



Preparing for Civic Elections. Vancouver, November 2011 (Elvin Wily).

## Frameworks of Urban Governance

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### Who Runs This Town?

*Who runs this town?* This is a simple question that seems, at first glance, to have a very simple answer: The Mayor. “Mayor” comes from the Middle English *maire* or *mer*, which were derived from the French *maire*, and refers to the head of a municipal corporation of a town or city. In turn, “municipal” comes from the Latin *municipalis*, which refers to anything of, relating to, or carried on by local self-government, especially of a town or a city. So it would seem obvious that any answer to the question of who runs a particular town must always begin with The Mayor. A smart and sophisticated mayor can control City Hall and make important day-to-day decisions. An eloquent and convincing mayor can unite city residents around common causes. Mayors that guide cities through a major crisis can become famous and influential on the national stage, and some mayors also become known globally. A non-profit organization called City Mayors, “an international network of professionals working together to promote strong and prosperous cities as well as good local government,” runs something called the “World Mayor

Project,” an annual survey to identify the most effective and influential mayor. Recent recipients of the World Mayor Award include Edi Rama, Mayor of Tirana, Albania (2004); Dora Bakoyannis, Mayor of Athens, Greece (2005), John So, Lord Mayor of Melbourne, Australia (2006), and Helen Zille, Mayor of Cape Town, South Africa (2008).<sup>1</sup> The short-list in the 2010 competition includes nine candidates from Europe, six from Asia, and four from North America; two Canadian mayors are short-listed: Dave Bronconnier, outgoing mayor of Calgary, and Dianne Watts, current mayor of Surrey.

## City Limits

But if power begins with The Mayor, it certainly does not end there. As the head of a municipal corporation, a mayor does not have unlimited power: usually, a mayor has to work with a city council, and in many cities the council, as a group, has just as much power as the mayor.

*The dilemma of local government:*

*The level of government that is closest to the people -- where individual citizens feel they have the best chance of being heard on issues they care about -- tends to have the most limited kinds of powers.*

*The political scientist Paul Peterson famously declared, “City politics is limited politics.”*

Moreover, municipal governments have very limited powers compared to “higher” levels of government. The fascinating paradox of local governance, then, is this: **bodies of government that are closest to the people, where individual residents often feel they have the best chance of being heard on issues they care about, tend to have the most limited kinds of authorities.** This paradox has led some political scientists to regard the study of urban areas as insignificant or irrelevant: one of the most influential analysts to ever write on this topic, Paul Peterson, described all the things that local governments cannot do -- they can’t declare war, they can’t issue their own currency or erect trade barriers, they can’t issue passports -- and then concluded simply, “City politics is limited politics.”<sup>2</sup>

Why is city politics limited politics? Three factors are most important.

1. **First, higher levels of government control the kinds of things that municipal bodies can do.** These limits are most pronounced in federal systems of government like Canada -- groups of large regions that come together in a union and give up some of their own power to a central, federal government. The confederation of provinces in Canada set the tone for extremely limited

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<sup>1</sup> The survey methodologies involve a combination of polls of expert panelists and ratings by visitors to the City Mayors website, which attempts to ensure some degree of quality control: “In order to eliminate multiple, fraudulent and/or organised rating by political foes and friends of mayors, all submissions are processed manually and, if deemed questionable, cross-checked.” City Mayors (2010). *World Mayor: The Year’s Most Outstanding Mayors*. <http://www.worldmayor.com>, last accessed November 4. London: City Mayors, Ltd.

<sup>2</sup> Paul Peterson (1981). *City Limits*. Chicago: University of Chicago Press, pp. 1-2.

local government powers. Several cities in Canada were incorporated well before the creation of the country itself in Confederation: Montreal was incorporated in 1604, Halifax in 1789, and Toronto in 1834. In 1849, the passage of the **Baldwin Act** in Upper Canada (roughly corresponding to the southern part of Ontario) was greeted by many as a ‘charter of municipal freedom,’ since it recognized a certain degree of local authority to raise funds for improvements, and to deal with various matters of public order and safety. But the Baldwin Act set four precedents which have shaped municipal-provincial relations ever since. First, “municipal councils were the creatures of the provincial legislature and were subject to its sovereign

*Why city politics is limited politics:*

*1. Higher levels of government place controls on what municipalities are allowed to do. In Canada, ever since the precedents set by the Baldwin Act of 1849, cities have been “creatures of the provinces.”*

*2. Contemporary attitudes towards governments and taxation have made it much more difficult to finance public services.*

*3. Local governments are constrained by the preferences of mobile “consumer-voters,” who can “vote with their feet” -- moving among cities based on tax rates and public services.*

authority. ... The legislature asserted instead that the municipalities were its own creation and could be altered and abolished at will: thus, a community that was recognized as a municipality one day could be denied that status the next. Local constitutions were to depend not on local decision, but on provincial legislation.”<sup>3</sup> Second, the Baldwin Act was based on the notion that the authorities of a municipality should vary with size: big cities got more authority than small municipal authorities in rural areas -- in part because leaders in rural areas were resigned to the fact that large, distant cities needed autonomy, but would not tolerate the expansion of powers for local small-town governments. Third, the Baldwin Act entrenched the principle that “only men who had houses, farms, or businesses of their own should be entitled to vote. Moreover, this property had to be of a certain value. ... The rationale for this was that most of the functions of municipal government were related to real property and were supported by taxes upon it.”<sup>4</sup> The fourth principle established by the Baldwin Act went hand in hand with the interests of property-owning men: an emphasis on municipal governments as custodians of real estate wealth. People of the property-owning classes

“were obviously not interested in creating welfare agencies at the local level, and they had remarkable success in

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<sup>3</sup> Warren Magnusson (1983). “Introduction: The Development of Canadian Urban Government.” In Warren Magnusson and Andrew Sancton, eds., *City Politics in Canada*. Toronto: University of Toronto Press, 1-57, pp. 6-7.

<sup>4</sup> Magnusson, Introduction, p. 7.

institutionalizing a system that virtually precluded municipal government from assuming that role. The implicit assignment of the municipal councils to functions of property management was the fourth great principle of the local government system that became established in Canada.”<sup>5</sup>

Confederation reinforced the subordinate status of municipal governments in relation to the provinces. *The British North America Act, 1867*, and the *Constitution Act, 1867*, gave provincial governments exclusive power and responsibility over municipal institutions: since then, municipalities in Canada have only been able to do things that have been explicitly authorized or delegated by provincial legislatures. Cities in Canada are thus “creatures of the provinces,” leading analysts who care about local governance issues to find ever more creative and elegant ways of lamenting the limits:

“Canadian local governments are widely regarded as minor players in the Canadian federal scene. The limelight of intergovernmental relations is taken by the federal and provincial governments, and local governments, if acknowledged, are well back in the shadows, forgotten in the excitement and turmoil of federal-provincial relations.”<sup>6</sup>

“If one were to think of governmental victims in our federal system, then urban governments might seem to fill the bill.”<sup>7</sup>

**2. Second, contemporary attitudes towards governments and taxation have made it much more difficult to secure revenues to finance public services.** This is a national trend, but it has the most severe effects at the local level. Since the late 1970s, distrust of government has altered politics in many nation-states. Ever since the rise to power of Margaret Thatcher in the U.K. (1979), Ronald Reagan in the U.S. (1980), and Brian Mulroney in Canada (1984), nearly all national political figures have been forced to find ways of pursuing policies without openly endorsing tax increases.

Any political figure who can be portrayed as raising taxes immediately becomes vulnerable. Consider the case of Gordon Campbell, who got his start in politics at the municipal level in British Columbia. Campbell first served as an assistant to Vancouver Mayor Art Phillips in the 1970s, winning election to the Mayor’s office in 1986, and then working his way to the leadership of the B.C. Liberal Party. Campbell led his party to power in part on promises to cut taxes, winning consistent and large majorities in the Provincial Legislature beginning in 2001. But the year 2010 brought a dramatic reversal of fortune: Vancouver’s hosting of the Winter Olympic Games allowed the Premier, an early and steadfast supporter of the bid, to bask in the national and international glow that typically comes with such mega-events. But his leadership eventually unleashed voters’ wrath with the harmonization of the provincial and federal goods

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<sup>5</sup> Magnusson, Introduction, p. 8.

<sup>6</sup> Harry M. Kitchen and Melville L. McMillan (1985). “Local Government and Canadian Federalism.” In Richard Simeon, ed., *Intergovernmental Relations*. Royal Commission on the Economic Union and Development Prospects for Canada. Toronto: University of Toronto Press, 215-261, quote from p. 215

<sup>7</sup> Katherine Graham, Susan Phillips, and Allan Maslove (1998). *Urban Governance in Canada: Representation, Resources, and Restructuring*. Toronto: Harcourt Canada, p. 198

and services taxes, which changed the mixture of tax burdens among consumers and businesses and increased costs on certain transactions that had been exempted under the old system. By the fall of 2010, opinion polls indicated that fewer than one in ten B.C. residents approved of Campbell as leader. On November 3, Campbell announced his intention to step down.



**'It was as true,'** said Mr. Barkis, **'...as taxes is.** And nothing's truer than them.' Charles Dickens (1812-1870), David Copperfield, quoted in Una McGovern, ed. (2005). *Webster's New World Dictionary of Quotations*. Hoboken, NJ: Wiley-Blackwell, p. 269. Frustration over the implementation of a "Harmonized Sales Tax" between the provincial and federal government revenue streams led to Campbell's resignation in late 2010. Doug Ward (2010). "Anti-Tax Campaigner Done in by a Tax." *Vancouver Sun*, November 4, A5. Image by Mary McNeil, reproduced by Creative Commons Attribution - Share Alike 2.0 license, via Wikimedia Commons.

One consequence has been a reallocation of the roles and responsibilities of national and state or provincial units of government in relation to cities. Federal and provincial governments have traditionally included small line items in their budgets for **revenue sharing** and **intergovernmental transfers** -- providing assistance to local governments for certain functions, or to particular kinds of municipalities dealing with structural economic distress. But in recent years, federal and provincial governments have sought to reduce these transfers. Moreover, in several areas, federal and state governments have reduced or eliminated certain types of public services that many citizens regard as essential. When higher-level governments withdraw support for these activities, local governments are forced to choose between abandoning services and angering residents, or trying to find ways to pay for them on their own. In Canada, this process is known as **downloading**; in the United States, it is usually called **devolution**.

## *“Downloading” and “devolution”*

*When national, state, or provincial governments withdraw funding support for programs that are important to cities, local governments are forced to choose between service cuts or paying the costs from local revenues.*

*Downloading and devolution increase inequalities between growing and declining cities.*

City residents want better public services: good fire and police protection, attractive parks, reliable water, sewer, and electricity services, and so on. But they also want low taxes. Municipal governments deal with this tension in several ways. There has been a proliferation of fees, user charges, and all sorts of other mechanisms to raise revenue: anything that can plausibly be called something other than a ‘tax.’ Local governments have also been forced to **privatize** various functions that were once supplied by governments. Sometimes privatization is indirect, through the creation of **public-private partnerships** (often dubbed **P-3**’s). P-3s have grown dramatically across nearly all democratic

market economies in the past generation. These arrangements are desirable for elected local officials, who can escape blame for unpopular decisions made by entities that can be portrayed as separate entities held at arm’s length. P-3s are also often shielded from various laws on open meetings, public access to records, and other provisions of local democracy that city power brokers often regard as troublesome.

All of these trends have intensified the competitive pressures facing local governments. Most municipalities now see their key roles as creating the most conducive environment possible for economic development and investment. The functions that are least likely to be cut or eliminated are those that are either a) regarded as essential to public order and safety, or b) can pay for themselves.

**3. The third reason for the limits on local governance is residential mobility.** When local governments do things that residents dislike, people have an “exit/voice” choice: they can protest and organize to change the way things are done, or they can decide to leave. In general, the people with the most influential voices in city politics tend to be, even today, the same kinds of people envisioned in the Baldwin Act of 1849: property owners. And among property owners, it is the higher-income homeowners who are the most concerned with costs like property taxes, and who are the most mobile. When a city government tries to raise revenues with higher property taxes, middle- and higher-income households are more likely to consider leaving, while potential in-movers may think twice, or may be willing to pay less to buy a home in a jurisdiction with a higher tax rate.

Half a century ago, this process was identified by Charles M. Tiebout, in a landmark article titled, “A Pure Theory of Local Expenditures.” Tiebout was fascinated by a debate in economics

### *The Tiebout Hypothesis*

*Local governments are constrained by the preferences of the most mobile, middle-class property owners -- the “consumer-voters” who choose where to live based on the mixture of benefits (public services) and costs (property tax rates).*

*Charles Tiebout demonstrated that in fragmented metropolitan regions, consumer-voters will “vote with their feet,” gradually forcing local governments into an efficient, competitive equilibrium that provides the best possible services at the lowest possible cost.*

at the time over the provision of public goods -- services like fire protection, police protection, etc., that were provided by local governments rather than according to the free-market operation of private enterprise: “Seemingly, we are faced with the problem of having a rather large portion of our national income allocated in a ‘non-optimal’ way when compared with the private sector.” But Tiebout saw that this situation really only applied at the national level. At the local level, public services were actually being subjected to market forces and competition, because residents can move between different local governments that provide different kinds of public services and that charge different levels of taxes. Tiebout viewed residents as “**consumer-voters**” who “vote with their feet.”

“The consumer-voter may be viewed as picking that community which best satisfies his preference pattern for public goods. ... the consumer-voter moves to that community whose local government best satisfies his set of preferences. The greater the number of communities

and the greater the variance among them, the closer the consumer will come to fully realizing his preference position.”<sup>8</sup>

Tiebout offered a model to explain how local government competition for mobile citizen-voters would, at the extreme, approximate the competitive private-market dynamics for public services. The first three (and the most important) assumptions of Tiebout’s model are

- “1. Consumer-voters are fully mobile and will move to that community where their preference patterns ... are best satisfied.
2. Consumer-voters are assumed to have full knowledge of differences among revenue and expenditure patterns and to react to these differences.

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<sup>8</sup> Charles M. Tiebout (1956). “A Pure Theory of Local Expenditures.” *Journal of Political Economy* 64, October, pp. 416-424, quote from p. 419.

3. There are a large number of communities in which the consumer-voters may choose to live.”<sup>9</sup>



**The Municipal Matrix in Metro Vancouver.** Metro Vancouver (2010). *Map of Metro Vancouver Municipalities, May 2010.* Burnaby, BC: GVRD / Metro Vancouver. Reproduced by non-commercial, educational use permission.

<sup>9</sup> Tiebout, “A Pure Theory,” p. 419.

Under these assumptions, local governments will compete to provide the services most attractive to consumer-voters for a particular price. Over time, if there is enough residential mobility, and if there are enough local government choices of where to live, an urban region will tend towards an equilibrium in which even public goods are provided according to the rules of the competitive private market.

This line of reasoning came to play a central role in a broader theory, “**public choice theory**,” that has been deeply influential in political science, economics, planning, and public policy for many years.<sup>10</sup> Public choice theory was developed as an approach to study political processes through the lens of economics:

“It contends that elected politicians and government bureaucrats make decisions on the basis of self-interest. So, the behaviour and decisions of all individuals within the political sphere is instrumental. Politicians enact policies in terms of ensuring re-election, the voters remain deliberately ignorant because individually they do not understand it to be in their interest to learn more, and bureaucrats -- those who put decisions into practice -- do whatever is necessary to keep their jobs and get promoted. All involved strive to maximize their own welfare. At each decision, politicians, voters, and bureaucrats make a rational choice.”

### *Public choice theory*

*The application of the principles of economics to study the behavior of governments and political processes. Politicians, voters, and bureaucrats are assumed to make rational choices, at each decision, in order to maximize their own self-interest.*

Critics charge that these kind of explanations are too deterministic and economic. For politicians and voters, a wide range of factors can come into play, even if self-interest does always seem to be an important factor. And in the case of the residential mobility in the Tiebout hypothesis, constraints and happenstance do matter: middle-class residents often wind up living in places that look ‘suboptimal’ through the lens of tax rates and public expenditures.<sup>11</sup> Critics also suggest that the race-to-the-bottom logic of Tiebout’s theory simply does not capture the variety of paths that city governments can take. While it

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<sup>10</sup> Paul Peterson published a landmark book in 1981 summarizing this framework. A few years later he applied this framework to analyze the crisis of deindustrialization, suburbanization, and rising poverty that was hitting industrial cities, and particularly African Americans, especially hard. Peterson suggested that “The industrial city has become an institutional anachronism,” and he also believed that federal policies should not try to slow the technological changes associated with suburbanization and changing labor requirements. Peterson saw federal policies as “anchoring” poor minorities in declining cities and regions, further reducing their chances for moving to new opportunities as public-choice theory would suggest. Paul E. Peterson, editor (1985). *The New Urban Reality*. Washington, DC: Brookings Institution Press.

<sup>11</sup> In other words: many middle-class residents could not draw up a list of cost-and-benefit items for their current residents, much less for other municipalities nearby. And yet public choice theory presumes that, on average, middle-class households do just this. Most middle-class taxpayers routinely complain about high taxes, but very few actually know the details of their tax rate or of their city’s budget and expenditures.

would seem that all cities should be forced by mobile consumer-voters to keep low taxes and provide the most efficient public services, there are in fact many different kinds of configurations: one classification of local governance types identifies six distinct categories: aggressive, regulatory, cooperative, retentive, reactive, and anti-development.<sup>12</sup>

### Municipal Taxes by Property Class, City of Vancouver, 2009

July 1, 2009 Population Estimate	Property Class	Taxable values	Tax rate	Total taxes	Total Municipal Taxes	% Total Taxes
615,473	Residential	131,895,644,740	2.14	281,850,441	281,850,441	50
	Utilities	175,636,255	39.41	6,921,143	6,921,143	1
	Major Industry	200,510,100	30.29	6,073,325	5,465,864	1
	Light Industry	481,530,400	10.35	4,982,867	4,982,867	1
	Business/Other	26,032,640,064	10.35	269,385,239	269,385,239	47
	Managed Forest	0	0.00	0	0	0
	Recreation	263,940,700	2.09	551,296	551,296	0
	Farm	116,506	2.09	243	243	0

Total 569,157,093

Total municipal taxes per capita: 925.

Ministry of Community and Rural Development (2010). "Local Government Tax Rates and Assessments, 2009." Victoria: Government of British Columbia. Available at [http://www.cd.gov.bc.ca/lgd/infra/tax\\_rates/tax\\_rates2009.htm](http://www.cd.gov.bc.ca/lgd/infra/tax_rates/tax_rates2009.htm)

### Types of City Government

Regional contrasts in political climate are not the only factors that matter for cities. Specific legal provisions determine how cities are established, organize, and operate. First, the U.S. Constitution gives states direct power over cities. In Canada, provinces hold even more power over cities. *General-law cities* are defined under state and provincial constitutions that provide for general powers that all cities or municipal governments are able to possess; usually, these powers are very limited. *Charter cities* involve specific delegations of legal authority and autonomy from state or provincial legislatures: charter cities essentially have something like their own formal constitution. Home-rule cities represent a particular form of charter cities, giving local residents some power to decide the scope of city power within limits established by a state legislature. But in all of these affairs, Dillon's rule applies: Judge John F. Dillon, a prominent U.S. authority on municipal affairs, is best remembered for the general tendency of state courts to interpret city powers narrowly whenever disputes arise between cities and states. The Canadian counterpart is nicely summed up by Christopher Leo: "...local governments are 'creations of the provinces,' a phrase that goes all the way back to K.G. Crawford [in a 1954 book published by the University of Toronto Press], which is a Canadian municipal expert's way of saying 'to the dawn of time.'"<sup>13</sup> The Union of British Columbia Municipalities specifies that

<sup>12</sup> E. Barbara Phillips (1996). *City Lights: Urban-Suburban Life in the Global Society*. New York: Oxford University Press, p. 331.

<sup>13</sup> Christopher Leo (1995). *The State in the City*. In *Canadian Metropolitics: Governing Ourselves*. Toronto: Copp Clark Ltd., 27-50, quote from p. 28.

“The general rule is that local government does not have the power to do anything except that which the legislation provides the authority to do. ... Powers given by a statute may be limited by another Provincial or Federal statute. Where there is a conflict between a Provincial statute and a local bylaw, the statute prevails.”<sup>14</sup>

Vancouver is the only city in British Columbia, and one of the few cities in Canada, with its own charter. The *Vancouver Charter* was granted by the Provincial legislature in 1953, and has been amended several times since then. The *Charter* specifies the procedures for elections, the required protocol for City Council activities, and a wide range of authorities for the provision of various public services, street maintenance, business licensing, and property tax authority. Vancouver’s *Charter* gives the city much more autonomy than other municipalities. In recent years, however, British Columbia has implemented legislation -- the Community Charter Act -- that gives general-law jurisdictions somewhat more authority.

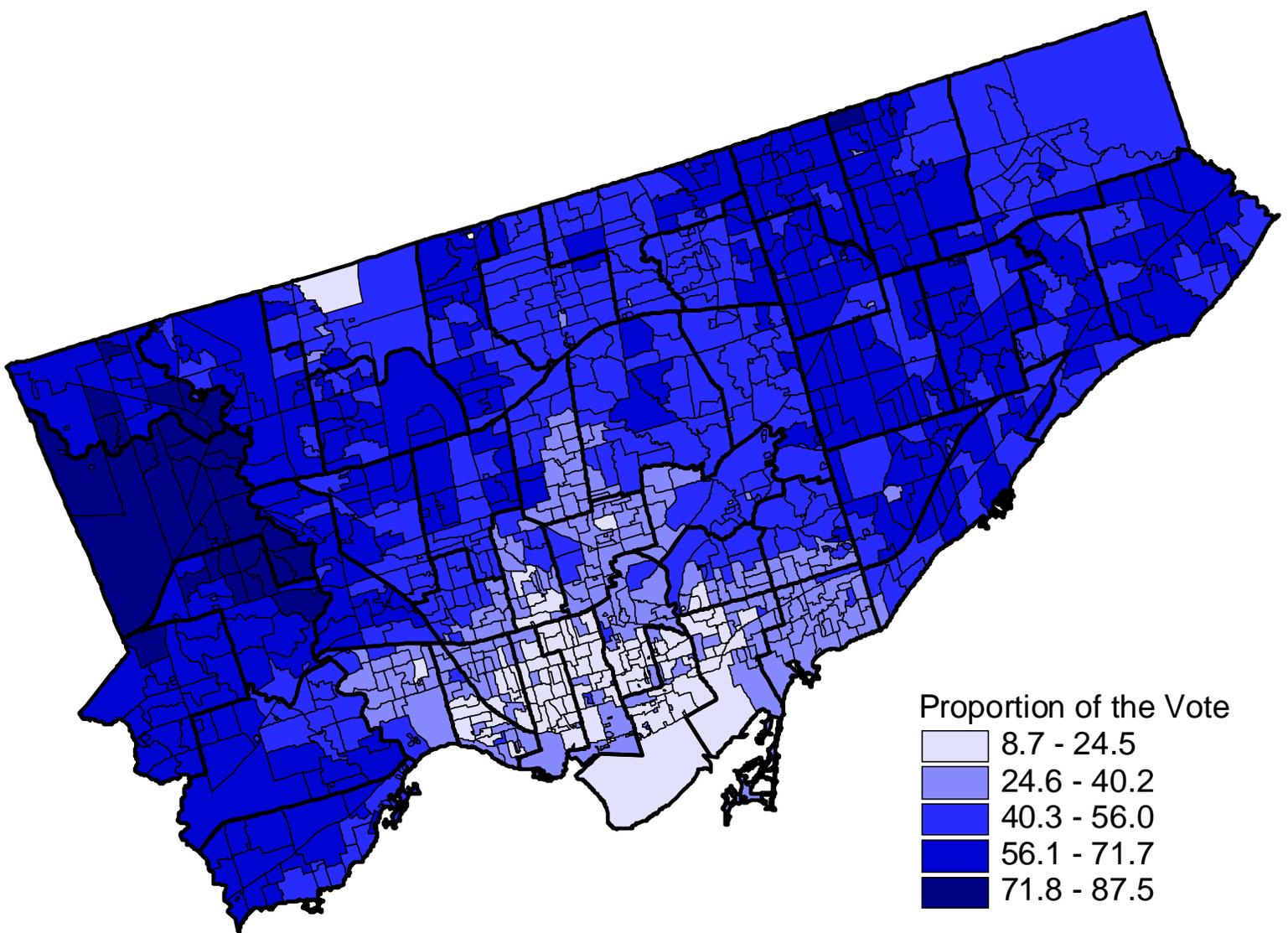
*The Mayor-Council form of city government is also called the “Strong Mayor” model. It is most common in larger cities.*

Cities are usually organized in one of two ways. A **Mayor-Council** form, the most common for large cities, involves the separate election of a mayor and a city council. Normally, the mayor has the power to appoint (and remove) department heads, giving this position considerable power: mayor-council governments are also usually called “Strong Mayor” cities. By contrast, a **Council-Manager** form of government gives the power over

departments to a city manager who works under the supervision of the council. The mayor may be elected independently of the council, or appointed from among the council members. But the mayor has relatively little direct, independent power over departmental activities: this is often called the “Weak Mayor” arrangement. The Council-Manager form is more common among medium-sized cities. There is a third type of organization, but it is used very little today. In the **Commission** form of government, a small number of commissioners are elected and serve a dual role as city councilors and departmental managers. A mayor is selected from among the commissioners, but has little beyond a ceremonial role. The key limitation of this form of government is the lack of any clear, strong leadership. For these reasons, some observers argue that commission forms only worked in very small, homogeneous communities where there was no need for a strong leader to assume the role of balancing competing interests in the push-and-pull of city politics.

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<sup>14</sup> Union of British Columbia Municipalities (2006). *Fact Sheet 1: Statutory Basis of Local Government*. Richmond, BC: UBCM, p. 1.



R. Alan Walks (2010). "Toronto Mayoral Election 2010: Proportion of the Vote Going to Rob Ford." Toronto: Department of Geography, University of Toronto. Reproduced by permission. Note: mapped using the 2006 polling division boundaries.

**What Do Local Governments Do?**

Local government is a service industry. Municipalities typically provide some combination of these kinds of services:

1. Policing.
2. Fire protection.
3. Parks and recreation.
4. Garbage collection and recycling.
5. Water, sanitary, and storm sewers.
6. Local roads.
7. Sidewalks.
8. Street lights.
9. Libraries.
10. Cemeteries.
11. Transit.
12. Emergency planning.
13. Community programs.<sup>15</sup>

*The most important source of revenue for local governments: property taxes.*

In British Columbia, municipalities with populations over 5,000 are required to provide police services; 71 municipalities are now subject to this requirement. These governments can establish their own municipal police forces, or they can contract with the Royal Canadian Mounted Police

(or another local government) to provide security. 12 municipalities in B.C. have their own forces, while 59 have contracted with the RCMP.<sup>16</sup>

Municipalities obtain revenues from three main sources:

1. Property taxes.
2. Fees and sales of services.
3. Transfers from other governments.

Property tax revenue is, by far, the most important source of revenue for local governments.

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<sup>15</sup> Union of British Columbia Municipalities (2006). *Local Government in British Columbia: A Community Effort*. Richmond, BC: UBCM, p. 17.

<sup>16</sup> Union of British Columbia Municipalities (2006). *Fact Sheet 10: Policing*. Richmond, BC: UBCM, p. 1.

### Municipal Revenues for B.C. Municipalities.

Source	Revenues	Percentage
Total own-source taxation (mostly property taxes)	\$ 2,450,727,526	48.1
Grants in lieu	93,133,158	1.8
Sale of services	1,578,340,934	31.0
Transfers from federal government	29,702,571	0.6
Transfers from provincial government	244,198,426	4.8
Transfers from regional and other governments	55,643,835	1.1
Developer contributions	249,468,467	4.9
Disposition of assets	143,207,824	2.8
Actuarial adjustments	24,811,684	0.5
Other investment income	137,491,747	2.7
Other revenue	84,277,823	1.7
<b>Total</b>	<b>5,091,003,995</b>	

*Source:* Union of British Columbia Municipalities (2006). *Fact Sheet 8:*  
Local Government Revenue, 2004. Richmond, BC: UBCM, p. 2.

### New Relations, Shifting Alliances

There have been three major shifts in city fortunes over the last two generations.

1. First, political power has generally drifted towards the suburbs. In some cases, suburbs received greater power in the way seats are allocated in state and provincial legislatures. In the United States, for example, a Supreme Court decision in the early 1960s (*Baker v. Carr*) changed the principles by which state legislatures were apportioned amongst electoral districts. Rural domination of state governments was gradually replaced by a new suburban political power. In other cases, suburban interests have received greater power through the amalgamation of central city and suburban jurisdictions. In most cases, suburban legislators find it easier to forge alliances with other suburbs, or with rural areas -- and tend not to support central-city priorities.

2. Second, the collapse of “golden age” growth trends in the late 1960s and early 1970s ushered in a new era of diminished expectations, uncertainty, and economic pessimism. The result was to erode the willingness of middle-class suburbanites to tolerate redistributive policies. When faith in continued growth faltered, uncertainty led many middle-class suburbanites to view social assistance and other city-based needs as direct claims on their own wealth. Phillips provides a handy summary of political interpretations of the new divisive climate:

“Liberals would say that the well-off blame the victims. Conservatives would say that the well-off rightly blame those who have not helped themselves but prefer to live off government giveaways. Radicals would say that it is ironic: A group of better-off people blame those at the bottom of the social ladder instead of the structures of capitalism that tend to impoverish them both.”<sup>17</sup>

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<sup>17</sup> Phillips, *City Lights*, p. 335.

In recent years, however, one notable irony is that once-middle class suburbs are now feeling the pain of what were often regarded as “urban” problems -- falling tax bases, rising crime, deteriorating infrastructure, rising poverty, and so on.

3. Third, local governments seem to have taken on new functions as a direct response to the insecurities and concerns of globalization. In the face of seemingly overwhelming global problems, many city residents feel that their only direct power is at the local level. One result has been a proliferation of intensely local responses to global issues: local ordinances designed to respond to the threat of global climate change; nuclear-weapons-free declarations; and, most recently, local resolutions against the U.S. war in Iraq. Some observers see these local responses as nothing more than symbolic, reactive measures.

Others see the possibility for more far-reaching change. In *Spaces of Hope*, for example, the geographer David Harvey analyzes the struggle for a “living-wage” ordinance in Baltimore, Maryland. Harvey’s analysis is a fusion of broad, theoretical-historical perspectives (“Ever since Thomas Hobbes roundly declared that ‘the value of a man is his price,’ the question of the proper value of labor power has hovered over capitalism as a problem as difficult to resolve theoretically as it has been practically.”<sup>18</sup>) and detailed considerations of local, on-the-streets organizing tactics. Harvey documents the long, hard work of an interfaith alliance, Baltimoreans United in Leadership Development (BUILD). The movement succeeded with a citywide policy for all employers with city contracts to pay a living wage substantially above the Federally mandated minimum. “Though the Mayor initially resisted on the grounds of keeping Baltimore competitive in the face of ‘globalization,’ he now claims the effort is cost-effective (when the reduced cost of social services to the impoverished poor is factored in).”<sup>19</sup> The living-wage movement has spread to at least three dozen other U.S. cities. For Harvey, this inherently local struggle, with all of its unique circumstances, need not be limited to the distinctive circumstances in which it emerged:

“The struggle for a living wage within the space of Baltimore has its place in a more universal struggle for rights, for justice, dignity, and decency in all the interstices of a globalizing capitalism. Its particularities make it peculiar, give it strengths and weaknesses, but they are not irrelevant to the achievement of a more universalizing politics. And while the numbers of people so far affected are small, the manner of these campaigns illustrates how frustration of politics at one scale can potentially be met by a shift to a different scale of political action.”<sup>20</sup>

### **Case Study: ‘The Energizer Bunny of Urban Politics’**

Many urban studies textbooks provide valuable and concise summaries of the durable structures of urban politics in North America: the basic story line involves the inescapably subsidiary

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<sup>18</sup> David Harvey (2000). *Spaces of Hope*. Berkeley: University of California Press, p. 121.

<sup>19</sup> Harvey, *Spaces*, p. 126.

<sup>20</sup> Harvey, *Spaces*, p. 130.

nature of cities in relation to states or provinces.<sup>21</sup> But we must recognize several other changes that have complicated these longstanding divisions. One development has been a growing movement to respond to the problems of highly fragmented metropolitan areas. Throughout the United States, and in many parts of Canada, large functional metropolitan regions are fragmented into many municipalities that are forced to compete for tax-paying companies and families. In general, a small number of municipalities in a “favored quarter” of the metropolitan region wind up winning this competition, to the detriment of old central cities as well as declining inner-ring suburbs. Unfortunately, inner-ring suburbs still see themselves as suburbs, and are often blind to their shared interests. One advocate of a regional solution to this problem is Myron Orfield, a Minnesota state legislator whose district extended from the city’s poorest neighborhoods out to several modest and middle-class districts to the south and west. Orfield argues that those representing inner-ring suburbs with declining tax bases should forge alliances with central cities, to ensure a fair share of resources in metropolitan areas dominated by a comparatively small number of high tax-base cities. Orfield advocates an entirely new regional agenda, “more than the musings of good-government academics and luncheon speakers. It is the political platform of an increasingly powerful local coalition. Community leaders are deeply aware of the severe consequences of the decline and polarization that have occurred in older, larger metropolitan regions. ... it has become clear that Twin Cities suburban communities are not a monolith with common experiences and political needs. The emergence of these patterns has created a metro-majority political coalition between the central cities, which make up one third of the region’s population, and the inner suburbs and middle-class developing suburbs, which make up another third.”<sup>22</sup> As Orfield emphasizes, however, this coalition is extremely difficult to forge. In economic terms, declining blue-collar suburbs have common interests with the central cities, but the inner ring suburbs “have been a loose cannon politically” because of “long-term, powerful resentments and distrust, based on class and race and fueled by every political campaign” since the late 1960s.<sup>23</sup>

Orfield’s longstanding efforts -- in the early 1990s he was dubbed “the Energizer Bunny of urban politics” by the local press -- met with mixed success. Several attempts to pass regional legislation were vetoed by the state governor. But there is a growing consensus among urban analysts that his diagnosis of urban problems is sound. Todd Swanstrom, Peter Dreier, and John Mollenkopf are all prominent urban political scientists who have spent their careers studying city politics; they recently coauthored an article documenting the rising economic segregation of municipalities in the United States, and its effects in amplifying broader processes that maintain inequality.<sup>24</sup> Swanstrom and his colleagues document the increase in economic segregation, its

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<sup>21</sup> Her summary is a nice overview of a broad literature in urban politics: “U.S. cities are creatures of state law. States can grant or take away powers from cities at will. State legislatures spell out city powers in general laws or charters. In some states, cities are granted considerable discretion to determine their own structures and powers under home rule charters, but even home rule cities are far from independent. Furthermore, cities have been under the domination of state legislatures, historically controlled by rural interests and anti-urban attitudes. Demographic shifts and reapportionment reduced rural domination. But ironically, suburbs -- not cities -- gained the most influence and power from these changes. Unhappily for cities, suburban dominance, combined with economic hard times and fiscal austerity, led to a new and grimmer round of anti-urbanism.” Phillips, *City Lights*, p. 336.

<sup>22</sup> Myron Orfield (1997). *Metropolitcs: A Regional Agenda for Community and Stability*. Washington, DC: Brookings Institution Press, p. 13.

<sup>23</sup> Orfield, *Metropolitcs*, p. 13.

<sup>24</sup> Todd Swanstrom, Peter Dreier, and John Mollenkopf (2002). “Economic Inequality and Public Policy: The Power of Place.” *City & Community* 1(4), 349-372.

effects on political representation, conditions in schools and on the streets, and over all quality of life. They conclude: "...we believe the evidence for the impact of contextual effects is overwhelming. To call for more research is simply an excuse for tolerating the status quo. Indeed, we think urban researchers have a duty to communicate to policy elites and the public the evidence about how place shapes people's lives. Advances in technology have fostered the illusion that we have somehow conquered space and that where we live does not matter much anymore. Awareness of the power of place, especially the negative effects of economic segregation, has the potential to alter the agenda of American politics."<sup>25</sup>

### **"We All Have a Stake in This."**

The stakes here are considerable. Swanstrom and his colleagues argue that

"In what is arguably the most prosperous economy ever on the face of the earth, many places (and the people who live in them) are being left behind. Not only are places becoming economically isolated from the mainstream; they are becoming politically cut off as well. The flight to the suburban fringe does not just sever social relations; it also severs political relations. Never before have economic classes sorted themselves into separate governments the way they have in the United States today. The result is a bland politics at the local level that short-circuits the normal processes of political conflict and compromise and undermines civic participation in both cities and suburbs. Stereotypes and mistrust thrive in such an environment, depleting precious stores of social trust that are necessary for democracy to function effectively. The revival of American democracy requires us to address these matters. We all have a stake in this."<sup>26</sup>

It is unclear whether the drive for regional government will change these troubling trends anytime soon.

There is the understandable resistance of most suburbanites to change along these lines. As the public opinion analyst William Schneider notes, "a major reason people move out to the suburbs is simply to be able to buy their own government. These people resent it when politicians take their money and use it to solve other people's problems, especially when they don't believe that government can actually solve those problems."<sup>27</sup> This process, of course, is the essence of public choice theory and the 'consumer-voters' acting as Charles Tiebout predicted, half a century ago.

The essential conditions that gave rise to Charles Tiebout's famous hypothesis have been strengthened by the movement for deregulation, privatization, and lean-and-mean government that has swept across Europe, the United States, and Canada. Recall that one of the implications of public choice theory is that municipal fragmentation facilitates the achievement of the most efficient form of government, from the perspective of the mobile tax-payer. Although there are influential theories that challenge or reject the premise of this line of thinking, there can be no

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<sup>25</sup> Swanstrom et al., "Economic Inequality," p. 365.

<sup>26</sup> Swanstrom et. al, "Economic Inequality," pp. 365-366.

<sup>27</sup> William Schneider (1992). "The Suburban Century Begins." *The Atlantic Monthly*, July, 33-44.

doubt that political developments over the last twenty years have favored “reinventing” government to be more competitive and business-like. Tiebout’s theory, devised first as an attempt to explain what was happening in the massive wave of suburbanization unfolding in the middle of the twentieth century, eventually became something of an explicit policy followed by local governments: “If consumer-voters are fully mobile, the appropriate local governments, whose revenue-expenditure patterns are set, are adopted by the consumer-voters.”<sup>28</sup>

### **“Be Careful What You Wish For”**

Across Canada, Europe, and the United States, there are new relations between cities and higher levels of government, and there is as yet no clear consensus on whether the result has strengthened the hand of cities. The question of “who runs this town?” is becoming much more complex and contingent, depending upon the realm of social or economic policy involved. In an edited collection examining various urban policy issues in Canada, the political scientist David Siegel offers a chapter titled, “Urban finance at the turn of the century: Be careful what you wish for.” Siegel’s essential argument is that after years of demanding greater autonomy, Canadian municipalities have gained a little bit, and yet with this shift has come new and unexpected responsibilities. “Municipalities have always wanted more control over their own destinies. Particularly, they have wanted to have more autonomy in delivering services as they saw fit without having to labour under the constraints imposed by conditional grants and other forms of provincial controls.”<sup>29</sup> Recent shifts at the federal and provincial level have given some of this autonomy, but have also given municipalities new responsibilities for social service functions (including things like social housing in Ontario), leading many locally-based leaders to criticize a process of “downloading.” As in the United States, city councilors find that the main source of revenue that they can control is also that source that is most difficult to raise -- property taxes -- and so there are efforts to explore other revenue sources to deal with budget crunches.

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<sup>28</sup> Tiebout, “Pure Theory,” p. 424.

<sup>29</sup> David Siegel (2002). “Urban Finance at the Turn of the Century: Be Careful What You Wish For.” In Edmund P. Fowler and David Siegel, editors. *Urban Policy Issues: Canadian Perspectives*. Don Mills, ON: Oxford University Press, 36-53, quote from p. 36.