficult for municipalities to pursue social justice – especially in today's global economy – because policies of redistribution may trigger out-migration by business and the well-to-do, or so claims Peterson as discussed earlier in this book.⁷ But it is not difficult to broaden the budget process into something more than an exercise designed to hold the line on taxes. That is not the only community value! It is true that if you ask citizens if they would prefer not to have a tax increase, they will almost certainly answer: yes. But if they were asked if they would be prepared to pay \$50 more a year to maintain certain services or service standards, they might

⁵ *Ibid.*, p. 241.

⁶ George Soros, "Toward a Global Open Society," *Atlantic Monthly*, January 1998, p. 24.

⁷ Paul Peterson, *City Limits*, Chicago, University of Chicago Press, 1981.

again answer: yes – except that they are almost never asked such a question. In our view the typical municipal budget process, which starts with the objective of zero tax increases, achieved through a long process of cutting and pruning, is both backwards and devoid of a political dimension derived from community values. It should start by identifying those services that the community needs and wants and is willing to fund. Such an approach could transform the budget process into a real exercise in setting community priorities.

Being Strategic and Selective

Central to the political role of municipal government are decisions about the services to be provided, to what level, by whom. In making such decisions, municipalities must avoid being trapped in the service delivery box. This problem often arises from the fact that municipalities have grown in a haphazard fashion over the years, and have operated on a model of self-sufficiency that equates responsibility for a service with direct provision of that service. As a result, municipalities have become ever busier with the day to day demands of service delivery. They feel constant upward pressure on scarce resources – financial and personnel – and are often unable to respond to perceived local needs because of these limited resources. Municipalities locked into this pattern can become so immersed in the details of delivering services that they lose sight of why they are doing so, or whether there is a better alternative. They become so busy rowing, in the words of Gaebler and Osborne, that they ignore their even more important responsibility for steering.⁸ That steering role involves making political and policy decisions about the future direction of the municipality. It is also consistent with the notion of governance cited frequently in this text, because steering organizations attempt to work with other governments and the private and volunteer sector in the achievement of community goals.

It is argued that steering organizations are able to define an issue or problem comprehensively because they are not limited to the resources that they can allocate to the matter. Having defined the issue broadly, steering organizations can then “shop around” for the resources needed to deal with it. They may regulate, license, or otherwise monitor some activity, they may enter into a variety of partnership arrangements

⁸ David Osborne and Ted Gaebler, *Reinventing Government*, New York, Penguin Books, 1993.

– the options are almost endless.⁹ A rather similar perspective is found in the concept of the “enabling authority,” described in writings about British local government.¹⁰ Since the municipality is defined by the needs and problems facing its community, it obviously cannot and should not always act on its own; it has to work with others. An enabling municipality is one “which takes a broad responsibility for the social and economic issues confronting its area and uses all the means at its disposal to meet the needs of those living in the area.”¹¹

The importance of steering has also come to the fore because the servicing-financing crunch facing municipalities demands that they give more attention to planning and prioritizing. It wasn’t that long ago that governments operated on the basis of “doing more with more,” simply raising additional revenues when they wanted to pursue new initiatives – although this rather expansive (and expensive) attitude was always exhibited more by provincial and federal governments than by municipalities. Next came an emphasis on more efficient governments, capable of “doing more with less.” Most recently, the focus has been on governments “doing less with less,” as they downsize in response to fiscal pressures and supposed global dictates.

We don’t subscribe to a minimalist view of government, believing that a strong public sector is vital to society, and is even essential to support a healthy private sector. But it is clear that governments, including municipal governments, cannot attempt to be all things to all people. It is also clear that municipalities cannot continue with a budget process that amounts to “death by a thousand cuts.” The end result is a skeleton operation in which services are provided more poorly and facilities are inadequately maintained. Instead, municipalities need to review their mandates and to define the priorities that will dictate the allocation of their scarce resources. It may be that the community would prefer to see fewer services provided better. Or it may be that the community would accept paying more to avoid losing certain services. It is time to find out the answers to such questions.

⁹ Osborne and Gaebler identify 36 alternatives to standard service delivery. See *ibid.*, p. 31 and pp. 332-348.

¹⁰ This term is used by a number of British authors, including John Stewart in Stewart and Stoker, *The Future of Local Government*, and Clarke and Stewart, *The Choices for Local Government*, Chapter 2, on which this discussion is partly based.

¹¹ Gerry Stoker, “Creating a Local Government for a Post-Fordist Society,” in Stewart and Stoker, *The Future of Local Government*, p. 167.

Over the past couple of decades, many municipalities have used strategic planning exercises as a way of canvassing local citizens (and other stakeholders) with respect to the challenges that they face and the priorities that they ought to adopt. These exercises can be a very effective means of involving the public, setting priorities, and reallocating scarce municipal resources accordingly. In very brief and oversimplified terms, strategic planning involves the following steps.

- The mandate of the municipality is reviewed to determine what it must do, may do, and isn't doing that it could do.
- A mission statement is developed, setting out in succinct but memorable language, what makes the municipality distinctive, unique, and worthy of preservation.
- The strengths and weaknesses of the municipality are evaluated in relation to the opportunities and threats that face it (the so-called SWOT analysis), usually on the basis of extensive consultations with stakeholders.
- From the many issues facing the municipality, the strategic ones are identified, those that must be addressed.
- Goals and objectives are developed in relation to the strategic issues, action plans are spelled out, and responsibilities and resources are allocated – to ensure implementation of the strategic priorities that have been identified by the process.

Strategic planning can give a municipality a heightened awareness of its external environment and a systematic method of selecting which of the many challenges on the horizon will be addressed with scarce municipal resources. It can also be an excellent means of involving the public in municipal decision making. If it incorporates an ongoing process of debate and dialogue with local citizens, the result can be not only clearer priorities but also greater public understanding of the issues facing council and greater council awareness of what is important to the public. The result is a much more solid foundation for fulfilling the political role of municipal government.

Developing Community Responsibility

Greater involvement of the public through exercises such as strategic planning can help to promote a greater sense of community responsibility for local issues and their resolution. All too often citizens respond to a problem by complaining “why doesn't the government do something

about this,” even as they decry the size of government and the heavy tax burden they bear. Adding to this paradoxical behaviour is the fact that more responsible actions on the part of citizens might avoid some of the problems that then lead to expensive responses from government. People used to undertake self help and community initiated ventures almost as a matter of course. But as the scope of government activity expanded over the past century, these tendencies disappeared. The notion somehow developed that once the government gets involved with some subject, then it is the government’s problem, not ours. Governments have contributed to this unfortunate development by appearing to exclude the public, by acting as if only professionals and experts could have the answers.

Gradually this trend is being reversed. Progressive governments are working with communities to reduce the likelihood of problems arising in the first place. After a century of the medical model of health care, which consumes vast resources to treat people after they become sick, the “healthy cities” movement has revived efforts by municipalities and public health agencies to promote healthy communities and healthy life styles as primary methods of avoiding sickness and associated treatment costs. The same emphasis on prevention is evident in the shift to community policing, the opening of “storefront operations,” and the provision of youth-related recreational facilities in an effort to reduce crime. Progressive fire departments recognize that their primary task is not to fight fires but to prevent them from happening, and they have devoted increasing resources to public education activities. Members of the community have often led the way with respect to environmental matters, pushing their municipalities to adopt recycling and blue box programs and to promote the three Rs (reduce, reuse, and recycle).

To take one more example, many municipalities have recognized their financial limits and the importance of community involvement by setting up mechanisms which encourage local groups, organizations, or businesses to accept responsibility for providing or maintaining particular facilities or services. A common example is an arrangement under which the municipality provides the site and the boards, but a neighbourhood group accepts responsibility for maintaining an outdoor rink in its area. Schemes to “adopt a park” or “adopt a flower bed” are also widespread. A plaque at the site identifies the organization taking on this role.

There is a danger, of course, that these latter arrangements can become little more than a scheme to shift public responsibilities and costs on to private shoulders. If that is the only objective of the exercise, it is unlikely to succeed for long. Equally foolish is the situation in which

governments call for greater efforts from volunteers and community associations at the very time that they have been cutting grant support to such associations in the name of fiscal restraint! Adequate government resources and true partnership arrangements are needed “to enable communities in their efforts to rehabilitate housing, create employment, get rid of drug dealers, pimps and slum landlords, foster strong community schools, recover rivers for community use, and improve public health.”¹²

Almost lost in all the recent talk about governments pursuing public-private partnerships is the importance of a new partnership between governments and their citizens, one that can generate the volunteer and community efforts that are so needed today. It is scarcely an exaggeration to say that governments spent the first three decades following World War Two building a welfare state that largely pushed aside volunteer organizations and the last two decades dismantling these social programs while underfunded charities struggled to pick up the pieces.¹³ Municipalities today increasingly recognize the value of volunteers and the fact that they can be involved in many areas other than the traditional field of recreation. With municipal resources so strained and limited, it only makes sense to draw upon community resources and expertise wherever possible. A case in point is Burlington’s initiative in appointing a citizens’ committee to review its budget process, as described in Chapter 9. Whitby, Ontario is known as a community of volunteers, whose activities extend to neighbourhood safety programs (operated in conjunction with schools, police, service clubs, the media, and local businesses) and programs in seniors centres.¹⁴ In the words of a former community worker and municipal councillor from Western Canada, “civic bureaucratic expertise combined with community initiative can lead to a more dynamic, engaged civic culture and to stronger local democracy.”¹⁵

As this quote suggests, what makes an effective government-community partnership so valuable is not the reduction in government workload but the increased feeling of community responsibility and

¹² Greg Selinger, “Urban Governance for the Twenty-First Century,” in Nancy Klos (ed.), *The State of Unicity – 25 Years Later*, Winnipeg, Institute of Urban Studies, 1998, p. 99.

¹³ This is the perspective of Carol Goar, “Don’t mistake price tags for values,” *Toronto Star*, February 13, 1999.

¹⁴ C. Richard Tindal, *Governance Report, Town of Whitby*, January 2001, p. 18.

¹⁵ Selinger, “What the Unicity Experience Tells Us,” p. 99.

ownership. The “adopt a park” program cited earlier does help to defray municipal program costs, but its main benefit is enhanced community involvement and a greater sense of ownership. This is reflected in reduced vandalism and general abuse of park facilities that are adopted in this manner. If members of the community have volunteered their time and energy to maintain a park, they view it quite differently; it is “their” park, not just a municipal park. They are not going to damage or neglect “their” park; nor are they likely to tolerate others being similarly inconsiderate. It was always their park, of course, since it was provided through tax dollars, but they didn’t see it that way before.

Using Resources Wisely

Whatever planning and priority setting exercises may be carried out and however much community responsibility and collective ownership can be engendered, municipalities still face the challenge of providing a wide variety of services and programs to their citizens with severely constrained financial resources. As a result, they need to take steps to ensure that they are using their limited resources as wisely as possible. As will be clear from the very brief examples that follow, these steps involve the use of tools and techniques from the business world – even though we have repeatedly rejected the notion that municipal governments should run like a business. There is no inconsistency here. In seeking to use their resources wisely, municipalities should employ any tools that can *assist* them in their decisions. It is not the business tools *per se*, to which we have objected, but situations in which business tools and market forces dictate decisions instead of simply providing background information on which political decisions are made by councils.

What, By Whom, and How Much?

Municipalities need to keep in mind that the provision of a service and the production or supplying of that service are two quite different things. The decision by a council (and its citizens) that a service is needed and will be provided does not necessarily mean that municipal staff will be hired or assigned to deliver that service directly. The first decision is a political and policy one – that this municipal servicing need will be addressed. A second decision is then required, concerning the best way to address this need, and options include the following:

Box 11.1 Alternative Service Delivery Options

- A municipality can directly deliver the service itself, using its own staff, in what might be considered the traditional approach.
- A municipality could contract with another municipality for the service.
- A number of municipalities could arrange for the delivery of a service or services on their behalf, often under the aegis of a joint services board.
- A municipality could contract with the non-profit, voluntary, or private sector through a wide variety of arrangements.
- A municipality could divest itself of any responsibility for a particular service, leaving it to the private sector or others to fill the need, or not. This represents the other extreme from the traditional approach first listed.

There is no “one best way” with respect to this matter. The point is simply that a municipality should not assume that it will directly provide all services just because that has been the predominant pattern in the past. It should explore the potential of a different role in which it acts as a service arranger or as the enabling authority discussed earlier. Any such exploration should be cautious and comprehensive, however, and municipalities should be aware of the fact that alternative service delivery options are often promoted as a euphemism for downsizing and privatizing. That is certainly not our objective in proposing consideration of such options. We find nothing inherently superior in private administration. In our view, municipalities will likely continue to provide directly most of the services required by their citizens. If an alternative supplier appears to be an attractive option, a municipality should be sure to consider such things as the following:

- How central is the service in question to the core mission and mandate of the municipality? Is it a service that should be kept under direct municipal control?
- Is there sufficient information on how costs are classified and apportioned by the alternative supplier and the municipality to be confident that the comparison is really “apples to apples?”
- In addition to cost and efficiency, has equal attention been given to the question of quality and effectiveness? What is the alternative supplier’s track record in this regard?
- Will the alternative supplier be taking over full responsibility for the service in question (as opposed to, for example, being responsible for provision within a portion of the municipality’s geographic area) and, if so, what happens to existing municipal staff who have been handling this service?
- If the municipality is no longer involved in providing this service, will it still have sufficient internal expertise to monitor

the way it is being provided and to ensure that the service contract is being fulfilled?

- Have you done a “yellow pages test” to determine if there are several alternative suppliers of this particular service, in case the first one is no longer the preferred choice when the original contract comes up for renewal?

As discussed in Chapter 8, municipalities are making increasing use of performance measurement, benchmarking, and best practices, to improve their operations. These developments are welcome and the resulting information can enhance municipal decision making. But those pursuing an ideological agenda to downsize the public sector and to enhance private sector operations can distort performance measure to advance their cause. For virtually every municipal service, it is probably possible to find a quote from somewhere that promises cheaper delivery. But performance measures should not be used as a means of searching out the cheapest alternative. They are not intended for that purpose, or for the accountability “report card” mandated in Ontario – but as a way of helping managers improve program implementation. Rather than asking “is anyone doing this cheaper?” the question should be “is staff performance showing desired improvement, year by year?” Steady progress of this sort is more effective than the “quick fix” of what may be an ill considered privatization venture.

Building Strength From Below

It is perhaps surprising that we have reached this point in the chapter without the usual calls for constitutional recognition of municipal government, more empowering provincial legislation, or increased financial assistance from the provincial and federal levels. All of these matters are important, and have been discussed in earlier chapters, but they are also beyond the control of municipalities. As a result, if they become a central focus, municipalities are left in a very passive role, waiting for largesse from the “senior” government benefactors.

As Jane Jacobs and Caroline Andrew argue in Chapter 6, municipal governments must get beyond their mindset of dependency and become more assertive. Patrick Smith and Kennedy Stewart demonstrate in that chapter that constitutional and statutory inferiority need not be a complete barrier for creative and aggressive municipalities that take advantage of any bargaining leverage that they may temporarily enjoy. Chris Leo and Susan Mulligan, in the same chapter and in Chapter

10, envisage an enhanced role for municipalities in fine-tuning the local application of federal and provincial policies and programs.

Instead of being preoccupied with their place in the hierarchy of governments in Canada, municipalities need to look outward to the other local actors that they can bring together into more inclusive governing regimes. They also need to forge close links with their local citizens and make them an integral part of such regimes. By so doing, municipalities can build their strength upward from the local communities that they represent. It will be a slow process, not easily achieved, but it is something that is within the power of municipalities to do. It is action that they can take on their own.

Striking a Balance

How municipalities fare in this new century will depend, as always, on how well they maintain a balance between two contrasting visions of what they are and how they should operate and a balance between the two contrasting primary roles that underlie these visions.

A Vending Machine or a Barn-Raising?

For the purposes of this discussion, these two visions will be characterized as the vending machine and the barn-raising.¹⁶ The vending machine image reflects the municipality's role as service provider. This view has always been prominent and it has received even greater attention in recent years with the emphasis on municipalities being more business-like and taking care of the customer. People drop money (tax payments) in the municipal vending machine, and the machine dispenses services. Sometimes the machine doesn't work, or is out of the particular product that people want, and they grumble and kick the machine. In response, people may be offered different products and different prices. They may be given a 1-800 number to call; they may even be offered guarantees about product availability or quality. Ultimately, however, there is nothing to encourage a close allegiance between citizens and the municipal vending machine. It is just a service provider. All it wants is

¹⁶ These contrasting images of municipal government are described in Frank Benest, "Serving customers or engaging citizens: What is the future of local government?" an article originally published as an insert in the *International City Management Association Journal*, November 1996. Some of the ideas in this article provided the inspiration for the discussion in this section.

for people to deposit their money in exchange for the products. All the people want is the products that satisfy their particular needs. Instead of being citizens of a wider community who have an interest in the needs of others, they are individual consumers. The vending machine view is essentially an extension of public choice theory, focusing on individual choice through markets. It provides a marked contrast to traditional theories of local democracy that focus on the capacity for collective choice through voting.¹⁷

The barn-raising image incorporates the notion of citizen and community responsibility. People have collective needs and concerns. Instead of saying “why doesn’t the government do something?” when a problem arises, they are as likely to say “what are we going to do?” The “adopt a park” initiative, properly conducted, is consistent with the barn-raising model of municipal government. So is a strategic planning exercise that draws upon the views and values, hopes and fears, of countless members of the community as a foundation for its planning and priority setting. Technical staff can write a strategic plan, but only the citizens of a community can provide the vision that illuminates such a plan. Storefront operations, efforts to involve and empower local groups and associations, initiatives to promote partnerships amongst groups to tackle community issues – all of these actions reflect the barn-raising model. This model is consistent with the notion of the municipality as an extension of the community, the community governing itself.

The Representative or Administrative Role?

Underlying the two contrasting images of a barn-raising versus a vending machine are the two roles of municipal government: representative/political and administrative/service delivery – and they are also in conflict. If the first role is emphasized, the municipality is seen as a vehicle used by the community to address its collective concerns. This role conveys the notion of collective action to deal with shared problems and challenges (consistent with the image of the barn-raising).

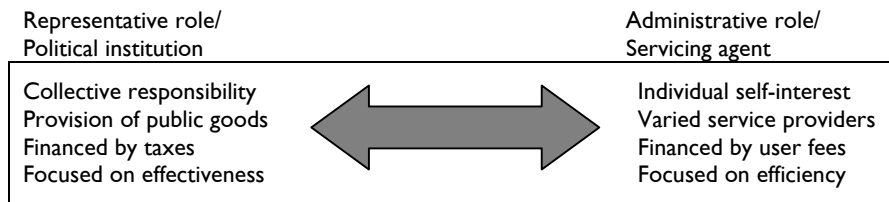
Municipalities are viewed as local democratic institutions that respond to collective public concerns by providing public services financed from taxes. The ultimate measure of their performance is how effectively they respond to the elusive public interest.

If the administrative role is emphasized, as has certainly been the case in recent years, the municipality is seen as but one of many players

¹⁷ Michael Keating, *Comparative Urban Politics*, Aldershot, Edward Elgar, 1991, p. 108.

in a competitive market place in which individuals are free to pursue their personal interests by seeking out the services that they find most attractive. The image is manifestly not one of the collective identification of issues and collective responses. A variety of alternative service providers is seen as offering the range of choice needed for individual consumers of services to pursue their best interests. Charging user fees for these services is favoured over payment through taxes, because the former allows individuals to select only those services they want to use, and to pay accordingly (as in the vending machine analogy). The ultimate measurement of performance is how efficiently municipalities deliver services as reflected in their bottom line. The figure that follows depicts the key characteristics of these two contrasting views.

Figure 11.1 The Contrasting Characteristics



The second role, of municipality as servicing agent, contains within it both positive elements and potential dangers, depending on the extent to which its key features are pushed. The benefits of a competitive atmosphere have long been evident in the public sector, and public choice proponents are persuasive when they contend that the choice for citizens is enhanced when there are multiple local service providers and when there is freedom to access a service or not by paying a user fee or not. As noted elsewhere in this text, there is considerable evidence to suggest that a fragmented municipal structure provides services less expensively than one large, consolidated unit. It is also well documented that “what gets measured, gets done,”¹⁸ and that concerted efforts to promote and reward productivity improvements bear fruit.

On the other hand, we have also noted in this text that whatever efficiency benefits there may be from a fragmented municipal structure are potentially offset by problems caused by the lack of a unified approach to intermunicipal issues and by the perpetuation of servicing and financing inequities. With a number of separate municipalities, individuals are free to choose the one which provides whatever combination of services and charges best meet their needs – assuming

¹⁸ Osborne and Gaebler, *Reinventing Government*, p. 146.

that they have both knowledge of the choices available and the mobility to act upon this knowledge. But this structural arrangement may also allow the creation or preservation of communities of relatively well-to-do individuals who need minimal government services and are taxed accordingly, and who aren't obliged to contribute, thanks to their separate governing jurisdiction, to the costs of the many government services needed by the less fortunate in society, who are located in other jurisdictions. Carried to an extreme, this can result in a kind of social apartheid, in which the elite "feel increasingly justified in paying only what is necessary to insure that everyone in their community is sufficiently well educated and has access to the public services they need to succeed."¹⁹ It is clear that the pursuit of individual self-interest can work better for some individuals than it does for others. Along with what is best for the individual, as measured in strictly financial terms, there has to be some consideration of what is best for the broader community and region in which one moves and interacts.

Similarly, an over-preoccupation with the efficiency of service delivery, a tendency to measure municipal operations in the same way as a business, can lead to some harmful distortions. It must be remembered that many of the services provided by government are not provided by the private sector because they do not, and cannot, generate a profit or even come close to operating at break-even. This bad bottom line doesn't make such services a candidate for termination; it is why they belong in the public domain. User charges have their benefits, when applied selectively, but any widespread expansion of their use can be self-defeating. Once again, the self-interested individual will attempt to minimize costs. The wealthier citizens have no need of services such as public transit. They can forego public parks in favour of cottages and private resorts, and may even feel less need for police services thanks to their secure access high rise or gated community. Indeed, there are now far more private security forces than there are public police. But public programs and services certainly cannot be financed solely from user charges paid by the less wealthy in society.

Consider the example of municipal bus or transit services. These services never operate at break-even, a fact which seems to cause great controversy – even though the public roads provided for the convenience of the motor car and which are much more heavily subsidized by government also never come close to operating at break-even. Yet the

¹⁹ Robert Reich, "Secession of the Successful," *New York Times Magazine*, January 6, 1991, as quoted in Murray Dobbin, *The Myth of the Good Corporate Citizen*, Toronto, Stoddart, 1998, pp. 128-129.

typical response to a transit deficit is to increase the fees and to reduce the service, actions hardly conducive to an improvement in the situation. A totally different way at looking at public transit would be to view it as an essential public good which is also cost-effective when one factors in the costs which would arise without it, in the form of increased air pollution and traffic congestion, greater traffic control costs, time and money lost in commuting, more “fender-benders” and other accidents, and more associated police and court costs. When everything is taken into consideration, it might even be that the much-maligned municipal transit system is a bargain. But when the focus is only on the bottom line, rather than on the broader benefits to society, we are likely to be guilty of shortsighted bookkeeping.

Concluding Comments

The contrasting images and roles that we have been examining are not, or need not be, either/or options for municipalities. They represent gradations of behaviour and orientation, and it is certainly possible (and highly desirable) to combine the best of both. Our favoured combination would keep the vending machine in the back of the barn. In other words, we believe that the representative/political role should be paramount, but that features of the service delivery role are also valuable in moderation and within the framework of the first role. Efficient and economical use of municipal resources is a desirable objective, provided that such measures are balanced by considerations of effectiveness. The pursuit of the bottom line cannot be allowed to take precedence over pursuit of the public interest.

Under different circumstances, it should not be that difficult to add business-like, competitive features to local democratic institutions. Presently, however, we face the added challenge that the institutions of government (at all levels) seem to be under attack, as a result of the global economy, the dictates of international capitalism, and the neoconservative or neoliberal ideology that has held sway for the past couple of decades. Not content to have government act in a more business-like manner, there are many who wish to go further and downgrade the role and significance of government in our society, while elevating the importance of the private sector.

One manifestation of this viewpoint is the widespread attitude that virtually all spending by government is inherently less desirable than spending by and on the private sector, and that no further tax increases

can be tolerated. To put things in perspective, various published reports suggest that some \$6 billion was spent on products related to the Pokémon craze during the last three years of the 20th century, even as we continue to debate whether or not we can afford welfare, public housing, public health, environmental programs, and other services that form part of a basic standard of living in a civilized society. Obviously we can afford public services if we believe in them and are prepared to support them with our taxes.²⁰

Moreover, the bill for local government services is something of a bargain, as vividly illustrated by Jim Sharpe's comment that:

...although the local government bill is not small, it provides education, public health, social services, highways, libraries, fire, police, refuse collection, and a whole range of other public services which most people need and demand, at a total cost that is no larger than the amount we collectively spend on such things as wine and beer, cigarettes, eye shadow, tennis rackets and a flutter on the horses.²¹

It is highly unlikely that paying taxes will ever become a popular pastime in Canada. But it is through such taxes that a society provides the goods and services that serve and enhance the public good. This community need and collective responsibility provide a marked contrast to the emphasis on individual preferences and choices that has been receiving growing attention. Unless and until citizens show more commitment to governments and to their responsibilities within the governmental system, municipalities will remain vulnerable to the pressures to convert them into quasi-businesses. To resist these pressures, therefore, municipalities need to do as much as possible to demonstrate their value and relevance to their communities.

There is an additional, and compelling, reason for municipalities to reassert their political role and to reforge links with their citizens. As noted earlier in this chapter, this relationship represents the best hope for municipalities in the future. Experience has shown that there is little to be gained by relying on the provincial and federal levels and waiting to see what may trickle down from above. Far better to build strength upward from the community, from the citizens municipalities exist to serve. That means taking into account the views and concerns of all citizens, not just propertied or business interests. It means being efficient

²⁰ This discussion is based on C. Richard Tindal, *A Citizen's Guide to Government*, 2nd Edition, Whitby, McGraw-Hill Ryerson Limited, 2000, p. 7.

²¹ L. J. Sharpe (ed.), *The Local Fiscal Crisis in Western Europe, Myths and Realities*, London, Sage Publications, 1981, p. 224.

where possible, but also being prepared to provide services or programs which aren't necessarily cost-effective, if they are required to address a public need. It means being mindful of the bottom line but also dedicated to the public interest.